

KY PSC Case No. 2016-00162
Response to Staff's Data Request Set One No. 001
Respondent: Herbert A. Miller

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

1. Provide a copy of the current bylaws. Indicate any changes made to the bylaws since Columbia's last rate case.

Response:

Attached please find the current bylaws. These have not changed since Columbia's last rate case.

BY-LAWS
OF
COLUMBIA GAS OF KENTUCKY, INC.

Conformed Copy

July 1, 2009

BY-LAWS

ARTICLE I.

Section 1. Seal. The corporate seal of Columbia Gas of Kentucky, Inc. (hereinafter called the Company) shall consist of a metallic stamp, circular in form, bearing in its center the words "Incorporated October 11, 1905" and on the outer edge the words "Columbia Gas of Kentucky, Inc., Lexington, Kentucky".

ARTICLE II.

Section 1. Principal Office. The office of the Company in the State of Kentucky shall be in the City of Lexington, Fayette County.

Section 2. Other Offices. The Company may also have an office or offices at such other place or places, either within or without the State of Kentucky, as the Board of Directors may from time to time determine or the business of the Company require.

Section 3. Corporate Books. There shall be kept at the principal office of the Company a book in which shall be entered the name, post-office address and the number of shares of stock held by each stockholder, and the time when each person became a stockholder and also all transfers of stock, stating when, the number of shares transferred, and by and to whom. This book shall, at all times during business hours, be subject to the inspection of all stockholders and persons doing business with the Company.

ARTICLE III.

Shares and Certificates

Section 1. Certificates for Shares. Each certificate for shares of the Company shall plainly state the number of shares which it represents and shall be in such form as shall be approved by the Board of Directors. The certificates for shares shall be numbered in the order of their issue, shall be signed by the President or Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, and the seal of the Company shall be affixed thereto.

Section 2. Transfer of Shares. Certificates for shares of the capital stock of the Company shall be transferrable on the stock books of the Company by the holder thereof, or by his attorney thereunto authorized by a power of attorney duly executed and acknowledged and filed with the Secretary of the Company, and on surrender of the certificate or certificates for such shares. Every certificate surrendered to the Company shall be marked "Cancelled", with the date of cancellation. The person in whose name shares of stock stand upon the books of the Company shall

be deemed to be the owner thereof for all purposes as regards the Company. No transfer of shares shall be valid as against the Company, its stockholders and creditors for any purpose, except to render the transferee liable for the debts of the Company to the extent provided by law, until it shall have been entered in the share records of the Company. The Board of Directors may also make such additional rules and regulations as it may deem expedient concerning the issue and transfer of certificates for shares of the capital stock of the Company and may make such rules as it may deem expedient concerning the issue of certificates in lieu of certificates alleged to have been lost, destroyed or mutilated.

Section 3. Dividends, Surplus, Etc. Subject to the provisions of the Certificate of Incorporation of the Company, the Board of Directors may (1) declare dividends on the shares of the Company whenever and in such amounts as, in its opinion, the condition of the affairs of the Company shall render it advisable; provided, however, that the Board of Directors shall not declare any dividend when the Company is insolvent or the payment of which would render the Company insolvent, or which would diminish the amount of the capital stock of the Company, and (2) set aside from time to time out of such surplus such sum or sums as it, in its absolute discretion, may think proper, as a reserve fund to meet contingencies or for equalizing dividends or for the purpose of maintaining or increasing the property or business of the Company or for any other purpose it may think conducive to the best interests of the Company.

ARTICLE IV.

Stockholders

Section 1. Annual Meetings. The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may properly come before the meeting, shall be held on the third Tuesday in the month of May of each year, if such day is not a legal holiday, and if a holiday, then on the next business day which is not a legal holiday. If for any reason the annual meeting of the stockholders shall not be held at the time and place herein provided, the same may be held at any time thereafter, but not later than the date which is five months after the close of the Corporation's fiscal year, or the date which is fifteen months after the last annual meeting, whichever is earlier. Such date and time of meeting may be changed by action of the Board of Directors.

Section 2. Special Meetings. A special meeting of the stockholders (except in special cases regulated by statute) may be called at any time by the President or by the Board of Directors, and shall be so called on the written request of holders of record of at least one-fourth of the number of shares of the Company then outstanding and entitled to vote, which written request shall state the objects of such meeting. If such meeting shall not be called within five days after such request shall have been delivered at the office of the Company, the stockholders signing such request may appoint a Chairman, who may be designated in such request and who may call a meeting by notice given as provided in the following section.

Section 3. Notice of Meetings. Subject to the provisions of Section 1 of this Article IV and except as hereinafter in this Section provided or as may be otherwise required by law, notice of the time and place of holding each annual and special meeting of the stockholders shall be in writing and shall be delivered personally or mailed in a postage-prepaid envelope, not less than ten days before such meeting, to each person who appears on the books of the Company as a stockholder entitled to vote at such meeting, and, if mailed, it shall be directed to such stockholder at his address as it appears on such books unless he shall have filed with the Secretary of the Company a written request that notices intended for him be mailed to some other address, in which case it shall be mailed to the address designated in such request. The notice of every special meeting, besides stating the time and place of such meeting, shall state briefly the purpose or purposes thereof, and no business other than that specified in such notice or germane thereto shall be transacted at the meeting, except with the unanimous consent in writing of the holders of record of all the shares of the Company entitled to vote at such meeting. Notice of any meeting of stockholders need not be given to any stockholder, however, if waived by him, whether before or after such meeting be held, in writing or by telegraph, cable, radio or wireless, or if he shall attend such meeting in person or by proxy. Notice of any adjourned meeting need not be given.

Section 4. Place of Meeting. Every meeting of the stockholders of the Company shall be held at the office of the Company in the City of Lexington and County of Fayette, State of Kentucky, or at such other place as shall be specified or fixed in a notice thereof or in a waiver or waivers of notice thereof signed by all the stockholders entitled to vote thereat; provided, however, that meetings at which Directors of the Company shall be elected shall be held at the place specified in Section 1 of this Article IV.

Section 5. Quorum. At all meetings of the stockholders of the Company, except as otherwise provided by law, the holders of a majority of the outstanding shares of the Company, present in person or by proxy and entitled to vote thereat, shall constitute a quorum for the transaction of business. In the absence of a quorum a majority in interest of the stockholders so present or represented and entitled to vote may adjourn the meeting from time to time and from place to place until a quorum shall be obtained. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally called.

Section 6. Organization. At each meeting of the stockholders, the President or, in his absence, a Vice President shall act as Chairman of the meeting and the Secretary of the Company or, in his absence, one of the Assistant Secretaries of the Company shall act as Secretary of the meeting. In case at any meeting none of the officers who have been designated to act as chairman or secretary of the meeting, respectively, shall be present, a chairman or a secretary of the meeting, respectively, shall be present, a chairman or a secretary of the meeting, as the case may be, shall be chosen by a majority in interest of the stockholders present in person or by proxy and entitled to vote at such meeting.

Section 7. Voting. At each meeting of the stockholders each stockholder of record entitled to vote thereat shall be entitled to one vote for each share standing in his name on the books

of the Company except that in elections for directors, which shall be by ballot, each stockholder shall have the right to cast as many votes in the aggregate as he shall be entitled to vote, multiplied by the number of directors to be elected at such election, and each shareholder may cast the whole number of votes for one candidate, or distribute such votes among two or more candidates. Persons holding stock in a fiduciary capacity shall be entitled to vote the stock so held and persons whose stock shall be pledged shall be entitled to vote such stock unless the right to vote be expressly given in writing to the pledgee, in which case only the pledgee, or his proxy, may represent said stock and vote thereon. The vote on stock may be given by the stockholder entitled thereto in person or by proxy duly appointed by an instrument in writing subscribed by such stockholder, or by his attorney thereunto duly authorized, and delivered to the secretary of the meeting. At all meetings of the stockholders, a quorum being present, all matters, except as otherwise provided by law or by the Articles of Incorporation of the Company or by these Bylaws, shall be decided by a majority in interest of the stockholders of the Company present in person or by proxy and entitled to vote.

ARTICLE V.

Board of Directors

Section 1. General Powers. The property, affairs and business of the Company shall be managed by the Board of Directors.

Section 2. Number, Term of Office and Qualifications. The number of directors which shall constitute the whole Board shall be not less than one (1) nor more than five (5) as determined from time to time by resolution of the Board of Directors or by the stockholders. The directors shall be elected at the annual meeting of the stockholders, except as may be provided elsewhere in the By-Laws, and each director elected shall hold office until his or her successor is elected and qualified or until his or her earlier death, resignation or removal in a manner permitted by statute or these By-Laws. Directors need not be stockholders.

Section 3. Election of Directors. Except as otherwise provided by law or by these Bylaws, at each meeting of the stockholders for the election of directors at which a quorum shall be present, the persons receiving a plurality of the votes cast shall be directors.

Section 4. Organization. At each meeting of the Board of Directors, the President or, in his absence, a Vice President or, in the absence of the President and Vice Presidents, a chairman chosen by the majority of the Directors present shall preside. The Secretary of the Company shall act as secretary of the Board of Directors. In case the Secretary shall be absent from any meeting of the Board of Directors, an Assistant Secretary shall perform the duties of the Secretary at such meeting and in case the Secretary and the Assistant Secretaries shall be absent from any meeting of the Board of Directors, the President may appoint any person to act as secretary of the meeting.

Section 5. Resignations. Any director of the Company may resign at any time by giving written notice to the President or to the Secretary of the Company. Such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless

otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Removal. Any director may be removed with or without cause at any time by the affirmative vote of the majority in interest of the stockholders of record of the Company entitled to vote, given at a special meeting of the stockholders called for the purpose or at any annual meeting of stockholders; and the vacancy in the Board caused by such removal may be filled by the stockholders at such meeting.

Section 7. Vacancies. Any vacancy in the Board of Directors (whether because of death, resignation, disqualification, any increase in the number of directors, removal or any other cause) shall be filled either by the Board of Directors at any regular or special meeting thereof, by the vote of a majority of the directors in office at the time of such meeting, or by the stockholders at the next annual meeting or any special meeting called for the purpose, and the director or directors so elected shall hold office for a term to expire at the next annual election of directors or until his or their successor or successors shall be duly elected and qualified.

Section 8. Place of Meetings. The Board of Directors may hold its meetings, have one or more offices, and may keep the books and records of the Company, except as otherwise required by law, at such place or places within or without the State of Kentucky as the Board may from time to time by resolution determine.

Section 9. Annual Meetings. After each annual election of directors, the newly elected directors may meet for the purpose of organization, the election of officers and the transaction of other business at such place and time as shall be fixed by the stockholders at the annual meeting or by written consent of the directors, or upon such notice as is hereinafter in Section 11 of this Article V provided for special meetings of the Board of Directors.

Section 10. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as the Board shall by resolution determine. Notice of regular meetings need not be given. If any day fixed for a regular meeting shall be a legal holiday, then such meeting which would otherwise be held on that day shall be held at the same hour and place on the next succeeding secular day not a legal holiday.

Section 11. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the President or two of the directors. Notice of each special meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least five (5) days before the day on which the meeting is to be held, or shall be sent to him at such place by telegraph, cable, radio or wireless, or be delivered personally or by telephone at least two (2) days before the day on which the meeting is to be held. Every such notice shall state the time and place but need not state the purposes of the meeting. Notice of any such meeting need not be given to any director, however, if waived by him, whether before or after such meeting be held, in writing or by telegraph, cable, radio or wireless, or if he shall attend such meeting in person, and any meeting of

the Board of Directors shall be a legal meeting without any notice thereof having been given if all of the directors shall be present thereat.

Section 12. Quorum and Manner of Acting. A majority of the directors in office at the time of any regular or special meeting of the Board of Directors shall constitute a quorum for the transaction of business at such meeting and the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present may, without notice other than announcement at the meeting, adjourn the meeting from time to time until a quorum be had.

Section 13. Fees. Each director shall, unless he is a salaried officer or employee of the Company or of any corporation owning a majority of the stock of the Company, or of a corporation controlled by a corporation owning a majority of the stock of the Company, be paid such fee, if any, as shall be fixed by the Board of Directors, for each meeting of the Board which he shall attend and in addition his transportation and other expenses actually incurred by him in going to the meeting and returning therefrom. The same payment shall be made to anyone other than a director officially called to attend any such meeting.

ARTICLE V(A).

Executive Committee

Section 1. Number, Term of Office, and Qualifications. The Board of Directors shall, by resolution adopted by a majority of the whole Board, designate annually three or more of their number, one of whom shall be the President of the Company, to constitute an Executive Committee. The Board of Directors may also designate as alternate members of the Executive Committee other Directors who, in the event of disaster or emergency resulting from nuclear or other major destruction, shall serve, in such order of succession as the Board may prescribe, in the place of any member or members of the Executive Committee who may, at the time of such destruction, be incapacitated or prevented from reaching the place where the meeting of the Executive Committee is to be held. When the Board of Directors is not in session, the Executive Committee shall have, and may exercise, all lawfully delegable powers of the Board of Directors. Each member of the Executive Committee shall continue to be a member thereof only during the pleasure of a majority of the whole Board.

Section 2. Chairman and Secretary. The President shall be the Chairman of the Executive Committee and the Secretary of the Company shall act as Secretary thereof. In case the President is not present, the Committee shall appoint a Chairman of the meeting. In the absence from any meeting of the Executive Committee of its Secretary, the Committee shall appoint a Secretary of the meeting.

Section 3. Regular and Special Meetings - Notice and Rules of Procedure. Regular meetings of the Executive Committee, of which no notice shall be necessary, shall be held on such

days and at such places as shall be fixed by resolution adopted by a majority of such Committee and communicated to all of its members. Special meetings of the Committee may be called at the request of any member of such Committee. Two days' notice of each special meeting of the Committee shall be given by mail, telegraph or telephone or be delivered personally to each member of such Committee. Notice of any such meeting need not be given to any member of the Committee, however, if waived by him in writing or by telegraph or cable, whether before or after such meeting be held, or if he shall be present at the meeting; and any meeting of the Committee shall be a legal meeting without any notice thereof having been given, if all the members of the Committee shall be present thereat. In the absence of written instructions from a member of the Committee designating some other address, notice shall be sufficiently given if addressed to him at his usual business address. Subject to the provisions of this Article V(A), the Committee, by resolution of a majority of all of its members, shall fix its own rules of procedure and shall keep a record of its proceedings and report them to the Board of Directors at the next regular meeting thereof after such proceedings shall have been taken. All such proceedings shall be subject to revision or alteration by the Board of Directors; provided, however, that third parties shall not be prejudiced by such revision or alteration.

Section 4. Quorum and Manner of Acting. A majority of the Executive Committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the Committee. Less than a quorum may adjourn a meeting. The members of the Committee shall act only as a committee, and the individual members shall have no power as such.

Section 5. Resignation. Any member of the Executive Committee may resign at any time by giving written notice to the President or to the Secretary of the Company. Such resignation shall take effect at the time specified in such notice and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. Any vacancy in the Executive Committee shall be filled by the vote of a majority of the Board of Directors.

Section 7. Fees. The members of the Executive Committee shall be entitled to receive such fees and compensation as the Board of Directors may determine.

ARTICLE VI.

Officers

Section 1. Number. The officers of the corporation shall be a chief executive officer; a president; a treasurer; a corporate secretary; a controller; an assistant treasurer, an assistant corporate secretary, and such other officers as may be elected in accordance with the provisions of this article. The Board of Directors may, by resolution, create additional offices, all of which shall be elected by the Board of Directors. The same individual may simultaneously hold more than one (1) office in the corporation.

Section 2. Appointment and Tenure. The officers of the corporation to be appointed by the Board of Directors or the chief executive officer generally shall be appointed annually by the Board of Directors at the annual meeting of the Board of Directors held after each annual shareholder meeting or by the chief executive officer at his or her discretion. If the appointment of officers shall not be held at such meeting of the Board of Directors, such appointment shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors or by the chief executive officer at his or her discretion. Each officer shall hold office until the officer's successor shall have been duly appointed and shall have qualified or until the officer's death or until the officer shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent may be removed by the Board of Directors or the chief executive officer whenever in its or the chief executive officer's judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment of an officer or agent shall not of itself create contract rights.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors or the chief executive officer for the unexpired portion of the term.

Section 5. Chief Executive Officer. The chief executive officer of the corporation shall actively manage the business of the corporation and may sign deeds, mortgages, bonds, contracts or other instruments whether or not under the seal of the corporation, which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors or by these bylaws to some other officer or agent of the corporation; and shall perform such other duties as may be prescribed by the Board of Directors from time to time. The chief executive officer shall have general powers of supervision and shall be the final arbiter of all differences between officers of the corporation and the chief executive officer's decision as to any matter affecting the corporation shall be final and binding as between the officers of the corporation subject only to its Board of Directors.

Section 6. President. The president may sign with the corporate secretary or an assistant

corporate secretary, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors. The president of the corporation shall carry out his or her duties under the general supervision of the chief executive officer. The president shall have concurrent power with the chief executive officer to sign deeds, mortgages, bonds, contracts or other instruments whether or not under the seal of the corporation, which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors or by these bylaws to some other officer or agent of the corporation. In the absence of the chief executive officer, or in the event of the chief executive officer's disability or refusal to act, the president shall have such other powers as are vested in the chief executive officer. In general, the president shall perform all duties incident to the office of president and such other duties as from time to time may be assigned by the chief executive officer or by the Board of Directors.

Section 7. Corporate Secretary. The corporate secretary shall: (a) keep the minutes of the proceedings of the shareholders and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and be responsible for authenticating records of the corporation; (d) keep a register of the post office address of each shareholder which shall be furnished to the corporate secretary by such shareholder; (e) sign with the president certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the share transfer books of the corporation; and (g) in general perform all duties incident to the office of corporate secretary and such other duties as from time to time may be assigned by the chief executive officer, the president or by the Board of Directors.

Section 8. Treasurer. If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of duties in such sum and with such surety or sureties as the Board of Directors shall determine. The treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these bylaws; and (c) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the chief executive officer, the president or by the Board of Directors.

Section 9. Controller. If required by the Board of Directors, the controller shall give bond for the faithful discharge of duties in such sum and with such surety or sureties as the Board of Directors shall determine. The controller shall: (a) have control over all accounts and records pertaining to monies, properties, materials and supplies and internal control procedures relating thereto; (b) have executive direction of the bookkeeping and accounting department, general supervision over the records in all other departments pertaining to monies, properties, materials and supplies; and (c) in general perform all of the duties incident to the office of controller and such other duties as from time to time may be assigned by the chief executive officer, the president, or by the Board of Directors.

Section 10. Assistant Corporate Secretary and Assistant Treasurer. The assistant corporate secretary, when authorized by the Board of Directors, may sign with the president certificates for shares of the corporation the issuance of which shall have been authorized by a resolution of the Board of Directors. The assistant treasurer shall, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant corporate secretary and assistant treasurer, in general, shall perform such duties as from to time may be assigned to them by the corporate secretary, the treasurer or the controller, respectively, or by the chief executive officer, the president, or by the Board of Directors.

Section 11. Delegation of Authority. In case of the absence of any officer of the Corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers or duties of such officer to any other officer or to any Director, for the time being, provided a majority of the entire Board of Directors concurs therein.

ARTICLE VI (A)

Indemnification

Section 1. Indemnification of Directors, Officers, Employees or Agents. Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative), by reason of the fact that he was or is a director, officer, employee or agent of the Corporation or of any other corporation, partnership, joint venture, trust or other enterprise (hereinafter collectively referred to as an "other corporation") which he serves or served as such at the request of the Corporation, shall, subject to the provisions of Section 2 hereof and except as prohibited by law, be indemnified by the Corporation against expenses and liabilities actually and reasonably incurred by him in connection with such action, suit or proceeding (whether brought by or in the right of the Corporation or such other corporation or otherwise); provided that no indemnification shall be made in respect of any claim, issue or matter in any action, suit or proceeding by or in the right of the Corporation as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation except to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper. As used in this Article VI(A), the term "expenses" shall include attorneys' fees and disbursements and the term "liabilities" shall include judgments, fines, penalties and amounts paid in settlement.

Section 2. Opinion of Referee and Authorization by Board of Directors. Indemnification under the foregoing Section 1 shall be subject to the following additional provisions:

(A) Except in cases of indemnification to be made on the basis and to the extent that the person to be indemnified has been successful on the merits or otherwise in defense of an action, suit or proceeding, or a claim, issue or matter therein, any indemnification under said Section 1 shall be made only if a Referee, who shall be independent legal counsel, who may be regular counsel for the Corporation, selected and compensated by the Board of Directors (whether or not acting by a quorum consisting of directors who are not parties to such action, suit or proceeding), shall deliver to the Corporation his written opinion that the person claiming indemnification acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any claim, action, suit or proceeding by judgment, order, settlement or conviction or on a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that a person did not meet the foregoing standards of conduct. When indemnification hereunder requires an opinion of a Referee, the person to be indemnified shall, at the request of the Referee, appear before him and answer questions which the Referee deems relevant and shall be given ample opportunity to present to the Referee evidence upon which he relies for indemnification. The Corporation shall, at the request of the Referee, make available to him the facts, opinions or other evidence in any way relevant for his finding which are in the possession or control of the Corporation.

(B) Any indemnification under said Section 1 of a director, officer, employee or agent of the Corporation (in his status as such) against his liabilities in connection with an action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor, and any indemnification under said Section 1 of a director, officer, employee or agent of an other corporation (in his status as such) against his expenses and liabilities in connection with any action, suit or proceeding, whether or not he has been successful on the merits or otherwise in defense thereof or of a claim, issue or matter therein, shall (unless ordered by a court) be made by the Corporation only if and to the extent authorized by the Board of Directors of the Corporation, in its discretion, after receipt of a written opinion of a Referee when required in accordance with Paragraph (A) above, and acting either (i) by a majority vote of a quorum consisting of directors who are not parties to such action, suit or proceeding or (ii) if such a quorum is not obtainable, by a majority vote of a quorum which may include directors who are parties, but shall include all available directors who are not parties, to such action, suit or proceeding.

Section 3. Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors acting either by a majority vote of a quorum consisting of directors not parties to the action, suit or proceeding, or if such a quorum is not obtainable, by a majority vote of a quorum which may include directors who are parties, but shall include all available directors who are not parties, to such action, suit or proceeding, upon receipt of an undertaking by or on behalf of the person to be indemnified to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation.

Section 4. Additional Rights of Indemnification. The rights of indemnification provided in this Article VI(A) shall be in addition to any rights to which any person referred to in

Section 1 of this Article VI(A) may otherwise lawfully be entitled and shall be available whether or not the claim asserted against such person is based on matters which antedate the adoption of this Article VI(A).

Section 5. Former Directors and Survivors. The indemnification provided or authorized by this Article shall continue as to a person who has ceased to be a director, officer, or employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE VII

Contracts, Checks, Notes, Etc.

All contracts and agreements authorized by the Board of Directors or the Executive Committee, and all checks, drafts, notes, bonds, bills of exchange and orders for the payment of money (including orders for repetitive or non-repetitive electronic funds transfers) shall, unless otherwise directed by the Board of Directors, or unless otherwise required by law, be signed by (1) either the President, an Executive Vice President, a Senior Vice President or a Vice President, and (2) any one of the following officers: Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Controller or Assistant Controller. The Board of Directors may, however, notwithstanding the foregoing provision, by resolution adopted at any meeting, authorize any of said officers to sign contracts and agreements, checks, drafts and such orders for the payment of money singly and without necessity of countersignature, and may designate officers of the Corporation other than those named above, or different combinations of such officers, who may, in the name of the Corporation, execute contracts and agreements, checks, drafts and such orders for the payment of money in its behalf. Further, the Treasurer is authorized to designate to the Corporation's banks, in writing, individuals employed by the Corporation and the Columbia Gas System Service Corporation Cash Management Department, who need not be officers or employees of the Corporation, to give in the name of the Corporation telephonic, telegraphic, or electronic transfer instructions for the payment of money, which may, with respect to routine items, include instructions as to the amount to be transferred, to any bank pursuant to previously issued written orders, signed by officers of the Corporation in any manner provided above, which designate the recipients of such amounts and which identify what shall be treated as routine items.

ARTICLE VIII.

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January of each year.

ARTICLE IX.

Amendments

These Bylaws, or any of them, may be altered, amended or repealed or new Bylaws may be made by the stockholders or, at any meeting of the Board of Directors, by vote of a majority of the whole Board of Directors, provided that the proposed action in respect thereof shall be stated in the notice of such meeting. Bylaws made, altered or amended by the Board of Directors shall be subject to alteration, amendment or repeal by the stockholders.

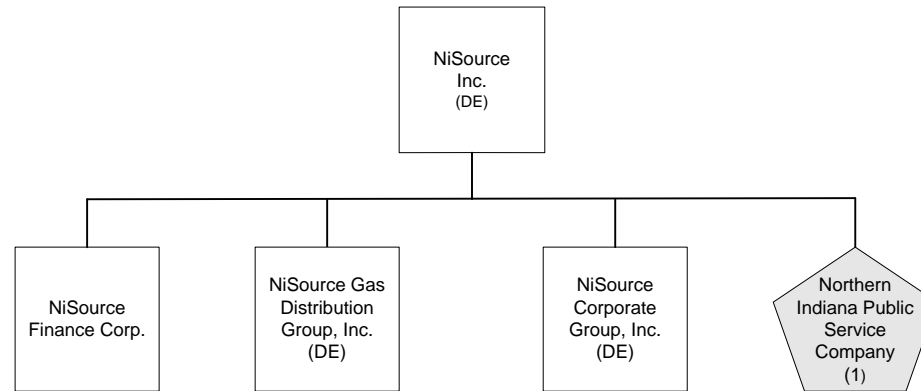
**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016**

2. Provide the current organization chart, showing the relationship between Columbia and any affiliates, divisions, etc. Show the relative positions of all entities and affiliates with which Columbia routinely has business transactions.

Response:

Attached please find the current organization chart, showing the relationship between Columbia and any affiliates, divisions, etc. including the relative positions of all entities and affiliates with which Columbia routinely has business transactions.

NiSource Inc. Corporate Structure and Direct Subsidiaries as of December 31, 2015

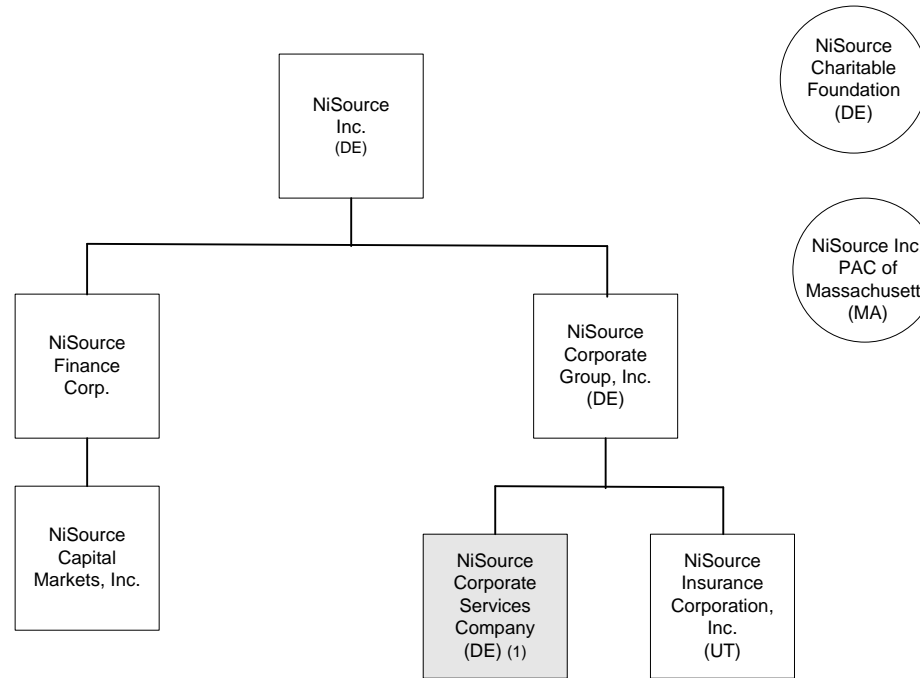


Shaded boxes represent Marketing and Energy Affiliates, as those terms are defined by the Federal Energy Regulatory Commission. Pentagonal shaped boxes represent Transmission Providers. Each subsidiary is 100% owned, unless a smaller percentage is indicated. All entities are organized in Indiana unless otherwise noted.

Certain support services are provided on a company-wide basis by a centralized service company; NiSource Corporate Services Company (NCSC), which is a subsidiary of NiSource Corporate Group, Inc. NCSC provides the following services to NiSource Transmission Providers, Marketing and Energy Affiliates, and other direct or indirect subsidiaries of NiSource Inc.: (a) accounting and budget; (b) human resources; (c) information technology; (d) legal; (e) tax; (f) corporate communications; (g) insurance procurement; (h) risk management; (i) corporate credit; (j) investor relations; (k) real estate; (l) internal audit; and (m) supply chain non-energy procurement.

(1) Northern Indiana Public Service Company (NIPSCO) is a combined electric and gas utility. Within NIPSCO are: an electric public utility Transmission Provider, a retail electric service provider, a gas local distribution (LDC) provider, and employees engaged in wholesale power trading. The gas LDC and employees engaged in wholesale power trading are treated as Marketing and Energy Affiliates.

NiSource Inc. - Corporate Center Subsidiaries as of December 31, 2015

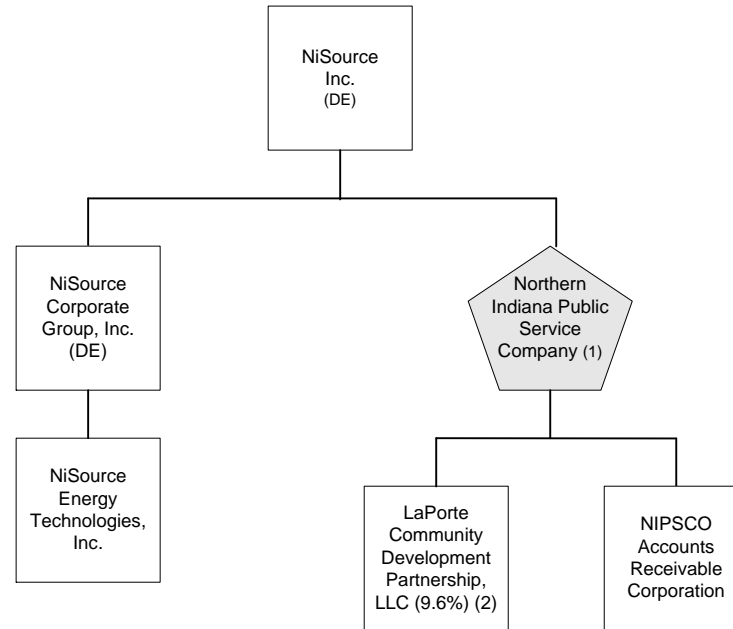


Shaded boxes represent Marketing and Energy Affiliates, as those terms are defined by the Federal Energy Regulatory Commission. Pentagonal shaped boxes represent Transmission Providers. Each subsidiary is 100% owned, unless a smaller percentage is indicated. Circles represent not-for-profits. All entities are organized in Indiana unless otherwise noted.

(1) A division of NiSource Corporate Service Company, is treated as a Marketing and Energy Affiliate.

Certain support services are provided on a company-wide basis by a centralized service company, NiSource Corporate Services Company (NCSC). NCSC provides the following services to NiSource Transmission Providers, Marketing and Energy Affiliates, and other direct or indirect subsidiaries of NiSource Inc.: (a) accounting and budget; (b) human resources; (c) information technology; (d) legal; (e) tax; (f) corporate communications; (g) insurance procurement; (h) risk management; (i) corporate credit; (j) investor relations; (k) real estate; (l) internal audit; and (m) supply chain non-energy procurement.

NiSource Inc. - NIPSCO Subsidiaries (with Additional Other Products and Services Subsidiaries) as of December 31, 2015

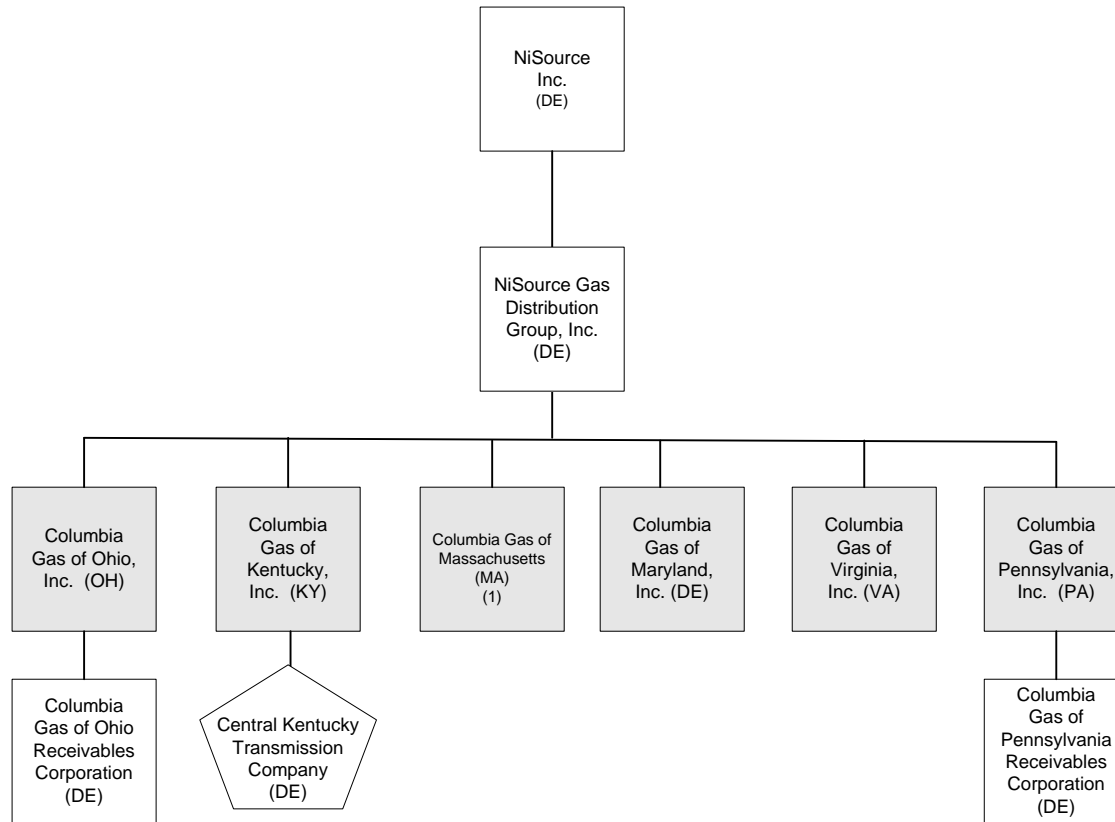


Shaded boxes represent Marketing and Energy Affiliates, as those terms are defined by the Federal Energy Regulatory Commission. Pentagonal shaped boxes represent Transmission Providers. Each subsidiary is 100% owned, unless a smaller percentage is indicated. All entities are organized in Indiana unless otherwise noted.

(1) Northern Indiana Public Service Company (NIPSCO) is a combined electric and gas utility. Within NIPSCO are: an electric public utility Transmission Provider, a retail electric service provider, a gas local distribution (LDC) provider, and employees engaged in wholesale power trading. The gas LDC and employees engaged in wholesale power trading are treated as Marketing and Energy Affiliates.

(2) Investment in community development entity.

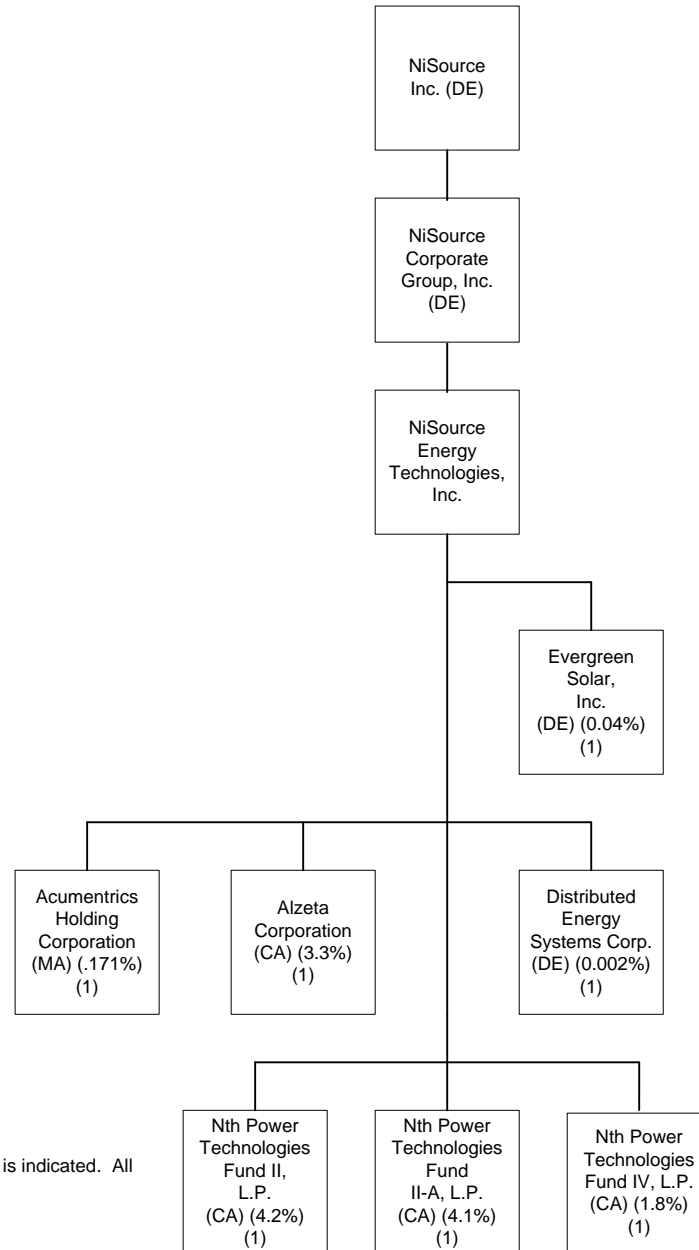
NiSource Inc. - NiSource Gas Distribution Subsidiaries (with Additional Other Products and Services Subsidiaries) as of December 31, 2015



Shaded boxes represent Marketing and Energy Affiliates, as those terms are defined by the Federal Energy Regulatory Commission. Each subsidiary is 100% owned, unless a smaller percentage is indicated. All entities are organized in Indiana unless otherwise noted.

(1) Bay State Gas Company d/b/a Columbia Gas of Massachusetts

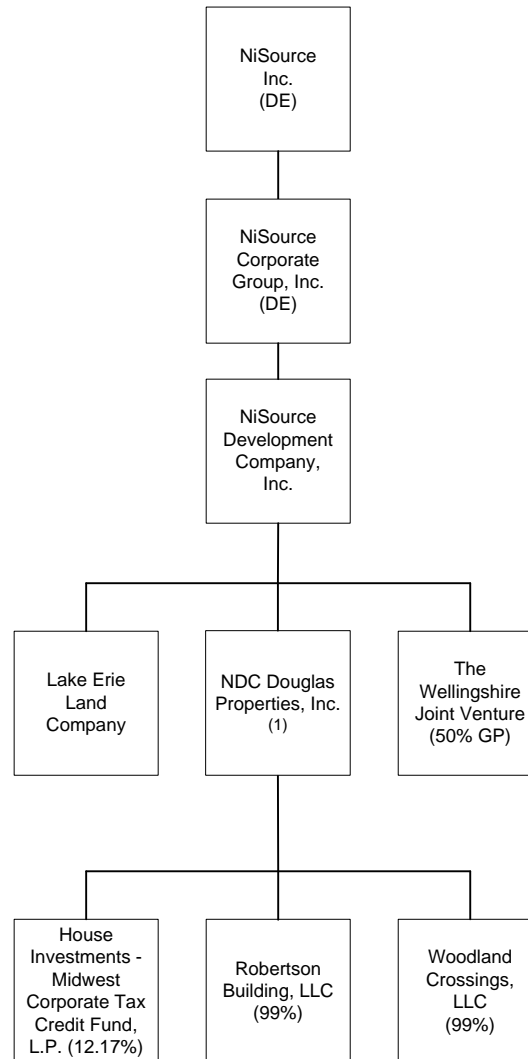
NiSource Inc. - Certain Other Products and Services Subsidiaries and Investments as of December 31, 2015



Each subsidiary is 100% owned, unless a smaller percentage is indicated. All entities are organized in Indiana unless otherwise noted.

(1) These entities are investments in energy technologies.

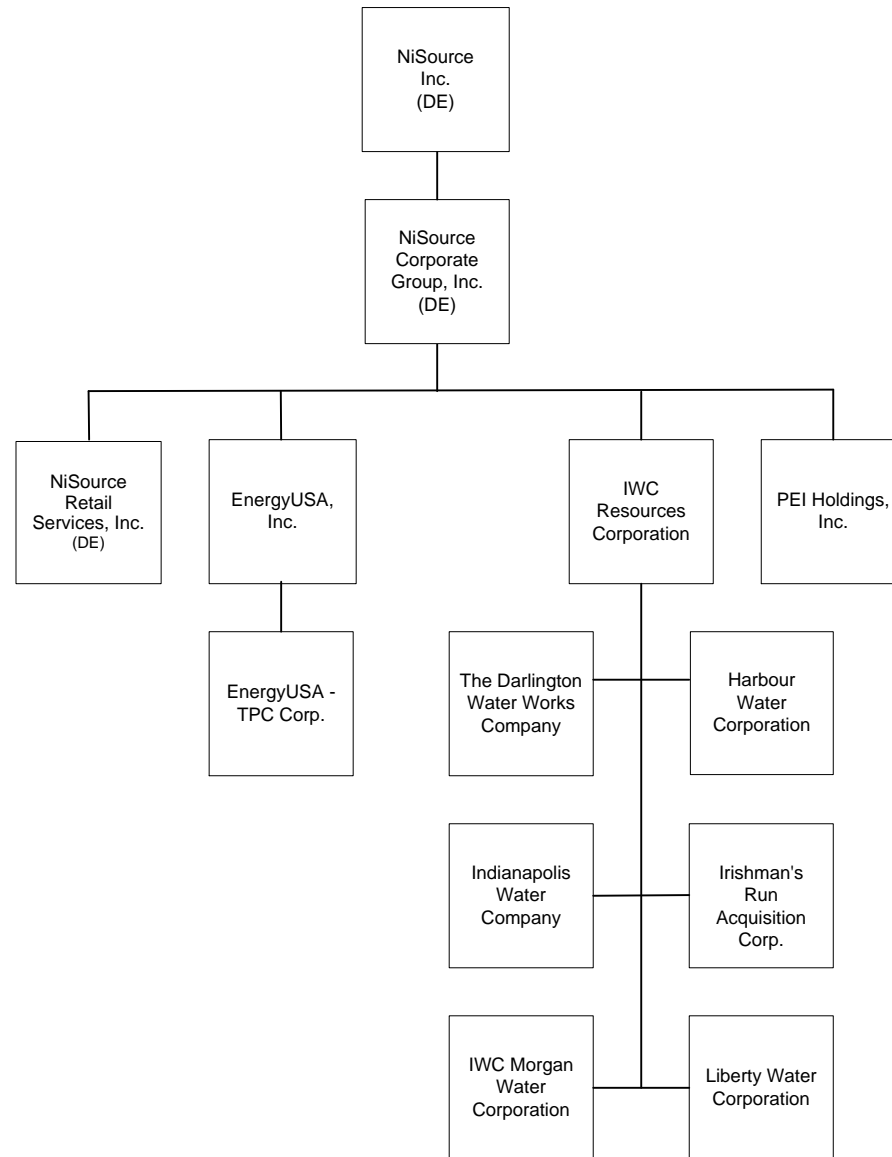
NiSource Inc. - Certain Other Products and Services Subsidiaries and Investments as of December 31, 2015



Each subsidiary is 100% owned, unless a smaller percentage is indicated. All entities are organized in Indiana unless otherwise noted.

(1) NDC Douglas Properties, Inc. is not the General Partner or the managing member of any of its investments.

NiSource Inc. - Certain Other Products and Services Subsidiaries as of December 31, 2015



**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016**

3. Provide the capital structure at the end of ten most recent calendar years and each of the other periods shown in Schedule 3a and Schedule 3b.

Response:

The requested data for Schedule 3a is provided in Attachment A (Pages 1 and 2), and the requested data for Schedule 3b is provided in Attachment B (Pages 1 and 2).

Because Columbia Gas of Kentucky, Inc. is a wholly-owned subsidiary of NiSource Gas Distribution Group, Inc., which in turn is a subsidiary of NiSource Inc. (Parent), the above response includes additional information for NiSource Inc. as requested.

Columbia Gas of Kentucky, Inc.

Schedule 3a
Page 1 of 2

Case No. 2016-00162

Comparative Capital Structures (Excluding JDIC)
For the Periods as Shown

Line No.	Columbia Gas of Kentucky, Inc. Type of Capital	December 31 2006		December 31 2007		December 31 2008		December 31 2009		December 31 2010		December 31, 2011	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1.	Long-Term Debt	\$ 58,055,000	39.81%	\$ 58,055,000	34.76%	\$ 72,055,000	39.36%	\$ 72,055,000	44.84%	\$ 82,055,000	47.86%	\$82,055,000	47.60%
2.	Short-Term Debt	\$ -	0.00%	\$ 7,085,647	3.39%	\$ 15,598,733	8.52%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
3.	Preferred & Preference Stock												
4.	Common Equity	\$ 87,792,277	60.19%	\$ 101,870,714	61.00%	\$ 95,419,311	52.12%	\$ 88,638,626	55.16%	\$ 89,397,098	52.14%	\$90,341,540	52.40%
5.	Other (Itemize by type)												
6.	Total Capitalization	\$ 145,847,277	100.00%	\$167,011,361	99.15%	\$183,073,044	100.00%	\$160,693,626	100.00%	\$171,452,098	100.00%	\$ 172,396,540	100.00%

No.	Columbia Gas of Kentucky, Inc. Type of Capital	December 31 2012		December 31 2013		December 31 2014		December 31 2015		August 31, 2016 Test Year		Future Test Year December 31, 2017		Average Test Year December 31, 2017	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1.	Long-Term Debt	\$ 82,055,000	47.18%	\$ 93,335,000	48.18%	\$ 98,335,000	47.09%	\$ 87,585,000	43.36%	\$87,585,000	41.51%	\$114,375,000	45.28%	\$114,698,846	46.32%
2.	Short-Term Debt	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 5,779,000	2.74%	\$3,114,231	1.23%	\$3,114,231	1.26%
3.	Preferred & Preference Stock														
4.	Common Equity	\$ 91,857,265	52.82%	\$ 100,385,865	51.82%	\$ 110,500,615	52.91%	\$ 114,423,317	56.64%	\$117,614,000	55.75%	\$135,083,000	53.48%	\$129,778,000	52.42%
5.	Other (Itemize by type)														
6.	Total Capitalization	\$ 173,912,265	100.00%	\$ 193,720,865	100.00%	\$ 208,835,615	100.00%	\$ 202,008,317	100.00%	\$ 210,978,000	100.00%	\$ 252,572,231	100.00%	\$ 247,591,077	100.00%

Instructions: 1. If the applicant is a member of an affiliated group, the above data is to be provided for the parent company and the system consolidated.

Columbia Gas of Kentucky, Inc.

Schedule 3a
 Page 2 of 2

Case No. 2016-00162

Comparative Capital Structures (Excluding JDIC)
 For the Periods as Shown
 "000 Omitted"

Line No.	Type of Capital	December 31, 2006		December 31, 2007		December 31, 2008		December 31, 2009		December 31, 2010		December 31, 2011	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1.	Long-Term Debt	\$ 5,239,500	45.78%	\$ 5,628,300	47.84%	\$ 6,413,200	52.11%	\$ 6,684,400	57.42%	\$ 5,970,300	48.63%	\$ 6,594,400	50.91%
2.	Short-Term Debt	\$ 1,193,000	10.42%	\$ 1,061,000	9.02%	\$ 1,163,500	9.46%	\$ 103,000	0.88%	\$ 1,382,500	11.26%	\$ 1,359,400	10.50%
3.	Preferred & Preference Stock	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
4.	Common Equity	\$ 5,013,600	43.80%	\$ 5,076,600	43.15%	\$ 4,728,800	38.43%	\$ 4,854,100	41.70%	\$ 4,923,200	40.10%	\$ 4,997,300	38.59%
5.	Other (Itemize by type)												
6.	Total Capitalization	\$ 11,446,100	100.00%	\$ 11,765,900	100.00%	\$ 12,305,500	100.00%	\$ 11,641,500	100.00%	\$ 12,276,000	100.00%	\$ 12,951,100	100.00%

Line No.	Type of Capital	December 31, 2012		December 31, 2013		December 31, 2014		December 31, 2015		Latest Available Quarter March 31, 2016		Average December 31, 2015	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1.	Long-Term Debt	\$ 7,326,300	53.64%	\$ 8,135,300	55.27%	\$ 8,418,100	52.05%	\$ 6,382,200	59.13%	\$ 6,169,300	56.67%	\$ 7,252,061	54.49%
2.	Short-Term Debt	\$ 776,900	5.69%	\$ 698,700	4.75%	\$ 1,576,900	9.75%	\$ 567,400	5.26%	\$ 845,300	7.76%	\$ 457,900	3.44%
3.	Preferred & Preference Stock	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 0	0.00%
4.	Common Equity	\$ 5,554,300	40.67%	\$ 5,886,600	39.99%	\$ 6,175,300	38.19%	\$ 3,843,500	35.61%	\$ 3,872,300	35.57%	\$ 5,598,062	42.07%
5.	Other (Itemize by type)												
6.	Total Capitalization	\$ 13,657,500	100.00%	\$ 14,720,600	100.00%	\$ 16,170,300	100.00%	\$ 10,793,100	100.00%	\$ 10,886,900	100.00%	\$ 13,308,023	100.00%

Instructions: 1. If the applicant is a member of an affiliated group, the above data is to be provided for the parent company and the system consolidated.

Columbia Gas of Kentucky, Inc. Schedule 3b
Page 1 of 2

Case No. 2016-00162

Calculation of Average Test Period Capital Structure (Forecasted Period)
13 Months Ended December 31, 2017

Line No.	<u>Columbia Gas of Kentucky, Inc.</u> Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Preferred Stock (e)	Common Stock (f)	Retained Earnings (g)	Total Common Equity (h)
1.	December 31, 2016	\$235,896,616	\$114,375,000	\$0				\$121,521,616
2.	January 31, 2017	\$239,457,616	\$114,375,000	\$0				\$125,082,616
3.	February 28, 2017	\$242,437,616	\$114,375,000	\$0				\$128,062,616
4.	March 31, 2017	\$244,452,616	\$114,375,000	\$0				\$130,077,616
5.	April 30, 2017	\$245,314,616	\$114,375,000	\$0				\$130,939,616
6.	May 31, 2017	\$245,431,616	\$114,375,000	\$0				\$131,056,616
7.	June 30, 2017	\$245,188,616	\$114,375,000	\$0				\$130,813,616
8.	July 31, 2017	\$245,006,616	\$114,375,000	\$0				\$130,631,616
9.	August 31, 2017	\$247,158,616	\$114,375,000	\$2,383,000				\$130,400,616
10.	September 30, 2017	\$252,583,616	\$114,375,000	\$7,962,000				\$130,246,616
11.	October 31, 2017	\$256,770,616	\$114,375,000	\$11,529,000				\$130,866,616
12.	November 31, 2017	\$258,157,615	\$116,479,999	\$9,346,000				\$132,331,616
13.	December 31, 2017	\$260,827,615	\$116,479,999	\$9,265,000				\$135,082,616
14.	Total (L1 through L13)	\$3,218,684,000	\$1,491,084,998	\$40,485,000				\$1,687,114,002
15.	Average balance (L14 / 13)	\$247,591,077	\$114,698,846	\$3,114,231				\$129,778,000
16.	Average capitalization ratios	100.00%	46.32%	1.26%				52.42%
17.	End-of-period capitalization ratios	100.00%	44.66%	3.55%				51.79%

Instructions: 1. If applicable, provide an additional schedule in the above format excluding common equity in subsidiaries from the total company capital structure. Show the amount of common equity excluded.

2. Include premium class of stock

Columbia Gas of Kentucky, Inc.								
Case No. 2016-00162								
Calculation of Average Capital Structure (Latest Actual Annual Period)								
Ended December 31, 2015								
"000 Omitted"								
Line No.	<u>NiSource Inc.</u> Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Preferred Stock (e)	Common Stock (f)	Retained Earnings (g)	Total Common Equity (h)
1.	December 31, 2014	\$16,170,300	\$8,418,100	\$1,576,900				\$6,175,300
2.	January 31, 2015	16,195,200	\$8,422,700	\$1,566,500				\$6,206,000
3.	February 28, 2015	16,350,100	\$8,421,700	\$430,400				\$7,498,000
4.	March 31, 2015	16,204,300	\$8,420,600	\$314,000				\$7,469,700
5.	April 30, 2015	16,178,100	\$8,401,700	\$269,200				\$7,507,200
6.	May 31, 2015	14,204,900	\$6,579,700	\$158,200				\$7,467,000
7.	June 30, 2015	14,175,500	\$6,577,800	\$141,800				\$7,455,900
8.	July 31, 2015	10,549,800	\$6,577,200	\$133,600				\$3,839,000
9.	August 31, 2015	10,460,100	\$6,576,600	\$37,200				\$3,846,300
10.	September 30, 2015	10,483,500	\$6,576,000	\$107,200				\$3,800,300
11.	October 31, 2015	10,519,900	\$6,575,400	\$127,200				\$3,817,300
12.	November 31, 2015	10,719,500	\$6,347,100	\$523,100				\$3,849,300
13.	December 31, 2015	10,793,100	\$6,382,200	\$567,400				\$3,843,500
14.	Total (L1 through L13)	\$173,004,300	\$94,276,800	\$5,952,700				\$72,774,800
15.	Average balance (L14 / 13)	\$13,308,023	\$7,252,061	\$457,900				\$5,598,062
16.	Average capitalization ratios	100.00%	54.49%	3.44%				42.07%
17.	End-of-period capitalization ratios	100.00%	59.13%	5.26%				35.61%
Instructions: 1. If applicable, provide an additional schedule in the above format excluding common equity in subsidiaries from the total company capital structure. Show the amount of common equity excluded. 2. Include premium class of stock								

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

4. Provide the following:
 - a. A list of all outstanding issues of long-term debt as of the end of the latest calendar year together with the related information as shown in Schedule 4a.
 - b. An analysis of short-term debt as shown in Schedule 4b as of the end of the latest calendar year.

Response:

- a. The requested data for Schedule 4a is provided in Attachment A.
- b. The requested data for Schedule 4b is provided in Attachment B.

Schedule 4a										
Columbia Gas of Kentucky, Inc.										
Case No. 2016-00162										
Schedule of Outstanding Long-Term Debt For the Year Ended and Forecasted Test Year December 31, 2017										
Line No.	Type of Debt Issue (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate ⁽¹⁾ (e)	Cost Rate at Issue ⁽²⁾ (f)	Cost Rate to Maturity ⁽³⁾ (g)	Bond Rating at Time of Issue ⁽⁴⁾ (h)	Type of Obligation (i)	Annualized Cost Col. (d) x Col. (g) (j)
Columbia Gas of Kentucky, Inc.										
1	Debentures	1/5/2006	1/5/2026	\$323,846	5.45%	5.45%	5.45%		Intercompany	\$17,650
2	Debentures	1/5/2006	1/5/2026	\$12,375,000	5.92%	5.92%	5.92%		Intercompany	\$732,600
3	Debentures	11/1/2006	11/1/2021	\$16,000,000	6.02%	6.02%	6.02%		Intercompany	\$962,400
4	Debentures	12/16/2010	12/16/2030	\$10,000,000	6.02%	6.02%	6.02%		Intercompany	\$602,000
5	Debentures	1/7/2013	1/7/2043	\$20,000,000	5.77%	5.77%	5.77%		Intercompany	\$1,154,000
6	Debentures	12/23/2013	12/23/2043	\$20,000,000	6.20%	6.20%	6.20%		Intercompany	\$1,240,000
7	Debentures	12/18/2014	12/16/2044	\$5,000,000	4.43%	4.43%	4.43%		Intercompany	\$221,500
8	Debentures	9/1/2016	9/1/2046	<u>\$31,000,000</u>	4.95%	4.95%	4.95%		Intercompany	<u>\$1,534,500</u>
Total Long-Term debt and Annualized Cost				<u>\$114,698,846</u>						<u>\$6,464,650</u>
Annualized Cost Rate [Total Col. (j) / Total Col. (d)]										<u>5.64%</u>

¹ Nominal Rate

² Nominal Rate Plus Discount or Premium Amortization

³ Nominal Rate Plus Discount or Premium Amortization and Issuance Cost

⁴ Standard and Poor's, Moody, etc.

Schedule 4b							
Columbia Gas of Kentucky, Inc.							
Case No. 2016-00162							
Schedule of Short-Term Debt							
For the Forecasted Test Year Ended December 31, 2017							
Line No.	Type of Debt Instrument (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Nominal Interest Rate (e)	Effective Interest Cost Rate (f)	Annualized Interest Cost Col. (f) x Col. (d) (g)
Columbia Gas of Kentucky, Inc.							
1 /	Intercompany	N/A	N/A	\$9,265,000	2.50%	2.50%	\$231,625
Total Short-Term Debt							
Annualized Cost Rate [Total Col. (g) / Total Col. (d)]							N/A
Projected Interest Paid or Accrued on Short-Term Debt during the Test Year [Report in Col. (g) of this Schedule]							\$77,856
Average Short-Term Debt -- Format 3, Schedule 2 Line 15 Col. (d) [Report in Col. (g) of this Schedule]							\$3,114,231
Test-Year Interest Cost Rate [Actual Interest / Average Short-Term Debt] [Report in Col. (f) of this Schedule]							2.50%

Instructions:

Note: In all instances where the Effective Interest Cost Rate is different from the Nominal Interest Rate provide a calculation of the effective Interest Cost Rate in sufficient detail to show the items of costs that cause the difference.

1 / The Nominal Interest Rate in Column (e) represents the December 2017 1-mo. LIBOR of 1.425% obtained from Bloomberg's forward curve matrix, plus the NiSource Revolver Spread of 1.075%. The Amount Outstanding in Columbia's response to KY PSC Data Request Set 1-003 Attachment A, Page 1 of 2, for the forecasted test year ended December 31, 2017, represents a 13-mo. Average where column (d) represents the end of period outstanding debt.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016**

5. Provide a list of all outstanding issues of preferred stock as of the end of the latest calendar year as shown in Schedule 5.

Response:

Columbia Gas of Kentucky, Inc. does not have any outstanding issues of preferred stock at the end of the projected period of December 31, 2017.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

6. Provide the following:
 - a. A list of all issues of common stock in the primary market during the ten most recent calendar years as shown in Schedule 6a.
 - b. The common stock information on a quarterly and yearly basis for the five most recent calendar years available, and through the latest available quarter, as shown in Schedule 6b.
 - c. The market prices for common stock for each month during the five most recent calendar years and for succeeding months through the date the application is filed. List all stock splits and stock dividends by date and type.

Response:

The following responses are data for NiSource Inc. as Columbia Gas of Kentucky, Inc. is a wholly-owned subsidiary of NiSource Gas Distribution

Group, Inc., which in turn is a subsidiary of NiSource Inc. (Parent). Therefore, Columbia Gas of Kentucky, Inc. does not have any stock publicly traded.

The requested data for Schedule 6a is provided in Attachment A.

The requested data for Schedule 6b is provided in Columbia's response in Attachment B.

The requested data for market prices for common stock is provided in Attachment C (part 1), and the requested data for stock dividends is provided in Attachment C (part 2). No stock splits have occurred in the most recent 5-year period.

DATE OF			Number of Shares Issued	Price Per Share to Public	Price Per Share (Net to Company)	Book value Per Share At Date of Issue	Selling Exp. As % of gross Issue Amount	Net Proceeds to Company
Issue	Announcement	Registration						
NiSource								
9/10/2012	9/8/2010	9/8/2010	24,265,000	\$16.50	\$15.96		3.35%	\$387,361,607 (a)
(a) Net proceeds to NiSource after deducting underwriting discounts and commissions.								
Excludes shares issued for Employee Stock Purchase Plan, Long Term Incentive Plan, Dividend Reinvestment and Stock Purchase Plan and other minor acquisitions.								

Instructions:

1. If the applicant is a member of an affiliate group, provide in a separate schedule the above for the parent company.

Schedule 6b

Columbia Gas of Kentucky, Inc.

Case No. 2016-00162

Quarterly and Annual Common Stock information

For the Periods as Shown

Period Equity	Average No. of Shares Outstanding (000)	Book Value (\$)	Earnings per Share (\$)	Dividend Prate Per Share (\$)	Return on Average Common (%)
NiSource					
5th Calendar Year: (2011)					
1st Quarter	279,339	\$17.91	\$0.75	\$0.230	
2nd Quarter	280,217	\$17.84	\$0.14	\$0.230	
3rd Quarter	280,765	\$17.75	\$0.12	\$0.230	
4th Quarter	281,422	\$17.78	\$0.05	\$0.230	
Annual	280,442	\$17.78	\$1.06	\$0.920	6.0%
4th Calendar Year: (2012)					
1st Quarter	282,925	\$17.90	\$0.68	\$0.230	
2nd Quarter	284,370	\$17.93	\$0.25	\$0.230	
3rd Quarter	290,328	\$17.48	\$0.06	\$0.240	
4th Quarter	309,905	\$17.90	\$0.43	\$0.240	
Annual	291,927	\$17.90	\$1.42	\$0.940	7.9%
3rd Calendar Year: (2013)					
1st Quarter	311,284	\$18.25	\$0.69	\$0.240	
2nd Quarter	312,260	\$18.25	\$0.23	\$0.240	
3rd Quarter	312,922	\$18.21	\$0.16	\$0.250	
4th Quarter	313,515	\$18.77	\$0.49	\$0.250	
Annual	312,495	\$18.77	\$1.57	\$0.980	9.3%
2nd Calendar Year: (2014)					
1st Quarter	314,426	\$19.10	\$0.85	\$0.250	
2nd Quarter	315,073	\$19.12	\$0.25	\$0.250	
3rd Quarter	315,475	\$19.03	\$0.10	\$0.260	
4th Quarter	315,872	\$19.54	\$0.49	\$0.260	
Annual	315,211	\$19.54	\$1.67	\$1.020	8.8%
1st Calendar Year: (2015)					
1st Quarter	316,806	\$20.56	\$0.85	\$0.260	
2nd Quarter	317,536	\$20.48	(\$0.11)	\$0.260	
3rd Quarter	318,218	\$11.93	(\$0.02)	\$0.155	
4th Quarter	318,908	\$12.04	\$0.19	\$0.155	
Annual	317,867	\$12.04	\$0.90	\$0.830	5.7%
Latest Available: (2016)					
1st Quarter	320,094	\$12.05	\$0.56	\$0.155	

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
12/31/2015	19.78	19.86	19.49	19.51	2,559,160
12/30/2015	19.78	19.89	19.74	19.82	1,780,545
12/29/2015	19.53	19.83	19.50	19.80	1,580,810
12/28/2015	19.28	19.47	19.17	19.47	1,342,939
12/24/2015	19.33	19.46	19.30	19.31	815,438
12/23/2015	19.12	19.38	19.02	19.33	2,683,108
12/22/2015	18.89	19.12	18.64	19.11	1,741,913
12/21/2015	19.03	19.06	18.79	18.89	2,753,868
12/18/2015	19.18	19.20	18.85	18.96	3,577,971
12/17/2015	19.37	19.43	19.12	19.28	1,638,912
12/16/2015	18.84	19.31	18.76	19.31	2,867,042
12/15/2015	18.73	18.89	18.68	18.71	2,758,778
12/14/2015	18.60	18.84	18.60	18.84	2,007,781
12/11/2015	18.87	18.95	18.63	18.66	2,169,694
12/10/2015	19.26	19.54	19.02	19.04	3,151,142
12/9/2015	19.29	19.43	19.08	19.26	2,863,311
12/8/2015	19.07	19.31	18.97	19.25	2,757,541
12/7/2015	19.00	19.15	18.72	19.14	4,429,207
12/4/2015	18.99	19.15	18.87	19.10	3,416,837
12/3/2015	19.27	19.39	18.90	18.93	2,083,080
12/2/2015	19.41	19.41	19.19	19.29	3,364,425
12/1/2015	19.18	19.41	19.14	19.39	2,023,784
11/30/2015	19.25	19.31	19.00	19.19	4,042,060
11/27/2015	19.18	19.38	19.12	19.22	866,093
11/25/2015	19.50	19.50	19.08	19.14	3,030,983
11/24/2015	19.73	19.73	19.49	19.52	2,330,661
11/23/2015	19.84	20.01	19.65	19.75	2,326,630
11/20/2015	19.79	20.13	19.72	19.83	2,878,250
11/19/2015	19.57	19.75	19.52	19.71	1,448,189
11/18/2015	19.34	19.60	19.15	19.58	3,404,352
11/17/2015	19.24	19.48	19.13	19.18	1,674,168
11/16/2015	19.04	19.32	19.00	19.32	2,094,266
11/13/2015	19.07	19.20	19.00	19.08	1,670,982
11/12/2015	19.36	19.53	19.09	19.14	1,754,710

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
11/11/2015	19.31	19.57	19.29	19.42	2,366,915
11/10/2015	18.94	19.30	18.90	19.25	3,071,853
11/9/2015	18.80	19.05	18.76	18.92	2,636,907
11/6/2015	19.24	19.31	18.77	18.96	4,611,473
11/5/2015	19.37	19.70	19.25	19.56	3,686,750
11/4/2015	19.12	19.39	19.12	19.36	3,315,677
11/3/2015	19.29	19.44	19.00	19.12	2,628,645
11/2/2015	19.16	19.28	19.04	19.18	3,131,709
10/30/2015	18.92	19.35	18.92	19.16	2,835,459
10/29/2015	19.10	19.10	18.74	18.89	4,103,571
10/28/2015	19.28	19.28	18.85	19.10	3,181,957
10/27/2015	19.52	19.56	19.13	19.27	2,806,515
10/26/2015	19.61	19.65	19.44	19.57	1,545,008
10/23/2015	19.72	19.85	19.49	19.61	2,385,845
10/22/2015	19.44	19.80	19.39	19.75	1,742,743
10/21/2015	19.59	19.75	19.36	19.40	1,543,607
10/20/2015	19.50	19.56	19.30	19.54	3,464,909
10/19/2015	19.42	19.55	19.29	19.55	1,818,386
10/16/2015	19.47	19.52	19.29	19.46	1,911,026
10/15/2015	19.12	19.42	18.94	19.39	2,205,027
10/14/2015	19.12	19.18	19.03	19.07	1,518,431
10/13/2015	18.81	19.29	18.81	19.11	3,736,366
10/12/2015	19.04	19.15	18.94	19.05	2,257,242
10/9/2015	19.07	19.08	18.92	18.98	2,522,898
10/8/2015	18.84	19.15	18.79	19.09	2,573,330
10/7/2015	18.82	19.06	18.75	18.93	4,873,427
10/6/2015	18.97	19.04	18.67	18.72	4,287,902
10/5/2015	18.96	19.16	18.82	19.05	3,733,546
10/2/2015	18.55	18.83	18.40	18.82	3,600,855
10/1/2015	18.70	18.80	18.33	18.47	3,535,949
9/30/2015	17.99	18.57	17.93	18.55	3,570,875
9/29/2015	17.85	18.06	17.72	17.90	2,790,745
9/28/2015	17.87	18.00	17.67	17.83	3,034,649
9/25/2015	17.67	18.13	17.67	17.95	4,170,846

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
9/24/2015	17.38	17.59	17.30	17.59	3,230,342
9/23/2015	17.36	17.58	17.28	17.44	2,567,354
9/22/2015	17.27	17.49	17.27	17.32	2,607,927
9/21/2015	17.45	17.57	17.38	17.49	2,093,867
9/18/2015	17.35	17.72	17.33	17.42	6,331,956
9/17/2015	17.20	17.76	17.05	17.48	2,828,744
9/16/2015	16.95	17.23	16.86	17.19	2,235,980
9/15/2015	16.90	16.97	16.66	16.86	2,084,784
9/14/2015	16.62	16.76	16.56	16.74	2,247,172
9/11/2015	16.50	16.68	16.41	16.61	3,574,002
9/10/2015	16.46	16.78	16.35	16.58	3,303,909
9/9/2015	16.64	16.75	16.41	16.47	2,804,452
9/8/2015	16.52	16.75	16.41	16.63	2,914,839
9/4/2015	16.32	16.32	16.04	16.17	2,303,928
9/3/2015	16.32	16.54	16.28	16.46	2,243,555
9/2/2015	16.62	16.64	16.21	16.29	3,440,236
9/1/2015	16.50	16.74	16.40	16.48	3,510,747
8/31/2015	16.94	16.99	16.67	16.79	2,694,961
8/28/2015	17.02	17.09	16.90	17.06	1,990,629
8/27/2015	16.78	17.06	16.70	17.05	2,348,668
8/26/2015	16.48	16.73	16.24	16.70	5,629,620
8/25/2015	16.78	16.85	16.20	16.20	6,058,131
8/24/2015	16.87	17.12	16.43	16.52	5,984,928
8/21/2015	17.45	17.59	17.24	17.28	3,597,014
8/20/2015	17.79	17.80	17.54	17.54	3,851,416
8/19/2015	17.68	17.91	17.56	17.81	2,811,493
8/18/2015	18.00	18.04	17.66	17.74	3,228,725
8/17/2015	17.84	18.19	17.76	18.00	4,302,710
8/14/2015	17.69	17.95	17.61	17.82	3,645,541
8/13/2015	17.62	17.82	17.49	17.72	3,453,000
8/12/2015	17.08	17.73	17.01	17.71	5,592,736
8/11/2015	16.91	17.18	16.76	17.09	4,103,194
8/10/2015	16.96	17.03	16.78	16.88	3,927,380
8/7/2015	16.79	16.99	16.69	16.91	3,678,830

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
8/6/2015	16.82	16.94	16.53	16.85	4,300,126
8/5/2015	16.92	17.17	16.81	16.83	4,681,533
8/4/2015	17.00	17.09	16.70	16.82	4,899,083
8/3/2015	16.60	17.34	16.44	17.07	5,230,948
7/31/2015	17.24	17.63	17.23	17.46	6,072,326
7/30/2015	16.96	17.13	16.90	17.12	2,744,870
7/29/2015	17.04	17.16	16.97	17.04	4,476,245
7/28/2015	17.29	17.33	17.17	17.24	4,858,625
7/27/2015	17.00	17.32	16.99	17.25	4,558,932
7/24/2015	16.55	17.08	16.53	17.03	4,693,677
7/23/2015	16.92	17.00	16.49	16.54	3,763,020
7/22/2015	16.82	17.04	16.82	16.96	3,501,091
7/21/2015	16.91	16.99	16.78	16.84	3,341,464
7/20/2015	16.90	16.94	16.77	16.91	4,777,358
7/17/2015	17.23	17.27	16.89	16.90	6,035,520
7/16/2015	17.00	17.34	16.85	17.32	5,929,611
7/15/2015	16.83	16.98	16.61	16.98	4,408,979
7/14/2015	16.90	16.93	16.70	16.78	3,821,523
7/13/2015	17.10	17.12	16.69	16.91	4,825,556
7/10/2015	16.75	16.96	16.69	16.91	4,268,700
7/9/2015	17.42	17.47	16.75	16.75	6,645,525
7/8/2015	17.07	17.32	16.95	17.14	7,037,833
7/7/2015	16.96	17.14	16.70	17.12	10,865,443
7/6/2015	16.98	17.09	16.65	16.84	11,162,984
7/2/2015	17.61	17.94	16.91	16.99	16,010,299
7/1/2015	17.92	17.96	17.69	17.86	9,518,935
6/30/2015	17.88	18.08	17.86	17.92	7,405,550
6/29/2015	18.19	18.39	18.04	18.06	5,545,197
6/26/2015	18.28	18.28	18.12	18.17	7,500,402
6/25/2015	18.51	18.56	18.25	18.29	5,422,889
6/24/2015	18.56	18.60	18.40	18.47	4,831,179
6/23/2015	18.40	18.90	18.40	18.61	5,500,394
6/22/2015	18.98	19.22	18.89	18.98	6,190,547
6/19/2015	19.04	19.15	18.87	18.88	6,882,193

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
6/18/2015	19.02	19.24	18.96	19.15	8,945,949
6/17/2015	18.35	19.32	18.35	19.02	16,655,396
6/16/2015	18.15	18.34	18.07	18.34	5,796,269
6/15/2015	18.04	18.27	17.96	18.21	6,673,352
6/12/2015	18.06	18.21	18.01	18.06	4,678,688
6/11/2015	18.03	18.22	17.96	18.21	5,997,959
6/10/2015	17.83	18.00	17.77	17.93	3,629,335
6/9/2015	17.70	17.81	17.67	17.71	2,690,118
6/8/2015	17.81	17.90	17.68	17.69	4,400,766
6/5/2015	17.73	17.85	17.59	17.80	3,692,621
6/4/2015	18.07	18.17	17.93	17.95	3,429,749
6/3/2015	18.28	18.34	18.01	18.09	4,970,532
6/2/2015	18.38	18.40	18.13	18.28	4,171,923
6/1/2015	18.52	18.63	18.48	18.49	3,281,347
5/29/2015	18.59	18.68	18.50	18.54	4,926,100
5/28/2015	18.41	18.63	18.28	18.61	4,480,051
5/27/2015	18.54	18.55	18.36	18.41	4,719,537
5/26/2015	18.56	18.57	18.41	18.48	7,754,329
5/22/2015	18.51	18.72	18.39	18.59	5,057,159
5/21/2015	18.54	18.63	18.37	18.50	5,880,349
5/20/2015	18.45	18.78	18.40	18.55	9,528,042
5/19/2015	18.16	18.51	18.13	18.44	6,662,499
5/18/2015	17.75	18.31	17.72	18.30	9,869,452
5/15/2015	17.36	17.88	17.32	17.87	7,361,286
5/14/2015	17.35	17.62	17.31	17.35	7,066,146
5/13/2015	17.52	17.62	17.22	17.27	8,150,961
5/12/2015	17.35	17.52	17.23	17.47	7,266,895
5/11/2015	17.42	17.71	17.35	17.44	6,700,500
5/8/2015	17.14	17.46	17.12	17.32	6,638,400
5/7/2015	16.88	17.02	16.85	16.91	3,492,532
5/6/2015	16.99	17.06	16.60	16.84	5,790,235
5/5/2015	17.31	17.34	16.85	16.94	4,729,869
5/4/2015	17.25	17.53	17.24	17.35	2,744,637
5/1/2015	17.09	17.25	16.98	17.24	5,235,219

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
4/30/2015	17.42	17.49	16.95	17.06	5,947,145
4/29/2015	17.25	17.35	17.18	17.29	3,999,376
4/28/2015	17.25	17.49	17.21	17.41	4,793,163
4/27/2015	17.68	17.68	17.33	17.45	4,498,959
4/24/2015	17.51	17.78	17.51	17.63	3,889,486
4/23/2015	17.37	17.63	17.37	17.52	4,315,614
4/22/2015	17.25	17.46	17.11	17.36	5,592,978
4/21/2015	17.14	17.38	17.09	17.16	5,782,983
4/20/2015	17.02	17.22	16.97	17.10	6,934,216
4/17/2015	16.88	17.02	16.82	16.96	5,734,250
4/16/2015	17.15	17.16	16.88	17.03	5,833,713
4/15/2015	17.05	17.24	17.00	17.20	5,736,611
4/14/2015	17.03	17.11	16.92	17.01	6,104,370
4/13/2015	17.27	17.27	16.98	16.98	4,112,275
4/10/2015	17.20	17.28	17.06	17.24	3,342,516
4/9/2015	17.26	17.26	17.05	17.14	3,183,400
4/8/2015	17.42	17.43	17.22	17.30	3,952,238
4/7/2015	17.51	17.54	17.36	17.37	4,241,319
4/6/2015	17.44	17.66	17.36	17.55	3,156,059
4/2/2015	17.41	17.63	17.32	17.35	5,951,489
4/1/2015	17.33	17.47	17.09	17.39	6,620,736
3/31/2015	17.33	17.54	17.24	17.35	7,386,268
3/30/2015	17.29	17.43	17.19	17.36	5,043,440
3/27/2015	16.77	17.35	16.72	17.26	7,574,278
3/26/2015	16.94	17.03	16.81	16.82	5,148,115
3/25/2015	17.00	17.10	16.89	16.93	7,137,082
3/24/2015	17.13	17.21	16.92	16.93	3,858,050
3/23/2015	17.21	17.34	17.15	17.18	5,895,096
3/20/2015	17.08	17.33	17.00	17.28	6,847,075
3/19/2015	17.15	17.31	16.95	16.98	4,226,544
3/18/2015	16.49	17.30	16.40	17.20	5,487,939
3/17/2015	16.42	16.50	16.34	16.47	4,571,677
3/16/2015	16.27	16.51	16.26	16.44	3,746,204
3/13/2015	16.49	16.50	16.07	16.20	3,515,707

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
3/12/2015	16.22	16.59	16.17	16.53	3,856,017
3/11/2015	16.34	16.40	16.07	16.10	4,396,684
3/10/2015	16.30	16.48	16.21	16.34	4,280,710
3/9/2015	16.40	16.46	16.33	16.36	2,844,052
3/6/2015	16.65	16.65	16.24	16.34	5,529,845
3/5/2015	16.74	16.90	16.66	16.86	3,587,552
3/4/2015	16.65	16.74	16.58	16.68	2,967,159
3/3/2015	16.62	16.75	16.51	16.70	2,892,266
3/2/2015	16.87	16.87	16.51	16.64	6,059,563
2/27/2015	16.73	16.88	16.65	16.86	5,141,881
2/26/2015	16.95	17.04	16.70	16.72	6,317,613
2/25/2015	17.21	17.28	16.85	16.92	4,217,523
2/24/2015	17.14	17.35	17.07	17.23	2,495,800
2/23/2015	17.12	17.18	17.00	17.17	3,111,574
2/20/2015	17.11	17.22	16.88	17.14	3,858,939
2/19/2015	17.29	17.38	17.02	17.08	6,350,762
2/18/2015	16.76	17.42	16.74	17.25	10,320,201
2/17/2015	16.67	16.84	16.54	16.72	7,942,654
2/13/2015	17.02	17.03	16.58	16.71	7,442,071
2/12/2015	17.05	17.12	16.83	17.04	6,999,806
2/11/2015	17.46	17.49	16.88	17.00	8,318,324
2/10/2015	16.92	17.72	16.92	17.63	10,217,498
2/9/2015	16.93	17.04	16.79	16.93	5,569,060
2/6/2015	17.57	17.62	16.79	16.95	8,523,236
2/5/2015	17.52	17.68	17.33	17.68	5,536,410
2/4/2015	17.55	17.64	17.45	17.51	6,486,139
2/3/2015	17.26	17.70	17.20	17.68	7,128,794
2/2/2015	17.06	17.32	16.84	17.25	5,887,482
1/30/2015	17.19	17.34	16.98	17.00	4,788,964
1/29/2015	16.91	17.19	16.83	17.16	4,254,781
1/28/2015	17.30	17.47	16.87	16.93	4,103,979
1/27/2015	17.16	17.41	17.16	17.27	4,618,567
1/26/2015	17.34	17.36	17.07	17.24	3,853,152
1/23/2015	17.47	17.54	17.37	17.38	4,301,145

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
1/22/2015	17.59	17.64	17.23	17.41	3,640,193
1/21/2015	17.26	17.60	17.17	17.52	4,817,333
1/20/2015	17.39	17.41	17.15	17.37	3,891,985
1/16/2015	17.11	17.31	17.03	17.29	3,480,917
1/15/2015	17.03	17.19	16.95	17.12	5,331,539
1/14/2015	16.52	17.00	16.48	16.97	6,167,944
1/13/2015	16.75	16.94	16.52	16.62	5,430,119
1/12/2015	16.72	16.74	16.42	16.63	4,919,636
1/9/2015	16.87	16.87	16.52	16.70	3,683,300
1/8/2015	16.64	16.89	16.57	16.87	4,369,994
1/7/2015	16.41	16.65	16.31	16.57	3,467,684
1/6/2015	16.48	16.68	16.20	16.29	7,366,808
1/5/2015	16.64	16.73	16.43	16.48	5,862,848
1/2/2015	16.72	16.81	16.53	16.68	5,474,846
12/31/2014	17.09	17.10	16.63	16.67	4,571,058
12/30/2014	17.41	17.41	17.01	17.06	3,600,423
12/29/2014	17.31	17.65	17.29	17.41	4,591,735
12/26/2014	16.94	17.36	16.94	17.32	4,219,986
12/24/2014	16.54	16.97	16.52	16.93	2,240,623
12/23/2014	16.55	16.67	16.50	16.54	2,999,285
12/22/2014	16.42	16.54	16.37	16.52	2,722,022
12/19/2014	16.41	16.53	16.24	16.40	6,332,327
12/18/2014	15.97	16.34	15.87	16.34	5,284,990
12/17/2014	15.40	15.89	15.38	15.84	8,180,228
12/16/2014	15.38	15.78	15.26	15.36	4,438,637
12/15/2014	15.76	15.79	15.39	15.44	4,165,372
12/12/2014	15.96	16.02	15.68	15.71	5,729,168
12/11/2014	16.03	16.21	15.98	16.03	4,577,636
12/10/2014	16.38	16.52	15.99	16.02	4,645,193
12/9/2014	16.19	16.47	16.18	16.46	3,172,552
12/8/2014	16.46	16.53	16.24	16.31	3,218,931
12/5/2014	16.48	16.64	16.37	16.43	3,878,976
12/4/2014	16.53	16.68	16.46	16.64	4,221,941
12/3/2014	16.43	16.53	16.35	16.51	4,150,037

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
12/2/2014	16.25	16.47	16.21	16.45	5,304,142
12/1/2014	16.33	16.43	16.27	16.31	4,129,470
11/28/2014	16.39	16.54	16.39	16.44	3,248,412
11/26/2014	16.43	16.49	16.33	16.43	3,067,014
11/25/2014	16.27	16.44	16.19	16.39	3,883,336
11/24/2014	16.30	16.39	16.23	16.26	3,645,153
11/21/2014	16.39	16.48	16.15	16.27	8,017,804
11/20/2014	16.03	16.23	15.98	16.21	4,460,871
11/19/2014	16.10	16.19	15.98	16.09	4,670,898
11/18/2014	16.21	16.28	16.11	16.14	9,388,550
11/17/2014	16.03	16.15	15.99	16.15	4,052,111
11/14/2014	16.14	16.15	15.95	16.03	5,460,532
11/13/2014	16.39	16.40	16.11	16.21	4,967,290
11/12/2014	16.57	16.59	16.26	16.34	5,515,133
11/11/2014	16.69	16.72	16.50	16.70	3,520,323
11/10/2014	16.62	16.69	16.56	16.69	4,178,934
11/7/2014	16.61	16.67	16.51	16.65	5,002,278
11/6/2014	16.67	16.74	16.45	16.61	6,434,956
11/5/2014	16.49	16.77	16.40	16.77	6,006,443
11/4/2014	16.76	16.81	16.32	16.34	4,733,915
11/3/2014	16.53	16.80	16.47	16.75	6,168,908
10/31/2014	16.69	16.70	16.33	16.53	5,641,228
10/30/2014	16.52	16.69	16.02	16.65	4,293,808
10/29/2014	16.45	16.47	16.15	16.36	3,591,606
10/28/2014	16.38	16.53	16.31	16.52	4,923,980
10/27/2014	16.40	16.47	16.29	16.34	2,895,854
10/24/2014	16.26	16.54	16.24	16.41	4,102,661
10/23/2014	16.15	16.34	16.13	16.22	3,155,647
10/22/2014	16.10	16.31	15.96	16.02	4,627,270
10/21/2014	16.17	16.17	16.03	16.12	4,221,650
10/20/2014	15.61	16.03	15.60	16.01	5,140,171
10/17/2014	15.58	15.75	15.48	15.60	6,878,206
10/16/2014	15.01	15.63	14.89	15.49	7,915,282
10/15/2014	15.22	15.34	14.77	15.16	8,898,957

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
10/14/2014	15.79	15.82	15.27	15.37	11,052,826
10/13/2014	15.96	16.06	15.65	15.66	3,968,825
10/10/2014	16.02	16.17	15.91	15.94	8,259,481
10/9/2014	16.56	16.62	15.92	15.95	8,809,912
10/8/2014	16.30	16.58	16.24	16.57	4,247,808
10/7/2014	16.24	16.42	16.24	16.28	6,218,422
10/6/2014	16.26	16.36	16.19	16.32	5,036,480
10/3/2014	16.03	16.23	15.92	16.20	4,853,713
10/2/2014	16.06	16.17	15.88	16.02	6,426,324
10/1/2014	16.09	16.28	16.02	16.06	6,494,212
9/30/2014	16.21	16.39	16.07	16.10	9,818,698
9/29/2014	15.82	16.29	15.57	16.05	21,976,115
9/26/2014	15.18	15.24	15.09	15.16	6,822,538
9/25/2014	15.35	15.42	15.16	15.19	5,075,558
9/24/2014	15.46	15.48	15.34	15.36	2,940,342
9/23/2014	15.40	15.59	15.35	15.46	8,509,774
9/22/2014	15.57	15.58	15.42	15.43	4,709,869
9/19/2014	15.53	15.84	15.42	15.62	10,786,236
9/18/2014	15.49	15.57	15.29	15.42	4,004,150
9/17/2014	15.57	15.60	15.37	15.47	2,835,499
9/16/2014	15.27	15.58	15.27	15.51	3,494,186
9/15/2014	15.35	15.42	15.25	15.30	3,813,316
9/12/2014	15.65	15.66	15.27	15.34	5,725,649
9/11/2014	15.70	15.77	15.61	15.72	2,905,339
9/10/2014	15.75	15.80	15.65	15.70	3,135,367
9/9/2014	15.82	15.93	15.71	15.79	5,558,491
9/8/2014	15.85	15.97	15.77	15.87	3,865,784
9/5/2014	15.70	15.98	15.70	15.88	6,483,735
9/4/2014	15.58	15.73	15.58	15.66	4,694,649
9/3/2014	15.63	15.73	15.58	15.64	3,456,281
9/2/2014	15.57	15.73	15.49	15.59	4,825,219
8/29/2014	15.51	15.64	15.50	15.59	3,178,283
8/28/2014	15.34	15.55	15.30	15.53	3,314,770
8/27/2014	15.20	15.47	15.16	15.36	3,698,838

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
8/26/2014	15.24	15.32	15.13	15.15	3,432,571
8/25/2014	15.26	15.29	15.20	15.24	4,680,917
8/22/2014	15.24	15.29	15.11	15.19	3,444,664
8/21/2014	15.31	15.34	15.21	15.24	3,457,136
8/20/2014	15.31	15.35	15.24	15.29	3,497,349
8/19/2014	15.16	15.31	15.15	15.31	3,228,680
8/18/2014	15.22	15.23	15.09	15.13	3,480,452
8/15/2014	15.16	15.30	15.09	15.20	4,618,096
8/14/2014	14.96	15.13	14.90	15.11	2,745,118
8/13/2014	14.81	14.97	14.79	14.92	3,191,763
8/12/2014	14.72	14.83	14.65	14.78	3,788,104
8/11/2014	14.67	14.81	14.67	14.71	3,768,542
8/8/2014	14.38	14.67	14.38	14.67	5,657,759
8/7/2014	14.41	14.48	14.30	14.38	4,037,978
8/6/2014	14.27	14.42	14.15	14.35	10,650,762
8/5/2014	14.66	14.67	14.34	14.42	8,004,439
8/4/2014	14.63	14.70	14.27	14.69	8,985,467
8/1/2014	14.79	14.91	14.61	14.63	6,925,243
7/31/2014	14.85	15.11	14.66	14.81	7,827,782
7/30/2014	15.27	15.35	15.01	15.13	5,827,924
7/29/2014	15.38	15.46	15.26	15.27	5,273,711
7/28/2014	15.42	15.51	15.37	15.48	5,162,471
7/25/2014	15.54	15.57	15.44	15.45	2,942,292
7/24/2014	15.50	15.60	15.44	15.55	2,666,604
7/23/2014	15.50	15.55	15.42	15.49	2,676,707
7/22/2014	15.44	15.54	15.42	15.50	3,146,048
7/21/2014	15.40	15.46	15.25	15.41	2,491,634
7/18/2014	15.08	15.44	15.04	15.41	6,555,595
7/17/2014	15.15	15.25	15.09	15.11	2,312,583
7/16/2014	15.25	15.25	15.11	15.21	3,009,874
7/15/2014	15.20	15.35	15.19	15.22	3,060,601
7/14/2014	15.40	15.42	15.22	15.24	3,896,861
7/11/2014	15.25	15.40	15.25	15.36	5,043,250
7/10/2014	15.07	15.33	15.03	15.30	4,324,379

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
7/9/2014	15.09	15.17	14.96	15.13	5,278,635
7/8/2014	15.02	15.11	14.98	15.04	4,817,285
7/7/2014	15.04	15.18	14.95	15.03	4,443,180
7/3/2014	15.11	15.18	14.99	15.00	3,137,212
7/2/2014	15.36	15.39	15.13	15.17	5,248,413
7/1/2014	15.49	15.53	15.34	15.39	5,157,241
6/30/2014	15.38	15.51	15.31	15.46	6,395,952
6/27/2014	15.44	15.57	15.39	15.42	6,229,925
6/26/2014	15.47	15.54	15.35	15.48	8,365,947
6/25/2014	15.11	15.60	15.11	15.50	10,835,442
6/24/2014	15.12	15.27	15.11	15.16	3,615,972
6/23/2014	15.19	15.25	15.05	15.15	2,732,405
6/20/2014	15.24	15.32	15.13	15.14	6,486,414
6/19/2014	15.03	15.28	15.02	15.25	6,491,886
6/18/2014	14.78	15.05	14.76	15.05	4,227,117
6/17/2014	14.71	14.81	14.63	14.78	5,550,882
6/16/2014	14.61	14.89	14.58	14.76	4,329,514
6/13/2014	14.52	14.62	14.44	14.61	3,670,698
6/12/2014	14.43	14.55	14.22	14.54	5,084,231
6/11/2014	14.56	14.57	14.39	14.41	4,507,639
6/10/2014	14.68	14.73	14.56	14.57	3,870,098
6/9/2014	14.81	14.89	14.71	14.73	2,212,155
6/6/2014	14.92	14.95	14.82	14.83	2,793,070
6/5/2014	14.88	15.00	14.83	14.89	4,209,873
6/4/2014	14.72	14.88	14.69	14.87	3,791,191
6/3/2014	14.75	14.83	14.70	14.77	3,111,882
6/2/2014	14.69	14.83	14.64	14.81	4,123,019
5/30/2014	14.60	14.70	14.54	14.68	5,096,476
5/29/2014	14.61	14.67	14.53	14.60	3,792,257
5/28/2014	14.64	14.73	14.57	14.63	4,986,399
5/27/2014	14.79	14.80	14.59	14.60	4,607,530
5/23/2014	14.59	14.71	14.54	14.70	4,290,754
5/22/2014	14.45	14.67	14.45	14.61	3,601,355
5/21/2014	14.44	14.49	14.34	14.46	6,216,468

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.
Case No. 2016-00162
Stock Market Prices [1]
For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
5/20/2014	14.47	14.62	14.30	14.42	6,624,042
5/19/2014	14.34	14.67	14.32	14.48	11,177,261
5/16/2014	14.24	14.34	14.19	14.34	4,944,211
5/15/2014	14.26	14.34	14.18	14.22	3,617,931
5/14/2014	14.10	14.39	14.10	14.24	5,348,762
5/13/2014	14.17	14.22	14.06	14.09	4,989,997
5/12/2014	14.16	14.19	14.05	14.14	4,378,550
5/9/2014	14.34	14.37	14.10	14.12	4,543,786
5/8/2014	14.56	14.61	14.36	14.36	3,492,313
5/7/2014	14.37	14.59	14.36	14.57	4,414,986
5/6/2014	14.41	14.47	14.34	14.37	4,134,456
5/5/2014	14.23	14.49	14.23	14.45	4,835,103
5/2/2014	14.47	14.49	14.15	14.24	5,031,671
5/1/2014	14.31	14.60	14.28	14.55	6,202,085
4/30/2014	14.07	14.33	14.01	14.27	6,700,162
4/29/2014	14.19	14.30	14.15	14.26	6,275,538
4/28/2014	14.09	14.25	14.01	14.19	6,733,267
4/25/2014	14.12	14.21	14.08	14.17	4,582,800
4/24/2014	14.15	14.18	14.03	14.10	5,625,689
4/23/2014	14.08	14.23	14.08	14.12	3,685,155
4/22/2014	14.04	14.13	13.99	14.08	4,195,001
4/21/2014	14.09	14.17	13.97	14.03	2,697,363
4/17/2014	14.15	14.35	13.74	14.12	4,068,202
4/16/2014	14.01	14.26	13.98	14.26	5,973,585
4/15/2014	13.73	13.99	13.71	13.99	6,613,774
4/14/2014	13.73	13.82	13.64	13.72	4,045,894
4/11/2014	13.61	13.77	13.61	13.65	6,684,761
4/10/2014	13.84	13.95	13.65	13.71	4,472,503
4/9/2014	13.84	13.88	13.66	13.82	6,620,311
4/8/2014	13.64	13.83	13.50	13.80	6,273,349
4/7/2014	13.85	14.00	13.65	13.67	6,961,036
4/4/2014	13.97	14.19	13.85	13.87	6,338,773
4/3/2014	13.95	14.03	13.91	13.92	4,150,386
4/2/2014	14.00	14.10	13.89	13.92	4,119,113

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
4/1/2014	13.99	14.05	13.81	14.04	4,700,018
3/31/2014	13.95	14.01	13.87	13.96	4,805,757
3/28/2014	13.92	13.93	13.82	13.89	4,541,964
3/27/2014	13.73	13.91	13.72	13.90	3,327,235
3/26/2014	13.83	13.88	13.75	13.75	4,247,941
3/25/2014	13.80	13.84	13.71	13.75	2,856,186
3/24/2014	13.81	13.90	13.69	13.77	2,893,617
3/21/2014	13.84	13.96	13.77	13.78	8,168,240
3/20/2014	13.73	13.74	13.60	13.71	5,318,428
3/19/2014	14.03	14.07	13.72	13.80	4,848,507
3/18/2014	13.93	14.08	13.90	14.01	4,097,381
3/17/2014	13.90	13.98	13.83	13.95	3,422,013
3/14/2014	13.81	13.92	13.75	13.88	5,997,656
3/13/2014	13.65	13.80	13.62	13.80	6,062,854
3/12/2014	13.45	13.65	13.44	13.64	3,479,151
3/11/2014	13.54	13.56	13.34	13.44	5,470,917
3/10/2014	13.61	13.67	13.51	13.55	3,538,386
3/7/2014	13.53	13.66	13.42	13.64	4,760,457
3/6/2014	13.66	13.69	13.52	13.54	5,907,329
3/5/2014	13.77	13.77	13.61	13.63	4,341,839
3/4/2014	13.69	13.80	13.69	13.77	5,790,894
3/3/2014	13.59	13.64	13.54	13.58	4,066,339
2/28/2014	13.71	13.81	13.64	13.68	5,500,129
2/27/2014	13.68	13.86	13.66	13.68	7,510,248
2/26/2014	13.94	13.98	13.71	13.73	4,460,769
2/25/2014	13.95	14.03	13.88	13.91	3,361,503
2/24/2014	13.94	14.02	13.90	13.93	4,881,808
2/21/2014	13.91	13.96	13.85	13.91	6,051,125
2/20/2014	13.87	13.99	13.84	13.88	6,652,391
2/19/2014	13.89	14.10	13.86	13.91	5,748,488
2/18/2014	14.06	14.47	13.87	13.87	8,453,160
2/14/2014	13.63	13.82	13.55	13.82	7,156,965
2/13/2014	13.57	13.73	13.52	13.66	6,100,731
2/12/2014	13.57	13.67	13.55	13.62	4,281,786

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
2/11/2014	13.55	13.68	13.50	13.62	3,878,714
2/10/2014	13.34	13.58	13.24	13.57	4,743,885
2/7/2014	13.32	13.42	13.29	13.36	4,265,988
2/6/2014	13.16	13.30	13.12	13.27	4,217,558
2/5/2014	13.18	13.29	13.07	13.26	4,905,925
2/4/2014	13.43	13.43	13.19	13.26	5,704,392
2/3/2014	13.49	13.65	13.27	13.34	6,975,190
1/31/2014	13.32	13.60	13.30	13.51	7,162,884
1/30/2014	13.37	13.53	13.37	13.46	4,890,241
1/29/2014	13.36	13.44	13.26	13.32	4,755,431
1/28/2014	13.22	13.44	13.21	13.43	3,392,231
1/27/2014	13.20	13.27	13.14	13.23	4,612,162
1/24/2014	13.37	13.40	13.20	13.20	6,944,635
1/23/2014	13.42	13.50	13.35	13.45	4,335,629
1/22/2014	13.49	13.63	13.47	13.49	5,254,193
1/21/2014	13.43	13.51	13.39	13.49	3,792,917
1/17/2014	13.29	13.40	13.23	13.32	5,529,081
1/16/2014	13.10	13.29	13.09	13.29	4,863,536
1/15/2014	13.13	13.19	13.00	13.11	4,857,515
1/14/2014	13.10	13.14	13.00	13.09	3,384,281
1/13/2014	13.17	13.22	13.03	13.06	6,426,607
1/10/2014	13.08	13.36	13.07	13.23	7,743,020
1/9/2014	12.95	13.03	12.89	13.00	4,769,842
1/8/2014	12.96	13.01	12.87	12.93	6,673,647
1/7/2014	12.97	13.09	12.94	12.99	10,947,289
1/6/2014	12.76	13.09	12.73	12.95	10,149,247
1/3/2014	12.70	12.80	12.64	12.76	4,442,154
1/2/2014	12.90	12.93	12.62	12.69	5,712,482
12/31/2013	12.86	12.95	12.84	12.92	3,470,155
12/30/2013	12.84	12.94	12.78	12.83	4,272,345
12/27/2013	12.81	12.98	12.78	12.83	4,716,241
12/26/2013	12.88	12.90	12.74	12.76	4,341,668
12/24/2013	12.79	12.88	12.70	12.87	2,281,506
12/23/2013	13.03	13.04	12.73	12.80	7,734,900

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
12/20/2013	12.56	13.16	12.51	12.91	27,587,954
12/19/2013	12.36	12.40	12.22	12.38	5,402,724
12/18/2013	12.26	12.45	12.07	12.42	5,419,619
12/17/2013	12.24	12.26	12.15	12.21	5,025,296
12/16/2013	12.21	12.29	12.17	12.21	3,775,363
12/13/2013	12.18	12.21	12.11	12.16	3,675,067
12/12/2013	12.08	12.27	12.06	12.17	4,985,656
12/11/2013	12.21	12.26	12.08	12.10	3,905,371
12/10/2013	12.36	12.37	12.19	12.22	4,266,586
12/9/2013	12.39	12.46	12.33	12.36	4,756,077
12/6/2013	12.36	12.45	12.32	12.40	4,762,004
12/5/2013	12.45	12.53	12.30	12.30	8,210,562
12/4/2013	12.40	12.49	12.30	12.48	8,045,085
12/3/2013	12.34	12.50	12.34	12.44	5,901,598
12/2/2013	12.42	12.47	12.31	12.41	4,139,706
11/29/2013	12.44	12.49	12.41	12.43	2,013,898
11/27/2013	12.48	12.54	12.40	12.45	7,080,570
11/26/2013	12.52	12.56	12.41	12.48	6,817,309
11/25/2013	12.55	12.61	12.47	12.53	5,757,163
11/22/2013	12.37	12.60	12.34	12.52	5,390,084
11/21/2013	12.44	12.44	12.33	12.37	5,506,908
11/20/2013	12.58	12.65	12.39	12.41	4,103,732
11/19/2013	12.64	12.69	12.54	12.59	2,248,268
11/18/2013	12.74	12.81	12.61	12.67	3,451,298
11/15/2013	12.68	12.76	12.61	12.75	5,936,739
11/14/2013	12.43	12.66	12.43	12.64	6,223,461
11/13/2013	12.13	12.39	12.04	12.38	10,349,896
11/12/2013	12.29	12.29	12.10	12.17	4,143,291
11/11/2013	12.35	12.35	12.22	12.30	4,100,312
11/8/2013	12.29	12.33	12.07	12.31	5,337,178
11/7/2013	12.51	12.60	12.31	12.35	4,776,171
11/6/2013	12.43	12.53	12.41	12.53	4,524,728
11/5/2013	12.46	12.54	12.36	12.41	6,676,584
11/4/2013	12.50	12.50	12.33	12.45	3,394,964

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
11/1/2013	12.39	12.52	12.37	12.46	4,424,771
10/31/2013	12.46	12.54	12.23	12.39	6,431,717
10/30/2013	12.56	12.66	12.45	12.46	6,544,028
10/29/2013	12.59	12.61	12.46	12.56	6,674,530
10/28/2013	12.67	12.76	12.56	12.59	7,042,889
10/25/2013	12.62	12.70	12.52	12.70	4,454,150
10/24/2013	12.65	12.68	12.54	12.63	4,220,014
10/23/2013	12.64	12.78	12.56	12.64	6,140,371
10/22/2013	12.45	12.73	12.42	12.66	6,968,217
10/21/2013	12.42	12.46	12.35	12.40	4,509,243
10/18/2013	12.35	12.51	12.32	12.45	4,405,596
10/17/2013	12.10	12.32	12.06	12.30	4,098,070
10/16/2013	11.99	12.14	11.98	12.13	5,891,696
10/15/2013	12.06	12.14	11.90	11.93	3,294,921
10/14/2013	12.06	12.11	11.86	12.11	3,940,957
10/11/2013	12.05	12.12	12.03	12.10	3,941,886
10/10/2013	11.93	12.07	11.86	12.07	4,996,456
10/9/2013	11.89	12.04	11.82	11.85	4,803,080
10/8/2013	11.88	12.02	11.84	11.87	3,394,229
10/7/2013	11.93	12.01	11.87	11.91	4,525,636
10/4/2013	11.99	12.05	11.97	12.02	2,862,138
10/3/2013	12.07	12.08	11.91	11.99	5,213,211
10/2/2013	12.13	12.17	12.02	12.15	4,907,673
10/1/2013	12.08	12.28	12.08	12.18	4,510,103
9/30/2013	11.98	12.14	11.97	12.14	6,167,409
9/27/2013	12.04	12.10	11.96	12.05	4,406,278
9/26/2013	12.05	12.10	12.00	12.05	3,803,549
9/25/2013	12.16	12.22	12.04	12.05	3,999,811
9/24/2013	12.13	12.17	12.08	12.12	4,740,470
9/23/2013	11.92	12.17	11.86	12.11	4,349,753
9/20/2013	12.02	12.02	11.85	11.94	10,125,318
9/19/2013	12.13	12.19	11.95	12.00	8,455,158
9/18/2013	11.90	12.10	11.85	12.10	10,005,972
9/17/2013	11.84	11.90	11.78	11.89	7,187,225

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
9/16/2013	11.92	11.99	11.82	11.85	5,386,850
9/13/2013	11.69	11.80	11.64	11.77	3,908,613
9/12/2013	11.69	11.82	11.63	11.64	6,575,133
9/11/2013	11.71	11.71	11.51	11.63	7,364,340
9/10/2013	11.55	11.71	11.51	11.71	4,591,752
9/9/2013	11.44	11.52	11.38	11.51	4,015,784
9/6/2013	11.44	11.52	11.40	11.44	6,786,392
9/5/2013	11.44	11.47	11.36	11.40	5,034,994
9/4/2013	11.44	11.47	11.34	11.46	8,106,770
9/3/2013	11.60	11.67	11.39	11.45	7,430,169
8/30/2013	11.47	11.52	11.40	11.50	3,791,234
8/29/2013	11.49	11.51	11.42	11.46	3,552,454
8/28/2013	11.59	11.63	11.47	11.52	5,335,812
8/27/2013	11.49	11.65	11.47	11.56	5,022,881
8/26/2013	11.64	11.67	11.54	11.55	2,555,351
8/23/2013	11.56	11.66	11.49	11.64	2,690,902
8/22/2013	11.52	11.58	11.47	11.55	3,244,420
8/21/2013	11.62	11.63	11.39	11.51	5,217,848
8/20/2013	11.62	11.78	11.58	11.64	3,407,243
8/19/2013	11.71	11.75	11.55	11.60	4,991,733
8/16/2013	11.81	11.82	11.65	11.71	5,533,911
8/15/2013	11.99	12.04	11.80	11.84	3,999,126
8/14/2013	12.08	12.11	12.06	12.10	4,681,258
8/13/2013	12.04	12.13	12.00	12.11	5,322,159
8/12/2013	11.99	12.05	11.93	12.05	2,475,946
8/9/2013	12.09	12.11	11.98	12.05	3,002,962
8/8/2013	12.06	12.18	12.04	12.09	3,308,050
8/7/2013	11.91	12.10	11.89	12.02	4,699,293
8/6/2013	12.10	12.12	11.92	11.95	3,911,265
8/5/2013	12.21	12.24	12.11	12.13	2,740,566
8/2/2013	12.23	12.28	12.17	12.22	3,800,503
8/1/2013	12.18	12.23	12.10	12.23	4,498,509
7/31/2013	12.08	12.24	11.95	12.07	5,612,744
7/30/2013	12.16	12.21	12.06	12.12	4,160,815

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.
Case No. 2016-00162
Stock Market Prices [1]
For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
7/29/2013	12.20	12.27	12.09	12.11	4,405,059
7/26/2013	12.31	12.37	12.19	12.35	5,331,152
7/25/2013	12.01	12.36	11.99	12.35	8,337,438
7/24/2013	12.25	12.27	12.01	12.02	5,460,285
7/23/2013	12.21	12.32	12.19	12.24	3,387,600
7/22/2013	12.18	12.27	12.16	12.19	1,789,671
7/19/2013	12.19	12.26	12.15	12.18	2,684,003
7/18/2013	12.07	12.18	12.07	12.16	2,180,938
7/17/2013	12.10	12.15	12.02	12.08	1,890,651
7/16/2013	12.07	12.14	11.97	12.04	3,018,045
7/15/2013	11.88	12.08	11.80	12.08	3,666,420
7/12/2013	11.82	11.92	11.78	11.90	2,605,033
7/11/2013	11.85	11.90	11.75	11.84	4,211,708
7/10/2013	11.67	11.75	11.62	11.75	4,854,871
7/9/2013	11.56	11.69	11.55	11.67	4,616,694
7/8/2013	11.32	11.52	11.27	11.49	3,623,031
7/5/2013	11.25	11.28	11.11	11.25	3,400,441
7/3/2013	11.21	11.31	11.18	11.25	2,590,214
7/2/2013	11.19	11.33	11.18	11.28	5,411,514
7/1/2013	11.29	11.36	11.15	11.22	5,274,309
6/28/2013	11.13	11.32	11.06	11.25	5,068,507
6/27/2013	11.08	11.22	11.07	11.17	4,140,232
6/26/2013	11.04	11.07	10.93	11.04	5,014,982
6/25/2013	10.92	10.98	10.82	10.95	4,862,475
6/24/2013	10.93	10.99	10.77	10.88	5,210,913
6/21/2013	10.93	11.07	10.65	11.03	7,252,906
6/20/2013	11.19	11.19	10.83	10.85	6,088,312
6/19/2013	11.51	11.60	11.27	11.27	3,447,570
6/18/2013	11.47	11.58	11.42	11.55	2,661,077
6/17/2013	11.47	11.54	11.38	11.46	4,415,752
6/14/2013	11.31	11.53	11.28	11.44	5,753,471
6/13/2013	11.04	11.33	11.01	11.32	5,414,387
6/12/2013	11.24	11.24	11.01	11.06	5,406,865
6/11/2013	11.10	11.19	11.05	11.07	3,532,358

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.
Case No. 2016-00162
Stock Market Prices [1]
For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
6/10/2013	11.24	11.24	11.05	11.17	3,576,459
6/7/2013	11.16	11.26	11.06	11.21	4,172,638
6/6/2013	11.00	11.15	10.93	11.15	5,091,448
6/5/2013	11.09	11.09	10.99	11.00	3,577,818
6/4/2013	11.27	11.27	11.05	11.11	5,311,626
6/3/2013	11.29	11.36	11.11	11.28	4,546,117
5/31/2013	11.26	11.45	11.25	11.29	5,410,430
5/30/2013	11.23	11.43	11.23	11.31	4,176,994
5/29/2013	11.27	11.28	11.13	11.20	5,867,437
5/28/2013	11.36	11.51	11.27	11.34	5,044,003
5/24/2013	11.27	11.31	11.16	11.31	4,119,530
5/23/2013	11.29	11.38	11.17	11.32	8,675,791
5/22/2013	11.62	11.68	11.35	11.40	5,721,643
5/21/2013	11.60	11.69	11.57	11.63	7,334,991
5/20/2013	11.71	11.74	11.62	11.64	5,419,528
5/17/2013	11.61	11.71	11.58	11.70	4,773,392
5/16/2013	11.66	11.68	11.56	11.60	6,863,339
5/15/2013	11.42	11.88	11.42	11.65	11,044,500
5/14/2013	11.29	11.47	11.27	11.43	11,777,741
5/13/2013	11.29	11.35	11.22	11.31	7,381,311
5/10/2013	11.36	11.38	11.21	11.29	9,398,052
5/9/2013	11.73	11.76	11.31	11.34	10,012,461
5/8/2013	11.87	11.89	11.70	11.73	3,763,906
5/7/2013	11.86	11.92	11.82	11.86	4,797,049
5/6/2013	12.00	12.00	11.82	11.86	4,200,251
5/3/2013	12.07	12.12	11.96	12.00	6,153,499
5/2/2013	12.04	12.09	11.96	12.01	4,033,908
5/1/2013	12.07	12.18	11.99	12.03	6,064,200
4/30/2013	12.12	12.17	11.98	12.08	7,690,842
4/29/2013	12.13	12.27	12.13	12.24	3,309,286
4/26/2013	12.14	12.26	12.09	12.11	5,700,157
4/25/2013	12.26	12.33	12.22	12.25	5,970,842
4/24/2013	12.24	12.34	12.19	12.24	6,748,434
4/23/2013	12.23	12.25	12.09	12.21	5,233,089

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
4/22/2013	12.22	12.26	12.11	12.20	1,884,164
4/19/2013	12.09	12.22	12.05	12.22	3,069,457
4/18/2013	11.99	12.06	11.93	12.05	4,749,084
4/17/2013	11.95	11.98	11.82	11.97	5,312,132
4/16/2013	11.83	11.99	11.72	11.99	3,565,669
4/15/2013	11.98	12.02	11.80	11.80	5,920,101
4/12/2013	11.99	12.04	11.97	12.04	2,794,213
4/11/2013	12.08	12.10	11.95	12.00	5,063,361
4/10/2013	11.89	12.05	11.87	12.05	6,715,751
4/9/2013	11.90	11.93	11.78	11.86	4,899,316
4/8/2013	11.73	11.86	11.73	11.86	3,756,457
4/5/2013	11.55	11.75	11.55	11.74	5,275,800
4/4/2013	11.51	11.64	11.51	11.64	4,184,955
4/3/2013	11.52	11.56	11.47	11.51	6,252,161
4/2/2013	11.49	11.54	11.44	11.51	5,106,190
4/1/2013	11.48	11.53	11.42	11.46	5,021,606
3/28/2013	11.24	11.55	11.24	11.53	9,483,972
3/27/2013	11.23	11.34	11.20	11.31	5,435,277
3/26/2013	11.20	11.28	11.16	11.25	4,646,107
3/25/2013	11.18	11.24	11.11	11.15	3,612,549
3/22/2013	11.21	11.23	11.02	11.16	6,412,473
3/21/2013	11.20	11.28	11.17	11.20	3,678,818
3/20/2013	11.17	11.25	11.16	11.23	3,286,719
3/19/2013	11.09	11.15	11.06	11.13	4,415,790
3/18/2013	11.04	11.12	10.99	11.04	7,434,309
3/15/2013	11.16	11.33	11.11	11.11	8,700,918
3/14/2013	11.17	11.20	11.12	11.14	3,560,498
3/13/2013	11.13	11.18	11.11	11.17	2,523,772
3/12/2013	11.20	11.22	11.10	11.14	2,953,590
3/11/2013	11.11	11.23	11.10	11.22	3,202,835
3/8/2013	11.04	11.14	11.02	11.12	7,436,421
3/7/2013	11.10	11.13	11.01	11.01	3,507,691
3/6/2013	11.15	11.18	11.05	11.10	3,800,732
3/5/2013	11.11	11.14	11.08	11.13	3,766,074

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
3/4/2013	10.96	11.11	10.94	11.07	4,550,613
3/1/2013	10.90	10.99	10.81	10.98	5,157,551
2/28/2013	10.78	10.92	10.78	10.89	8,709,444
2/27/2013	10.67	10.79	10.64	10.77	9,513,056
2/26/2013	10.61	10.68	10.54	10.67	6,083,795
2/25/2013	10.72	10.78	10.56	10.57	4,766,870
2/22/2013	10.61	10.71	10.59	10.69	3,376,705
2/21/2013	10.61	10.64	10.56	10.60	3,623,273
2/20/2013	10.72	10.76	10.60	10.63	6,144,455
2/19/2013	10.54	10.77	10.54	10.71	9,707,280
2/15/2013	10.55	10.59	10.50	10.52	7,998,589
2/14/2013	10.68	10.69	10.56	10.57	4,715,297
2/13/2013	10.61	10.68	10.61	10.68	2,343,873
2/12/2013	10.57	10.63	10.54	10.62	3,268,178
2/11/2013	10.58	10.62	10.56	10.59	2,659,255
2/8/2013	10.58	10.58	10.49	10.58	3,235,444
2/7/2013	10.56	10.62	10.52	10.57	4,629,049
2/6/2013	10.55	10.57	10.48	10.54	14,023,594
2/5/2013	10.63	10.68	10.58	10.58	3,690,629
2/4/2013	10.62	10.67	10.56	10.57	4,311,858
2/1/2013	10.65	10.68	10.63	10.68	3,784,015
1/31/2013	10.53	10.63	10.53	10.62	4,388,258
1/30/2013	10.70	10.72	10.65	10.65	5,750,542
1/29/2013	10.53	10.73	10.49	10.72	6,517,428
1/28/2013	10.49	10.56	10.42	10.52	3,074,730
1/25/2013	10.41	10.48	10.32	10.48	4,960,009
1/24/2013	10.43	10.51	10.41	10.41	5,575,498
1/23/2013	10.42	10.43	10.36	10.42	2,991,241
1/22/2013	10.29	10.43	10.26	10.43	4,128,972
1/18/2013	10.21	10.32	10.18	10.31	3,596,494
1/17/2013	10.21	10.28	10.18	10.23	5,772,895
1/16/2013	10.15	10.21	10.14	10.17	5,314,873
1/15/2013	10.13	10.19	10.08	10.18	7,601,146
1/14/2013	10.11	10.22	10.09	10.17	10,281,754

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
1/11/2013	10.01	10.13	10.00	10.12	6,397,156
1/10/2013	9.93	10.04	9.92	10.02	8,372,645
1/9/2013	9.83	9.90	9.78	9.90	6,992,485
1/8/2013	9.84	9.86	9.77	9.80	7,604,780
1/7/2013	9.93	9.94	9.84	9.88	5,817,747
1/4/2013	9.93	9.99	9.92	9.98	3,929,923
1/3/2013	9.93	9.98	9.89	9.91	6,983,674
1/2/2013	9.86	9.95	9.82	9.92	6,644,176
12/31/2012	9.65	9.80	9.58	9.78	7,420,175
12/28/2012	9.67	9.77	9.61	9.68	8,158,755
12/27/2012	9.69	9.74	9.57	9.71	5,570,411
12/26/2012	9.80	9.86	9.71	9.71	4,361,545
12/24/2012	9.78	9.82	9.73	9.79	1,721,944
12/21/2012	9.79	9.84	9.75	9.81	11,756,927
12/20/2012	9.73	9.85	9.71	9.83	8,804,924
12/19/2012	9.68	9.76	9.65	9.70	6,699,589
12/18/2012	9.58	9.70	9.55	9.69	12,819,867
12/17/2012	9.53	9.61	9.48	9.60	6,050,206
12/14/2012	9.51	9.56	9.47	9.49	9,906,957
12/13/2012	9.57	9.60	9.47	9.50	13,749,558
12/12/2012	9.55	9.66	9.51	9.58	7,767,842
12/11/2012	9.64	9.70	9.44	9.50	13,199,998
12/10/2012	9.62	9.65	9.59	9.62	4,234,649
12/7/2012	9.64	9.69	9.56	9.60	3,915,741
12/6/2012	9.66	9.67	9.58	9.64	5,732,308
12/5/2012	9.50	9.70	9.48	9.66	5,908,662
12/4/2012	9.56	9.58	9.48	9.51	5,673,633
12/3/2012	9.60	9.66	9.55	9.56	6,796,815
11/30/2012	9.41	9.50	9.40	9.50	6,358,785
11/29/2012	9.37	9.41	9.32	9.40	4,995,097
11/28/2012	9.30	9.40	9.27	9.36	5,276,653
11/27/2012	9.39	9.42	9.29	9.30	8,011,448
11/26/2012	9.40	9.52	9.33	9.38	8,714,179
11/23/2012	9.43	9.45	9.37	9.44	2,442,843

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
11/21/2012	9.43	9.44	9.34	9.40	16,486,007
11/20/2012	9.38	9.43	9.31	9.40	4,174,256
11/19/2012	9.44	9.47	9.29	9.36	7,848,008
11/16/2012	9.19	9.40	9.19	9.39	5,810,721
11/15/2012	9.29	9.32	9.09	9.20	7,877,609
11/14/2012	9.43	9.45	9.27	9.29	5,632,300
11/13/2012	9.39	9.58	9.35	9.44	4,807,793
11/12/2012	9.55	9.55	9.42	9.44	4,559,449
11/9/2012	9.59	9.62	9.51	9.55	4,068,286
11/8/2012	9.63	9.73	9.60	9.62	7,273,615
11/7/2012	9.75	9.77	9.50	9.64	7,056,079
11/6/2012	9.74	9.90	9.72	9.80	5,570,309
11/5/2012	9.85	9.86	9.72	9.74	8,191,744
11/2/2012	10.06	10.07	9.90	9.91	9,792,731
11/1/2012	10.00	10.10	9.97	10.00	4,687,589
10/31/2012	10.00	10.10	9.95	10.01	4,434,087
10/26/2012	10.04	10.07	9.97	10.00	4,776,527
10/25/2012	9.94	10.04	9.90	10.04	4,924,683
10/24/2012	9.87	9.97	9.84	9.89	3,623,146
10/23/2012	9.87	9.87	9.76	9.86	3,882,203
10/22/2012	9.94	9.97	9.84	9.93	4,719,356
10/19/2012	10.09	10.10	9.97	9.99	3,641,916
10/18/2012	10.10	10.11	10.04	10.10	1,841,870
10/17/2012	10.05	10.11	9.98	10.10	4,715,961
10/16/2012	10.01	10.04	9.96	9.99	5,007,796
10/15/2012	9.93	10.01	9.88	10.00	3,341,699
10/12/2012	10.01	10.02	9.86	9.95	4,631,965
10/11/2012	10.08	10.08	10.00	10.00	2,711,670
10/10/2012	10.08	10.10	10.00	10.04	3,360,381
10/9/2012	10.08	10.11	10.05	10.09	4,452,835
10/8/2012	10.11	10.16	10.06	10.08	2,689,278
10/5/2012	10.17	10.21	10.08	10.11	2,814,731
10/4/2012	10.10	10.19	10.08	10.15	4,383,018
10/3/2012	10.06	10.13	10.01	10.06	6,773,113

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
10/2/2012	10.02	10.05	9.98	10.05	3,043,992
10/1/2012	10.04	10.04	9.96	9.99	4,656,772
9/28/2012	10.00	10.02	9.92	10.01	4,980,564
9/27/2012	10.02	10.07	9.94	10.02	4,869,198
9/26/2012	10.04	10.12	9.99	10.01	5,784,415
9/25/2012	10.10	10.13	10.01	10.02	7,723,438
9/24/2012	10.01	10.14	9.97	10.10	4,883,920
9/21/2012	10.08	10.09	10.00	10.02	6,928,346
9/20/2012	10.02	10.09	10.02	10.06	4,792,412
9/19/2012	10.02	10.09	9.98	10.03	5,448,195
9/18/2012	10.03	10.08	9.99	10.02	4,407,744
9/17/2012	10.02	10.08	9.99	10.02	12,002,133
9/14/2012	10.08	10.15	10.02	10.06	11,526,043
9/13/2012	9.90	10.09	9.90	10.06	8,692,144
9/12/2012	9.94	9.98	9.89	9.96	8,631,122
9/11/2012	9.90	9.95	9.87	9.93	5,581,573
9/10/2012	9.97	9.99	9.90	9.90	6,029,120
9/7/2012	10.02	10.08	9.93	9.94	7,053,328
9/6/2012	9.81	10.01	9.81	10.00	11,332,099
9/5/2012	9.74	9.81	9.71	9.79	9,304,182
9/4/2012	9.55	9.71	9.55	9.71	6,825,437
8/31/2012	9.59	9.62	9.52	9.56	3,974,643
8/30/2012	9.56	9.58	9.52	9.56	3,155,367
8/29/2012	9.59	9.62	9.55	9.58	4,888,552
8/28/2012	9.52	9.63	9.50	9.60	8,047,062
8/27/2012	9.48	9.54	9.45	9.54	7,311,459
8/24/2012	9.42	9.51	9.41	9.49	4,422,493
8/23/2012	9.52	9.52	9.41	9.43	6,257,223
8/22/2012	9.57	9.60	9.52	9.53	4,284,156
8/21/2012	9.67	9.71	9.56	9.56	5,614,021
8/20/2012	9.71	9.71	9.61	9.68	5,232,806
8/17/2012	9.73	9.76	9.64	9.71	7,431,471
8/16/2012	9.84	9.84	9.71	9.75	5,690,149
8/15/2012	9.85	9.88	9.82	9.82	5,309,425

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
8/14/2012	9.82	9.88	9.79	9.84	4,186,647
8/13/2012	9.88	9.90	9.78	9.79	4,849,695
8/10/2012	9.90	9.95	9.86	9.89	5,104,391
8/9/2012	9.94	9.99	9.88	9.92	3,838,333
8/8/2012	9.89	9.97	9.85	9.93	5,183,623
8/7/2012	9.98	9.99	9.88	9.90	5,420,197
8/6/2012	9.97	10.04	9.93	9.95	3,553,396
8/3/2012	9.94	9.97	9.87	9.93	4,309,535
8/2/2012	9.93	9.96	9.78	9.84	8,037,957
8/1/2012	10.07	10.25	9.96	9.97	3,965,517
7/31/2012	10.07	10.28	10.00	10.06	7,958,964
7/30/2012	10.04	10.15	10.00	10.07	5,720,849
7/27/2012	9.97	10.10	9.95	10.06	6,703,623
7/26/2012	9.95	10.05	9.92	10.00	6,887,059
7/25/2012	9.91	9.97	9.75	9.87	6,681,796
7/24/2012	9.97	9.98	9.82	9.87	6,601,724
7/23/2012	10.01	10.03	9.91	9.95	14,467,544
7/20/2012	9.92	10.10	9.92	10.08	15,626,333
7/19/2012	9.93	10.00	9.83	9.96	14,423,343
7/18/2012	9.92	9.97	9.89	9.94	4,732,882
7/17/2012	9.85	9.93	9.78	9.93	4,470,228
7/16/2012	9.86	9.88	9.77	9.82	3,602,775
7/13/2012	9.73	9.88	9.71	9.88	4,939,514
7/12/2012	9.60	9.73	9.57	9.70	5,471,284
7/11/2012	9.60	9.66	9.58	9.64	4,551,384
7/10/2012	9.61	9.70	9.57	9.61	4,610,256
7/9/2012	9.69	9.75	9.55	9.59	6,903,689
7/6/2012	9.58	9.74	9.53	9.73	5,194,978
7/5/2012	9.73	9.73	9.62	9.65	4,282,825
7/3/2012	9.72	9.77	9.69	9.75	3,246,840
7/2/2012	9.77	9.80	9.68	9.75	4,362,024
6/29/2012	9.92	9.94	9.67	9.73	5,568,729
6/28/2012	9.55	9.64	9.50	9.64	3,759,475
6/27/2012	9.54	9.62	9.54	9.60	2,860,420

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
6/26/2012	9.56	9.59	9.50	9.53	4,349,394
6/25/2012	9.48	9.57	9.45	9.55	7,400,593
6/22/2012	9.49	9.57	9.46	9.55	7,031,114
6/21/2012	9.82	9.84	9.44	9.46	13,944,742
6/20/2012	9.87	9.88	9.73	9.78	5,902,272
6/19/2012	9.97	9.99	9.85	9.85	7,961,677
6/18/2012	9.86	9.99	9.86	9.96	4,936,880
6/15/2012	9.98	10.01	9.91	9.96	5,945,249
6/14/2012	9.94	10.00	9.89	9.95	5,082,610
6/13/2012	9.96	9.97	9.88	9.93	4,275,687
6/12/2012	9.89	9.99	9.86	9.99	4,849,751
6/11/2012	9.95	10.01	9.87	9.87	4,073,279
6/8/2012	9.86	9.94	9.83	9.92	4,527,499
6/7/2012	9.86	9.91	9.82	9.87	5,365,158
6/6/2012	9.76	9.82	9.71	9.81	5,572,620
6/5/2012	9.67	9.79	9.66	9.73	4,027,422
6/4/2012	9.71	9.74	9.66	9.72	4,239,406
6/1/2012	9.75	9.81	9.68	9.71	8,101,958
5/31/2012	9.83	9.92	9.76	9.86	6,455,108
5/30/2012	9.87	9.93	9.79	9.84	5,122,698
5/29/2012	9.88	9.95	9.86	9.93	3,297,636
5/25/2012	9.81	9.89	9.81	9.84	3,341,267
5/24/2012	9.73	9.86	9.73	9.81	4,479,807
5/23/2012	9.70	9.75	9.59	9.72	6,532,676
5/22/2012	9.76	9.79	9.71	9.73	4,710,248
5/21/2012	9.62	9.75	9.59	9.75	3,272,987
5/18/2012	9.73	9.76	9.57	9.60	6,979,206
5/17/2012	9.84	9.84	9.68	9.69	4,221,806
5/16/2012	9.86	9.89	9.78	9.84	4,856,581
5/15/2012	9.88	9.95	9.80	9.86	4,813,602
5/14/2012	9.86	9.93	9.78	9.87	5,361,280
5/11/2012	9.89	10.00	9.86	9.92	3,866,128
5/10/2012	9.87	9.96	9.80	9.93	6,352,260
5/9/2012	9.67	9.86	9.67	9.80	8,119,354

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
5/8/2012	9.70	9.84	9.70	9.77	10,961,318
5/7/2012	9.75	9.78	9.67	9.75	3,785,722
5/4/2012	9.71	9.84	9.71	9.79	7,165,989
5/3/2012	9.82	9.90	9.73	9.73	4,973,336
5/2/2012	9.89	9.91	9.79	9.84	7,312,759
5/1/2012	9.75	10.13	9.71	9.95	13,352,316
4/30/2012	9.61	9.73	9.60	9.69	8,526,906
4/27/2012	9.64	9.70	9.57	9.62	5,731,700
4/26/2012	9.56	9.64	9.53	9.61	5,509,692
4/25/2012	9.63	9.73	9.57	9.67	6,737,316
4/24/2012	9.53	9.58	9.49	9.56	4,986,943
4/23/2012	9.53	9.55	9.47	9.55	3,352,856
4/20/2012	9.47	9.62	9.45	9.59	5,985,810
4/19/2012	9.55	9.56	9.40	9.46	7,597,898
4/18/2012	9.53	9.61	9.51	9.56	3,610,620
4/17/2012	9.55	9.61	9.48	9.57	3,716,781
4/16/2012	9.42	9.54	9.41	9.49	17,876,342
4/13/2012	9.40	9.50	9.36	9.40	17,859,844
4/12/2012	9.32	9.40	9.27	9.39	16,592,812
4/11/2012	9.36	9.38	9.31	9.32	5,787,741
4/10/2012	9.51	9.53	9.29	9.30	8,061,089
4/9/2012	9.54	9.60	9.49	9.54	3,716,937
4/5/2012	9.49	9.63	9.48	9.63	5,504,152
4/4/2012	9.56	9.59	9.50	9.54	5,846,791
4/3/2012	9.63	9.70	9.55	9.64	4,221,383
4/2/2012	9.57	9.72	9.53	9.62	6,144,817
3/30/2012	9.56	9.65	9.51	9.57	6,924,966
3/29/2012	9.36	9.54	9.31	9.53	8,435,942
3/28/2012	9.44	9.46	9.32	9.41	5,878,173
3/27/2012	9.53	9.53	9.45	9.45	7,138,210
3/26/2012	9.49	9.55	9.43	9.52	5,134,267
3/23/2012	9.40	9.47	9.36	9.44	5,465,179
3/22/2012	9.26	9.44	9.26	9.41	7,835,796
3/21/2012	9.38	9.40	9.24	9.32	7,505,558

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
3/20/2012	9.25	9.31	9.23	9.23	5,931,593
3/19/2012	9.29	9.36	9.25	9.27	4,006,399
3/16/2012	9.38	9.41	9.23	9.28	7,815,776
3/15/2012	9.41	9.42	9.32	9.39	3,663,814
3/14/2012	9.52	9.55	9.36	9.41	4,943,847
3/13/2012	9.61	9.62	9.47	9.55	7,241,699
3/12/2012	9.47	9.59	9.47	9.58	8,228,289
3/9/2012	9.39	9.49	9.33	9.47	4,613,314
3/8/2012	9.32	9.41	9.26	9.39	3,929,356
3/7/2012	9.26	9.31	9.19	9.28	5,319,861
3/6/2012	9.26	9.29	9.16	9.27	7,116,462
3/5/2012	9.27	9.34	9.21	9.33	5,601,488
3/2/2012	9.40	9.42	9.31	9.31	7,491,997
3/1/2012	9.42	9.44	9.35	9.38	9,639,257
2/29/2012	9.31	9.49	9.23	9.43	12,416,224
2/28/2012	9.27	9.39	9.25	9.29	8,475,251
2/27/2012	9.25	9.29	9.20	9.25	3,414,636
2/24/2012	9.29	9.32	9.24	9.31	5,771,999
2/23/2012	9.23	9.29	9.19	9.26	7,350,086
2/22/2012	9.29	9.41	9.23	9.24	9,979,565
2/21/2012	9.41	9.42	9.29	9.32	9,507,709
2/17/2012	9.13	9.64	9.08	9.35	31,790,776
2/16/2012	8.98	9.13	8.97	9.08	5,361,654
2/15/2012	8.99	9.03	8.92	8.96	5,473,920
2/14/2012	8.99	9.01	8.91	8.99	6,967,721
2/13/2012	9.10	9.11	8.99	9.01	5,462,746
2/10/2012	9.07	9.10	9.00	9.06	3,897,235
2/9/2012	9.25	9.25	9.07	9.11	6,033,917
2/8/2012	9.17	9.25	9.13	9.25	9,656,613
2/7/2012	9.01	9.19	8.99	9.16	6,024,654
2/6/2012	9.01	9.04	8.94	9.03	9,402,691
2/3/2012	9.03	9.08	8.94	9.04	7,264,744
2/2/2012	9.19	9.19	8.95	8.98	10,269,709
2/1/2012	8.91	9.25	8.90	9.21	10,088,851

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
1/31/2012	9.00	9.06	8.90	8.93	6,408,304
1/30/2012	8.96	8.98	8.87	8.94	6,034,189
1/27/2012	9.16	9.16	8.95	9.00	4,964,124
1/26/2012	9.13	9.21	9.08	9.18	8,386,960
1/25/2012	8.95	9.11	8.87	9.09	6,029,354
1/24/2012	9.01	9.01	8.92	8.98	3,260,459
1/23/2012	8.96	9.06	8.95	9.05	5,956,924
1/20/2012	8.96	9.01	8.88	8.98	10,477,013
1/19/2012	9.20	9.21	8.94	8.97	7,664,137
1/18/2012	9.21	9.23	9.12	9.21	6,613,361
1/17/2012	9.18	9.23	9.01	9.22	22,990,941
1/13/2012	8.82	9.17	8.81	9.10	27,762,012
1/12/2012	8.87	8.87	8.77	8.85	21,616,994
1/11/2012	8.91	8.95	8.79	8.83	7,894,308
1/10/2012	9.10	9.10	8.93	8.96	7,068,739
1/9/2012	9.04	9.05	8.98	8.99	4,125,381
1/6/2012	9.07	9.08	8.98	9.04	5,546,556
1/5/2012	9.07	9.10	9.02	9.07	10,469,109
1/4/2012	9.17	9.23	9.08	9.09	9,621,650
1/3/2012	9.45	9.45	9.16	9.18	9,247,624
12/30/2011	9.36	9.42	9.35	9.36	5,239,519
12/29/2011	9.29	9.39	9.29	9.38	3,279,186
12/28/2011	9.29	9.34	9.24	9.29	5,501,109
12/27/2011	9.22	9.31	9.17	9.30	2,881,384
12/23/2011	9.16	9.23	9.13	9.20	2,733,392
12/22/2011	9.16	9.16	9.07	9.11	3,583,997
12/21/2011	9.01	9.13	8.96	9.12	6,985,448
12/20/2011	8.80	9.01	8.78	9.00	6,236,533
12/19/2011	8.90	8.92	8.67	8.70	5,056,638
12/16/2011	8.80	8.87	8.78	8.85	14,279,394
12/15/2011	8.65	8.77	8.63	8.76	7,670,509
12/14/2011	8.74	8.77	8.59	8.59	7,147,750
12/13/2011	8.63	8.83	8.59	8.74	7,319,175
12/12/2011	8.70	8.71	8.52	8.59	5,424,317

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
12/9/2011	8.63	8.77	8.61	8.74	7,705,060
12/8/2011	8.76	8.76	8.59	8.59	8,748,786
12/7/2011	8.83	8.85	8.74	8.78	6,002,537
12/6/2011	8.87	8.94	8.82	8.88	4,753,130
12/5/2011	8.97	9.05	8.85	8.90	6,224,575
12/2/2011	9.02	9.02	8.86	8.87	6,536,778
12/1/2011	8.95	9.03	8.94	8.97	5,766,976
11/30/2011	8.85	9.01	8.85	9.00	8,628,550
11/29/2011	8.50	8.70	8.49	8.68	7,372,369
11/28/2011	8.57	8.59	8.41	8.45	6,556,500
11/25/2011	8.33	8.46	8.32	8.39	2,126,660
11/23/2011	8.41	8.42	8.33	8.34	5,598,302
11/22/2011	8.48	8.58	8.42	8.46	7,189,943
11/21/2011	8.57	8.58	8.43	8.50	6,404,253
11/18/2011	8.69	8.71	8.63	8.65	7,315,337
11/17/2011	8.57	8.71	8.53	8.64	8,988,373
11/16/2011	8.62	8.70	8.58	8.58	6,088,709
11/15/2011	8.68	8.71	8.62	8.69	5,168,741
11/14/2011	8.79	8.79	8.66	8.67	4,857,867
11/11/2011	8.72	8.84	8.72	8.83	6,179,044
11/10/2011	8.63	8.68	8.52	8.61	7,351,825
11/9/2011	8.65	8.68	8.49	8.53	11,019,133
11/8/2011	8.74	8.81	8.64	8.78	8,055,081
11/7/2011	8.75	8.76	8.60	8.72	8,096,673
11/4/2011	8.68	8.76	8.56	8.74	7,710,740
11/3/2011	8.66	8.73	8.59	8.70	5,690,744
11/2/2011	8.48	8.61	8.48	8.56	9,867,904
11/1/2011	8.48	8.54	8.33	8.38	10,078,822
10/31/2011	8.79	8.83	8.67	8.68	8,103,327
10/28/2011	8.83	8.98	8.75	8.85	16,270,008
10/27/2011	8.87	8.92	8.71	8.80	18,416,034
10/26/2011	9.00	9.03	8.79	8.81	13,227,184
10/25/2011	8.96	8.99	8.88	8.88	6,210,577
10/24/2011	8.99	9.02	8.95	9.01	18,293,118

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
10/21/2011	8.91	9.00	8.87	9.00	16,278,357
10/20/2011	8.78	8.89	8.74	8.80	19,752,071
10/19/2011	8.85	9.04	8.72	8.74	13,833,465
10/18/2011	8.73	8.96	8.57	8.83	15,040,901
10/17/2011	8.64	8.76	8.59	8.70	10,925,429
10/14/2011	8.66	8.70	8.50	8.55	12,379,355
10/13/2011	8.45	8.58	8.40	8.55	8,957,047
10/12/2011	8.52	8.59	8.44	8.47	9,487,705
10/11/2011	8.69	8.70	8.47	8.48	10,467,740
10/10/2011	8.59	8.76	8.59	8.74	6,344,145
10/7/2011	8.55	8.58	8.45	8.47	7,633,388
10/6/2011	8.40	8.53	8.33	8.53	6,192,231
10/5/2011	8.31	8.43	8.20	8.41	8,035,318
10/4/2011	8.14	8.33	7.98	8.32	10,712,829
10/3/2011	8.40	8.45	8.20	8.20	11,791,643
9/30/2011	8.46	8.56	8.39	8.40	9,409,936
9/29/2011	8.52	8.57	8.37	8.51	10,936,878
9/28/2011	8.53	8.68	8.37	8.42	12,694,240
9/27/2011	8.43	8.59	8.43	8.48	11,397,541
9/26/2011	8.36	8.41	8.24	8.39	8,298,561
9/23/2011	8.20	8.35	8.17	8.29	9,499,653
9/22/2011	8.29	8.32	8.13	8.22	11,773,601
9/21/2011	8.84	8.87	8.51	8.52	10,425,273
9/20/2011	8.79	9.00	8.74	8.85	8,839,401
9/19/2011	8.59	8.76	8.56	8.73	5,548,625
9/16/2011	8.73	8.81	8.68	8.72	7,341,549
9/15/2011	8.68	8.76	8.59	8.67	10,190,495
9/14/2011	8.39	8.67	8.32	8.59	9,532,330
9/13/2011	8.29	8.39	8.20	8.37	6,533,269
9/12/2011	8.17	8.31	8.12	8.29	6,465,473
9/9/2011	8.37	8.39	8.17	8.26	8,401,440
9/8/2011	8.41	8.56	8.39	8.46	7,547,389
9/7/2011	8.31	8.43	8.29	8.42	10,075,478
9/6/2011	8.00	8.23	7.97	8.21	6,267,878

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
9/2/2011	8.19	8.30	8.15	8.22	5,175,602
9/1/2011	8.41	8.45	8.33	8.34	7,446,855
8/31/2011	8.36	8.45	8.33	8.39	9,471,034
8/30/2011	8.25	8.37	8.22	8.35	6,739,176
8/29/2011	8.15	8.28	8.13	8.28	4,957,444
8/26/2011	7.96	8.11	7.80	8.07	6,551,502
8/25/2011	8.22	8.22	7.98	8.02	7,885,829
8/24/2011	7.99	8.22	7.98	8.19	8,542,650
8/23/2011	7.90	8.05	7.84	7.99	12,872,295
8/22/2011	8.06	8.09	7.86	7.88	12,866,867
8/19/2011	7.85	7.98	7.82	7.95	11,929,612
8/18/2011	7.93	8.03	7.85	7.93	8,587,568
8/17/2011	8.03	8.20	8.03	8.11	5,264,321
8/16/2011	7.95	8.04	7.89	8.00	6,969,999
8/15/2011	7.77	8.02	7.74	8.02	6,300,840
8/12/2011	7.85	7.91	7.65	7.71	7,353,965
8/11/2011	7.49	7.87	7.40	7.78	13,341,119
8/10/2011	7.42	7.70	7.36	7.45	18,365,548
8/9/2011	7.27	7.52	7.05	7.52	22,521,317
8/8/2011	7.52	7.58	7.14	7.18	26,085,592
8/5/2011	7.82	7.85	7.49	7.68	18,902,036
8/4/2011	8.01	8.10	7.73	7.74	17,612,345
8/3/2011	8.01	8.13	7.89	8.10	15,536,128
8/2/2011	7.87	8.17	7.87	8.02	14,747,150
8/1/2011	7.99	8.01	7.86	7.91	9,765,393
7/29/2011	7.91	7.99	7.84	7.91	8,202,506
7/28/2011	8.02	8.05	7.95	7.96	4,761,419
7/27/2011	8.03	8.08	7.99	8.00	9,612,272
7/26/2011	8.30	8.30	8.17	8.19	7,070,760
7/25/2011	8.25	8.28	8.21	8.27	8,654,743
7/22/2011	8.37	8.37	8.24	8.28	4,931,297
7/21/2011	8.30	8.40	8.28	8.35	7,117,195
7/20/2011	8.15	8.32	8.13	8.25	8,204,213
7/19/2011	7.97	8.15	7.97	8.14	8,596,943

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
7/18/2011	8.02	8.02	7.90	7.96	10,813,952
7/15/2011	8.02	8.05	7.95	8.03	19,796,605
7/14/2011	7.95	8.05	7.95	7.99	20,390,007
7/13/2011	7.98	8.04	7.94	7.96	4,225,582
7/12/2011	7.91	8.00	7.89	7.94	4,706,199
7/11/2011	8.04	8.04	7.91	7.93	5,416,965
7/8/2011	8.03	8.10	8.00	8.10	7,622,000
7/7/2011	8.09	8.12	8.02	8.09	6,589,873
7/6/2011	8.06	8.07	7.99	8.02	10,065,533
7/5/2011	8.10	8.10	8.04	8.06	6,993,156
7/1/2011	7.97	8.11	7.96	8.09	7,411,195
6/30/2011	7.95	7.97	7.89	7.96	7,413,192
6/29/2011	7.86	7.92	7.86	7.91	5,803,631
6/28/2011	7.77	7.84	7.76	7.83	5,253,724
6/27/2011	7.67	7.77	7.66	7.75	5,579,458
6/24/2011	7.54	7.69	7.54	7.65	10,003,850
6/23/2011	7.56	7.57	7.48	7.53	9,722,989
6/22/2011	7.65	7.66	7.60	7.63	7,335,685
6/21/2011	7.72	7.72	7.65	7.67	12,524,052
6/20/2011	7.63	7.69	7.60	7.67	5,418,342
6/17/2011	7.62	7.69	7.60	7.66	7,157,456
6/16/2011	7.54	7.63	7.53	7.58	6,685,119
6/15/2011	7.61	7.63	7.50	7.54	8,343,622
6/14/2011	7.65	7.69	7.60	7.65	4,085,845
6/13/2011	7.62	7.64	7.56	7.60	4,711,233
6/10/2011	7.66	7.67	7.62	7.62	6,629,460
6/9/2011	7.65	7.73	7.63	7.70	7,874,044
6/8/2011	7.66	7.68	7.60	7.65	9,459,203
6/7/2011	7.66	7.73	7.65	7.67	6,877,348
6/6/2011	7.71	7.74	7.63	7.64	6,432,192
6/3/2011	7.69	7.77	7.66	7.74	7,123,165
6/2/2011	7.86	7.86	7.73	7.78	6,975,676
6/1/2011	7.94	7.97	7.84	7.84	5,644,762
5/31/2011	7.98	8.01	7.93	7.98	7,731,085

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
5/27/2011	7.96	8.00	7.93	7.95	4,018,121
5/26/2011	7.89	7.95	7.84	7.92	4,774,922
5/25/2011	7.84	7.93	7.80	7.92	5,934,894
5/24/2011	7.92	7.92	7.85	7.85	3,377,248
5/23/2011	7.93	7.95	7.87	7.88	4,579,026
5/20/2011	8.08	8.08	7.99	8.00	4,727,275
5/19/2011	8.03	8.10	8.02	8.06	5,275,378
5/18/2011	7.97	8.00	7.91	8.00	3,704,396
5/17/2011	7.91	7.98	7.91	7.97	5,160,450
5/16/2011	7.98	8.01	7.91	7.92	10,774,210
5/13/2011	8.08	8.12	7.96	8.00	8,515,889
5/12/2011	7.97	8.06	7.90	8.05	9,082,760
5/11/2011	7.95	8.00	7.91	7.99	9,903,295
5/10/2011	7.74	7.98	7.73	7.98	15,994,198
5/9/2011	7.64	7.75	7.62	7.73	6,216,559
5/6/2011	7.75	7.77	7.61	7.64	10,097,312
5/5/2011	7.75	7.78	7.64	7.68	8,049,711
5/4/2011	7.75	7.85	7.70	7.79	9,232,429
5/3/2011	7.67	7.81	7.65	7.71	14,139,220
5/2/2011	7.66	7.68	7.55	7.67	8,594,610
4/29/2011	7.64	7.66	7.57	7.64	5,350,834
4/28/2011	7.60	7.64	7.56	7.63	3,319,979
4/27/2011	7.60	7.62	7.53	7.61	6,081,955
4/26/2011	7.58	7.65	7.56	7.64	3,743,079
4/25/2011	7.52	7.57	7.50	7.56	3,139,996
4/21/2011	7.52	7.53	7.48	7.51	3,874,581
4/20/2011	7.45	7.53	7.44	7.50	3,559,312
4/19/2011	7.45	7.47	7.36	7.38	5,000,070
4/18/2011	7.47	7.49	7.39	7.43	6,265,692
4/15/2011	7.46	7.61	7.43	7.53	5,189,473
4/14/2011	7.32	7.46	7.32	7.43	4,915,348
4/13/2011	7.39	7.43	7.36	7.37	4,403,135
4/12/2011	7.38	7.42	7.33	7.36	4,252,636
4/11/2011	7.45	7.48	7.38	7.39	3,280,963

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.

Case No. 2016-00162

Stock Market Prices [1]

For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
4/8/2011	7.54	7.55	7.41	7.46	4,101,987
4/7/2011	7.55	7.58	7.48	7.50	4,337,696
4/6/2011	7.58	7.60	7.56	7.57	3,711,710
4/5/2011	7.61	7.62	7.55	7.57	3,044,226
4/4/2011	7.62	7.62	7.56	7.61	3,437,475
4/1/2011	7.56	7.65	7.55	7.61	4,232,158
3/31/2011	7.54	7.57	7.50	7.54	3,749,675
3/30/2011	7.49	7.59	7.48	7.55	4,171,004
3/29/2011	7.35	7.47	7.33	7.46	4,193,154
3/28/2011	7.40	7.46	7.36	7.36	3,233,166
3/25/2011	7.41	7.46	7.38	7.39	4,042,306
3/24/2011	7.37	7.42	7.31	7.41	5,292,833
3/23/2011	7.32	7.37	7.28	7.34	4,320,480
3/22/2011	7.40	7.42	7.34	7.34	3,492,079
3/21/2011	7.38	7.47	7.35	7.40	3,992,675
3/18/2011	7.29	7.39	7.24	7.28	6,012,299
3/17/2011	7.28	7.30	7.15	7.23	7,573,008
3/16/2011	7.29	7.32	7.15	7.19	6,953,157
3/15/2011	7.27	7.36	7.18	7.30	13,091,073
3/14/2011	7.40	7.40	7.32	7.36	5,628,498
3/11/2011	7.43	7.49	7.40	7.44	6,666,911
3/10/2011	7.61	7.61	7.43	7.44	8,899,181
3/9/2011	7.58	7.71	7.57	7.67	5,283,949
3/8/2011	7.51	7.61	7.51	7.59	3,287,961
3/7/2011	7.52	7.59	7.49	7.50	4,069,683
3/4/2011	7.55	7.57	7.42	7.50	3,638,104
3/3/2011	7.50	7.57	7.49	7.56	4,861,516
3/2/2011	7.45	7.46	7.38	7.46	5,817,821
3/1/2011	7.53	7.56	7.40	7.41	5,325,180
2/28/2011	7.44	7.56	7.43	7.53	5,767,276
2/25/2011	7.38	7.45	7.34	7.45	2,366,257
2/24/2011	7.35	7.39	7.31	7.36	5,471,706
2/23/2011	7.41	7.48	7.34	7.34	4,602,899
2/22/2011	7.47	7.52	7.40	7.43	4,538,126

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.
Case No. 2016-00162
Stock Market Prices [1]
For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Date (1)	Open (2)	High (3)	Low (4)	Close (5)	Volume (6)
2/18/2011	7.49	7.53	7.48	7.51	5,713,734
2/17/2011	7.44	7.51	7.41	7.49	6,059,932
2/16/2011	7.48	7.51	7.42	7.45	6,498,912
2/15/2011	7.43	7.55	7.43	7.47	4,826,693
2/14/2011	7.46	7.47	7.39	7.45	4,410,505
2/11/2011	7.41	7.48	7.38	7.45	4,627,494
2/10/2011	7.34	7.43	7.32	7.42	5,207,531
2/9/2011	7.34	7.36	7.30	7.34	5,196,469
2/8/2011	7.34	7.38	7.31	7.38	4,858,645
2/7/2011	7.24	7.35	7.22	7.33	4,062,787
2/4/2011	7.27	7.29	7.20	7.23	5,792,134
2/3/2011	7.27	7.30	7.21	7.27	5,707,143
2/2/2011	7.35	7.35	7.20	7.21	8,457,199
2/1/2011	7.31	7.36	7.24	7.36	12,001,382
1/31/2011	7.36	7.39	7.31	7.32	11,999,405
1/28/2011	7.35	7.38	7.29	7.31	7,824,466
1/27/2011	7.33	7.39	7.30	7.37	5,161,453
1/26/2011	7.43	7.44	7.39	7.39	4,075,658
1/25/2011	7.36	7.42	7.35	7.40	5,439,336
1/24/2011	7.32	7.40	7.32	7.37	4,846,247
1/21/2011	7.35	7.35	7.30	7.31	5,011,923
1/20/2011	7.30	7.39	7.28	7.32	5,294,365
1/19/2011	7.29	7.34	7.27	7.29	5,621,946
1/18/2011	7.33	7.36	7.26	7.28	6,953,307
1/14/2011	7.20	7.30	7.20	7.30	5,347,851
1/13/2011	7.21	7.24	7.20	7.20	6,149,580
1/12/2011	7.21	7.24	7.18	7.20	6,334,974
1/11/2011	7.25	7.25	7.14	7.16	13,735,168
1/10/2011	7.18	7.18	7.07	7.11	17,827,319
1/7/2011	7.05	7.16	7.04	7.16	19,116,262
1/6/2011	7.05	7.05	6.98	7.04	14,537,989
1/5/2011	6.98	7.07	6.98	7.05	4,622,606
1/4/2011	7.01	7.07	6.98	7.02	7,620,590
1/3/2011	6.96	7.02	6.96	7.01	7,206,341

[1] Stock Market Prices reflect the separation of Columbia Pipeline Group from NiSource Inc.

Columbus Gas of Kentucky Inc.
Case No. 2016-00162
Stock Dividends
For the 5 Year Period Ended December 31, 2015

NiSource Inc.

Declared (1)	Ex-Date (2)	Record (3)	Payable (4)	Amount (5)	Dividends (6)
4-Aug-15	28-Oct-15	30-Oct-15	20-Nov-15	0.155	
2-Jul-15	29-Jul-15	31-Jul-15	20-Aug-15	0.155	
24-Mar-15	28-Apr-15	30-Apr-15	20-May-15	0.26	
30-Jan-15	5-Feb-15	9-Feb-15	20-Feb-15	0.26	
Total dividends in 2015:					0.83
5-Aug-14	29-Oct-14	31-Oct-14	20-Nov-14	0.26	
13-May-14	29-Jul-14	31-Jul-14	20-Aug-14	0.26	
25-Mar-14	28-Apr-14	30-Apr-14	20-May-14	0.25	
29-Jan-14	6-Feb-14	10-Feb-14	20-Feb-14	0.25	
Total dividends in 2014:					1.02
27-Aug-13	29-Oct-13	31-Oct-13	20-Nov-13	0.25	
14-May-13	29-Jul-13	31-Jul-13	20-Aug-13	0.25	
26-Mar-13	26-Apr-13	30-Apr-13	20-May-13	0.24	
25-Jan-13	31-Jan-13	4-Feb-13	20-Feb-13	0.24	
Total dividends in 2013:					0.98
28-Aug-12	29-Oct-12	31-Oct-12	20-Nov-12	0.24	
15-May-12	27-Jul-12	31-Jul-12	20-Aug-12	0.24	
27-Mar-12	26-Apr-12	30-Apr-12	18-May-12	0.23	
27-Jan-12	2-Feb-12	6-Feb-12	20-Feb-12	0.23	
Total dividends in 2012:					0.94
23-Aug-11	27-Oct-11	31-Oct-11	18-Nov-11	0.23	
10-May-11	27-Jul-11	29-Jul-11	19-Aug-11	0.23	
22-Mar-11	27-Apr-11	29-Apr-11	20-May-11	0.23	
19-Jan-11	27-Jan-11	31-Jan-11	18-Feb-11	0.23	
Total dividends in 2011:					0.92

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

7. Provide a computation of fixed-charge coverage ratios for the ten most recent calendar years as shown in Schedule 7.

Response:

The requested data is provided in Attachment A (Pages 1 and 2).

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Computation of Fixed Charge Coverage Ratios
For the Periods as Shown

Line No.	Item	10th Calendar Year (2006)		9th Calendar Year (2007)		8th Calendar Year (2008)		7th Calendar Year (2009)		6th Calendar Year (2010)		5th Calendar Year (2011)	
		Sec Method	Bond or Mortgage Indenture Requirement	Sec Method	Bond or Mortgage Indenture Requirement	Sec Method	Bond or Mortgage Indenture Requirement	Sec Method	Bond or Mortgage Indenture Requirement	Sec Method	Bond or Mortgage Indenture Requirement	Sec Method	Bond or Mortgage Indenture Requirement
1	Net Income		\$8,453,023		\$11,567,405		\$10,463,850		\$8,212,250		\$10,690,159		\$10,854,259
2	Additions: (Itemize)												
3	Total Additions												
4	Deductions: (Itemize)												
5	Total Deductions												
6	Income Available for Fixed Charge Coverage		\$11,393,122		\$15,067,776		\$14,226,703		\$12,471,329		\$14,933,139		\$15,682,935
7	Fixed Charges		\$2,940,099		\$3,500,371		\$3,762,853		\$4,259,079		\$4,242,980		\$4,828,676
8	Fixed Charge Coverage Ratio		3.88		4.30		3.78		2.93		3.52		3.25

Columbia Gas of Kentucky, Inc.
 Case No. 2016-00162
 Computation of Fixed Charge Coverage Ratios
 For the Periods as Shown

Line No.	Item	4th Calendar Year (2012)		3rd Calendar Year (2013)		2nd Calendar Year (2014)		1st Calendar Year (2015)	
		Sec Method	Bond or Mortgage Indenture Requirement	Sec Method	Bond or Mortgage Indenture Requirement	Sec Method	Bond or Mortgage Indenture Requirement	Sec Method	Bond or Mortgage Indenture Requirement
1	Net Income		\$8,515,721		\$10,436,591		\$12,071,974		\$11,121,651
2	Additions: (Itemize)								
3	Total Additions								
4	Deductions: (Itemize)								
5	Total Deductions								
6	Income Available for Fixed Charge Coverage		\$13,275,608		\$15,503,845		\$17,584,929		\$16,842,716
7	Fixed Charges		\$4,759,887		\$5,067,254		\$5,512,955		\$5,721,065
8	Fixed Charge Coverage Ratio		2.79		3.06		3.19		2.94

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

8. Provide Columbia's internal accounting manuals, directives, and policies and procedures.

Response: Please see below for a complete listing of Columbia's accounting policies and procedures. Please refer to Attachment A to view each policy.

Sub Section : (01) Cash and Investments

- 1.1 - Impairment Testing of Marketable Securities Policy
- 1.2 - Cash Balances Policy
- 1.3 - Restricted Cash Policy

Sub Section : (02) Receivables and Revenues

- 2.1 - Unbilled Policy
- 2.2 - AR Securitization
- 2.3 - Bad Debt Policy and Write-offs
- 2.4 - Miscellaneous Receivables

Sub Section : (03) Inventory and Cost of Sales

- 3.1 - Accounting for Emission Allowances
- 3.2 - Gas in Storage Policy
- 3.3 - Accounting for Coal Inventory and Inventory in Transit
- 3.5 - Over-Under cost recovery
- 3.6 - Policy Natural Gas Exchange Agreements - Parks and Loans

Sub Section : (05) Property Plant and Equipment

- 5.1 - Allowance for Funds Used During Construction
- 5.1 – Appendix A AFUDC
- 5.1 – Appendix B AFUDC
- 5.1 – Appendix C AFUDC
- 5.2 - Accounting for Asset Sales
- 5.3 - Long-lived Asset Impairment
- 5.4 - Annual Review of Asset Retirement Obligations
- 5.5 - Capital vs. Operating Lease

Sub Section : (06) Regulatory Issues

- 6.1 - Balance Sheet Reg. Assets and Liabilities

Sub Section : (07) Goodwill and Other Intangibles

- 7.1 - Goodwill Impairment Testing
- 7.2 - Impairment Testing for Intangibles Other Than Goodwill

Sub Section : (08) Benefits

- 8.1 - Share Based Compensation
- 8.2 - Paid Time Off Policy
- 8.21 – Appendix A Paid Time Off
- 8.3 – Medical, Dental, Rx IBNR Reserve
- 8.4 - Incentives Policy
- 8.5 - Pension and OPEB Accounting
- 8.51 – Appendix I – Key Defined Terms
- 8.52 – Appendix II – Example Expense Reconciliation
- 8.53 – Appendix III - Example OPEB CL
- 8.54 – Appendix IV - Disclosures

Sub Section : (09) Contingencies

- 9.1 - Workers Comp IBNR Policy
- 9.2 - Legal Reserve Guidelines
- 9.3 – NICI Insurance Reserves

Sub Section : (10) Accounts Payable and Debt

- 10.1 - Charitable Donations Policy
- 10.2 - Insurance Proceeds and Reimbursables
- 10.3 - Accounts Payable Accrual
- 10.4 - Retirement and Reacquisition of Debt
- 10.5 - Debt Issuance Costs
- 10.6 - Debt and Accrued Interest

Sub Section : (11) Equity

- 11.1 - Earnings Per Share Policy
- 11.2 - Dividends and Distributions Paid Policy
- 11.3 - Treasury Stock Policy
- 11.4 - Equity Issuance Costs

Sub Section : (12) Tax

- 12.1 - Parent Co Tax Savings and Loss Co Tax Allocation
- 12.11 - Tax Allocation Appendices I and II
- 12.2 - Uncertain Tax Positions
- 12.3 - Tax Gross up on Contributions in Aid of Construction
- 12.31 – Appendix A Notice 87-82
- 12.32 – Appendix B – Tax Gross up on CIAC Sample Gross up Calculation
- 12.33 – Appendix C – Tax Gross up on CIAC
- 12.4 - Classification of Income Taxes on the Balance Sheet

Sub Section : (13) Financial Statement Presentation and Disclosures

- 13.1 - Reportable Segments

Sub Section : (14) Intercompany Issues

- 14.3 - NCSC Allocations Policy
- 14.31 – Appendix A NCSC Allocations

Sub Section : (15) Software Capitalization

- 15.1 - Software Capitalization Policy
- 15.11 – Appendix 1 – Accounting for IT Project Costs Capital vs. Exp Chart
- 15.12 – Appendix 2 – DT Q&A ERP Implementation

Sub Section : (16) Other

- 16.1 - Variable Interest Entities
- 16.2 - SAB 99 Policy
- 16.3 - Purchase Accounting
- 16.4 - Base Gas
- 16.5 - Balance Sheet Account Reconciliation Process



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Jennifer Carr

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 1.1

Subject: Impairment Testing of Marketable Securities

I. INTRODUCTION

This policy provides guidelines for determining potential impairment of NiSource's marketable securities.

II. SCOPE

This policy applies to NiSource, Inc. and any subsidiary that holds available-for-sale or held-to-maturity securities.

III. GAAP GUIDANCE

Per ASC 320, for individual securities classified as available-for-sale or held-to-maturity, an entity shall determine whether a decline in fair value below the amortized cost basis is other-than-temporary.

Providing a general allowance for unidentified impairment in a portfolio of securities is not appropriate.

When to Test Marketable Securities for Impairment

Impairment of available-for-sale and held-to-maturity securities shall be assessed in each reporting period. For entities that issue interim financial statements, each interim period is a reporting period.

Determine Whether an Investment is Impaired

The first step of the marketable security impairment test, used to identify potential impairment, compares the fair value of the individual security with its amortized cost at the balance sheet date of the reporting period. If the amortized cost of the security exceeds its fair value, the security is considered to be impaired.

Evaluate Whether an Impairment is Other-Than-Temporary

If it is determined that a security is impaired, the impairment must be evaluated to determine if it is temporary or other-than-temporary. The following are circumstances when an impairment is other-than-temporary:

- It is probable that the entity will be unable to collect all amounts due according to the contractual terms of a debt security not impaired at acquisition
- If the decline in a security's value is due to an increase in market interest rates or a change in foreign exchange rates since acquisition
- If the debt security will be disposed of before it matures or the investment is not realizable
- If the entity more likely than not will be required to sell the security before recovery of its amortized cost basis
- If the present value of cash flows expected to be collected is less than the amortized cost basis of the security (that is, a credit loss exists)

In making its other-than-temporary impairment assessment, an entity shall consider all available information relevant to the collectability of the security, including information about past events, current conditions, and reasonable and supportable forecasts, when developing the estimate of cash flows expected to be collected. That information shall include all of the following:

- a. The remaining payment terms of the security
- b. Prepayment speeds
- c. The financial condition of the issuer(s)
- d. Expected defaults
- e. The value of any underlying collateral



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Jennifer Carr

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 1.1

Subject: Impairment Testing of Marketable Securities

Recognition of an Other-Than-Temporary Impairment

For equity securities, if it is determined that an impairment is other-than-temporary, an impairment loss shall be recognized in earnings equal to the entire difference between the investment's cost and its fair value at the balance sheet date of the reporting period for which the assessment is made. The measurement of the impairment shall not include partial recoveries after the balance sheet date. The fair value of the investment would then become the new amortized cost basis of the investment and shall not be adjusted for subsequent recoveries in fair value.

For debt securities, if an other-than-temporary impairment has occurred, the amount of the other-than-temporary impairment recognized in earnings depends on whether an entity intends to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost basis less any current-period credit loss.

If an entity intends to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost basis less any current-period credit loss, the other-than-temporary impairment shall be recognized in earnings equal to the entire difference between the investment's amortized cost basis and its fair value at the balance sheet date.

If an entity does not intend to sell the security and it is not more likely than not that the entity will be required to sell the security before recovery of its amortized costs basis less any current-period credit loss, the other-than-temporary impairment shall be separated into both of the following:

- a. The amount representing the credit loss
- b. The amount related to all other factors.

The amount of the total other-than-temporary impairment related to the credit loss shall be recognized in earnings. The amount of the total other-than-temporary impairment related to other factors shall be recognized in other comprehensive income, net of applicable taxes.

The previous amortized cost basis less the other-than-temporary impairment recognized in earnings shall become the new amortized cost basis of the investment. That new amortized cost basis shall not be adjusted for subsequent recoveries in fair value.

Accounting for Debt Securities after an Other-Than-Temporary Impairment

In periods after the recognition of an other-than-temporary impairment loss for debt securities, an entity shall account for the other-than-temporarily impaired debt security as if the debt security had been purchased on the measurement date of the other-than-temporary impairment at an amortized cost basis equal to the previous amortized cost basis less the other-than-temporary impairment recognized in earnings. That is, the discount or reduced premium recorded for the debt security, based on the new cost basis, would be amortized over the remaining life of the debt security in a prospective manner based on the amount and timing of future estimated cash flows. For debt securities for which other-than-temporary impairments were recognized in earnings, the difference between the new amortized cost basis and the cash flows expected to be collected shall be accreted in accordance with existing applicable guidance as interest income. An entity shall continue to estimate the present value of cash flows expected to be collected over the life of the debt security. If upon subsequent evaluation, there is a significant increase in the cash flows expected to be collected or if actual cash flows are significantly greater than cash flows previously expected, such changes shall be accounted for as a prospective adjustment to the accretable yield. Subsequent increases and decreases (if not other-than-temporary impairment) in the fair value of available-for-sale securities shall be included in other comprehensive income.

The other-than-temporary impairment recognized in other comprehensive income for debt securities classified as held-to-maturity shall be accreted over the remaining life of the debt security on the basis



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Jennifer Carr

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 1.1

Subject: Impairment Testing of Marketable Securities

of the amount and timing of future estimated cash flows. The accretion shall increase the carrying value of the security and shall continue until the security is sold, the security matures, or there is an additional other-than-temporary impairment that is recognized in earnings.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Not applicable.

V. NISOURCE APPLICATION

NiSource invests in debt and equity securities that are carried at fair value and are designated as available-for-sale and as such, is required to perform an impairment test for these investments in each reporting period.

NiSource will perform the impairment test on all securities in accordance with ASC 320 on a quarterly basis to coincide with the publication of NiSource's quarterly and annual filings. If an other-than-temporary impairment is identified, the amount of the impairment loss will be recognized in operating earnings as it relates to the credit loss while that portion of the loss relating to other factors will be recorded in other comprehensive income, net of applicable taxes.

VI. AUTHORITY AND RESPONSIBILITY

For securities held by NICI the determination and calculation of other-than-temporary impairments is performed by the NICI accountants on a quarterly basis and reviewed by the NiSource VP and Treasurer. Any impairment must be approved by the NiSource Chief Accounting Officer.

For investments related to NiSource executive deferred compensation, the Benefit Plan Investment Manager is responsible for the determination and calculation of other-than-temporary impairments. Any impairment must be approved by the NiSource Chief Accounting Officer.

For investments held by any other segment the impairment analysis will be performed by the segment accountants and reviewed by the respective Segment Controller. Any impairment must be approved by the NiSource Chief Accounting Officer.

VII. APPENDICES

Not applicable.



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: James Leslie

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 1.2

Subject: Accounting for cash, cash equivalents, and restricted cash

I. INTRODUCTION

This policy provides guidelines in determining accounting treatment for cash, cash equivalents, and restricted cash.

II. SCOPE

This policy applies to all NiSource business units.

III. GAAP GUIDANCE

The applicable GAAP Guidance is Codification Reference No. 305-10-20, which includes the following excerpts — “Consistent with common usage, cash includes not only currency on hand but demand deposits with banks or other financial institutions. Cash also includes other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.”

Cash equivalents are short-term, highly liquid investments that are both:

- a. Readily convertible to known amounts of cash
- b. So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Generally, only investments with original maturities of three months or less qualify under that definition.”

ASC 305 provides additional guidance regarding maturity dates: “Original maturity means original maturity to the entity holding the investment. For example, both a three-month U.S. Treasury bill and a three-year Treasury note purchased three months from maturity qualify as cash equivalents. However, a Treasury note purchased three years ago does not become a cash equivalent when its remaining maturity is three months.”

ASC 305 states “Examples of items commonly considered to be cash equivalents are Treasury Bills, commercial paper, money market funds, and federal funds sold (for an entity with banking operations).”

OTHER GUIDANCE

ASC 210-10-S99-1, Regulation S-X Rule 5-01.1 states the following regarding cash and cash items. “Separate disclosure shall be made of the cash and cash items which are restricted as to withdrawal or usage. The provisions of any restrictions shall be described in a note to the financial statements. Restrictions may include legally restricted deposits held as compensating balances against short-term borrowing arrangements, contracts entered into with others, or company statements of intention with regard to particular deposits; however, time deposits and short-term certificates of deposit are not generally included in legally restricted deposits. In cases where compensating balance arrangements exist but are not agreements which legally restrict the use of cash amounts shown on the balance sheet, describe in the notes to the financial statements these arrangements and the amount involved, if determinable, for the most recent audited balance sheet required and for any subsequent unaudited balance sheet required in the notes to the financial statement. Compensating balances that are maintained under an agreement to assure future credit availability shall be disclosed in the notes to the financial statements along with the amount and terms of such agreement.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: James Leslie

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 1.2

Subject: Accounting for cash, cash equivalents, and restricted cash

N/A as there are no regulatory considerations for cash, cash equivalents, or restricted cash balances.

V. NISOURCE APPLICATION

All investments with original maturities of three months or less are considered to be cash equivalents.

Amounts deposited in brokerage accounts for margin requirements are reported as restricted cash. In addition, amounts deposited in trust to satisfy requirements for the provision of various property, liability, workers compensation, and long-term disability insurance are classified as restricted cash and disclosed as an investing cash flow on the Statement of Consolidated Cash Flows.

Deposits and withdrawals of principal balances in restricted cash accounts represent the creation or return of investment, which generally should be presented as investing activities in the statement of cash flows. Withdrawals of interest earned on restricted cash balances represent a return on investment, which should be presented as an operating activity in the statement of cash flows.

VI. AUTHORITY AND RESPONSIBILITY

- Restricted cash balances are determined by staff accountants at each segment
- Ultimate approval of the classification is performed by the Segment Controllers

VII. APPENDICES

N/A – as no appendices are needed to support this accounting policy.



Accounting Policy

Issue date: Revised March 2015

Prepared by: Doug Loudermilk

Approved by:

Reference No. 1.3

Subject: Accounting for restricted cash

I. INTRODUCTION

This policy provides guidelines in determining accounting treatment for restricted cash.

II. SCOPE

This policy applies to all NiSource business units.

III. GAAP GUIDANCE

The applicable GAAP Guidance for cash and cash equivalents is Codification Reference No. 305-10-20, which includes the following excerpts — “Consistent with common usage, cash includes not only currency on hand but demand deposits with banks or other financial institutions. Cash also includes other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.”

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

OTHER GUIDANCE

ASC 310-10-45-9 states the following: “For accounting purposes, the term current asset is used to designate cash and other assets or resources commonly identified as those that are reasonably expected to be realized in cash or sold or consumed during the normal operating cycle of the business.”

ASC 210-10-45-3 states the following: “A one-year time period should be used to define current assets if there clearly is no defined operating cycle.” Deloitte’s technical library discusses noncurrent assets at 330-10-05 (Q&A 07). It states that inventory on hand that will not be sold within the company’s one year operating cycle, based upon historical monthly sales, should be accounted for as noncurrent assets.

ASC 210-10-S99-1, Regulation S-X Rule 5-02.1 states the following regarding cash and cash items. “Separate disclosure shall be made of the cash and cash items which are restricted as to withdrawal or usage. The provisions of any restrictions shall be described in a note to the financial statements. Restrictions may include legally restricted deposits held as compensating balances against short-term borrowing arrangements, contracts entered into with others, or company statements of intention with regard to particular deposits; however, time deposits and short-term certificates of deposit are not generally included in legally restricted deposits. In cases where compensating balance arrangements exist but are not agreements which legally restrict the use of cash amounts shown on the balance sheet, describe in the notes to the financial statements these arrangements and the amount involved, if determinable, for the most recent audited balance sheet required and for any subsequent unaudited balance sheet required in the notes to the financial statement. Compensating balances that are maintained under an agreement to assure future credit availability shall be disclosed in the notes to the financial statements along with the amount and terms of such agreement.”

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

N/A as there are no regulatory considerations for restricted cash balances.

V. NISOURCE APPLICATION

Amounts deposited in brokerage accounts for margin requirements are reported as restricted cash.



Accounting Policy

Issue date: Revised March 2015

Prepared by: Doug Loudermilk

Approved by:

Reference No. 1.3

Subject: Accounting for restricted cash

In addition, amounts deposited in trust to satisfy requirements for the provision of various property, liability, workers compensation, group term life and long-term disability insurance are classified as restricted cash and disclosed as an investing cash flow on the Statement of Consolidated Cash Flows.

Restricted cash balances have been deemed to be related to NiSource current operations and have been classified as a current asset.

Codification Reference No. 230-10-45 states: "Deposits and withdrawals of principal balances in restricted cash accounts represent the creation or return of investment, which generally should be presented as investing activities in the statement of cash flows. Withdrawals of interest earned on restricted cash balances represent a return on investment, which should be presented as an operating activity in the statement of cash flows."

VI. AUTHORITY AND RESPONSIBILITY

- Restricted cash balances are recorded by staff accountants at each segment
- Ultimate approval of the classification is performed by the Segment Controllers

VII. APPENDICES

N/A – as no appendices are needed to support this accounting policy.



Accounting Policy

Issue date: 3/31/10 — Revised March 2015

Prepared by: Jeff Eing

Approved by:

Reference No.

Subject: Accounting for Unbilled Revenue

I. INTRODUCTION

This policy provides guidelines in determining accounting treatment for the estimate of revenue that is earned in a given month but not yet billed.

II. SCOPE

This policy applies to Distribution companies that serve customers under cycle billing schedules throughout a month. This policy does not cover unbilled revenue that result from off systems sales transactions such as exchanges. Refer to policy 4.1 Natural Gas Exchange Agreements (Parks & Loans) for more information.

III. GAAP GUIDANCE

ASC 605-20 Revenue Recognition - Services - Recognition — General - General Conditions for Recognition

Revenue from providing services should be recognized when it is both earned and realized or realizable. In other words, the earnings process must be complete or virtually complete, and the revenue measurable.

ASC 605-20 Revenue Recognition – Services - Recognition — General – U.S.: Unbilled Revenues

In certain industries, cycle billing results in services being provided in one period with the billing occurring in a subsequent period. The revenue associated with the services provided in one period and billed in a subsequent period is commonly referred to as unbilled revenues. Revenue should be accrued for these unbilled revenues at the end of the period, provided that the other revenue recognition criteria have been met (see the "20 Services - Recognition — General - General Conditions for Recognition" section of this chapter).

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

None.

V. NISOURCE APPLICATION

It is not practical for the company to read all of its customers meters on one particular day. Consequently, meter readings are taken throughout the month resulting in billing cycles that end on different calendar days. In any month, a portion of commodity delivered has not yet been billed. The unbilled revenue is an estimate of the monetary value of commodity delivered to the customer and not billed as of the end of the month. This number is accrued for in the financial statements.

Development of Unbilled Volumes

Columbia Distribution and NIE

The demand forecasting group prepares the booked estimated unbilled volumes (with the exception of Bay State Gas which uses volumes generated from their customer information system). These volumes are estimated with forecasted billing data and actual weather data. Forecasted billing data is used because the unbilled volume resides in the following month's billing data which are not available.

This estimation of unbilled is an internally consistent view developed with a base load and a temperature sensitive load component. The base load varies with the number of days in the unbilled



Accounting Policy

Issue date: 3/31/10 — Revised March 2015

Prepared by: Jeff Eing

Approved by:

Reference No.

Subject: Accounting for Unbilled Revenue

period and the temperature sensitive load varies with the number of heating or cooling degree days in the unbilled period. The estimates are made by customer class with the amount of volume subject to unbilled determined by the distribution of volume across the billing units. The amount of volume subject to unbilled varies from 100% for residential to 0% for some industrial classes. Unbilled balances are estimates, even when all data are available.

NIE Electric residential and commercial unbilled balances are calculated with regression coefficients applied to actual unbilled days for the base load component and to heating degree days and cooling degree days for the temperature sensitive component. Regression coefficients are used because the unbilled volume resides in the following month's billing data which are not available. Industrial and public authority unbilled balances are calculated as base load only.

Bay State Gas

BSG's unbilled volumes are forecasted within their customer information system. Forecasted billing data is used because the unbilled volume resides in the following month's billing data which are not available.

Development of Unbilled Rates

The rates are developed either using the most current financial plan update or using actual tariff and transportation rates when appropriate. The revenues in the plan include the most recently approved rates and are applied to the most recent rate schedule customer composition. A volumetric rate is developed and a customer charge is applied.

Pricing the Unbilled Volumes and Deferred Unbilled

The volumetric rates referenced above are applied to the current month unbilled volumetric balances and the customer charge is multiplied by the total actual customers. The following entry is booked to record the unbilled revenues and the corresponding receivable:

DR. unbilled revenue accrued
CR. unbilled revenue
To record the total sale to the customer.

Gas Costs

Due to the rates including cost of sales, a deferred unbilled entry must be made. The total unbilled sales volumes are multiplied by the current month over/under cost recovery rate to calculate the deferred unbilled entry. The following entry is booked to record the unbilled gas cost deferred:

DR. unbilled cost of sales
CR. unbilled cost of sales deferred
To record the cost of sale.

In order to verify the correct rate has been used to price the volumes, the most recent rate filing schedule is checked.

Revenue Tracker items and other Revenue Riders

Various riders are included as an addition to base rates. Due to the rates including tracker riders, an O&M unbilled entry must be made. These less material revenues are estimated and booked in accordance to how they will be recorded when billed. The following entry is booked to record the revenue tracker items:



Accounting Policy

Issue date: 3/31/10 — Revised March 2015

Prepared by: Jeff Eing

Approved by:

Reference No.

Subject: Accounting for Unbilled Revenue

DR. Various Expenses

CR. Regulatory Assets

These entries are booked for the current month and reversed the following month. The previous month's entry is reversed because, in theory, it is included in the billed volumes and revenues. Therefore, no receivable balance can grow beyond what is booked for the current month.

Reasonability Test

Each LDC creates a report each month showing that the unbilled volume balances for each company are within acceptable ranges defined in terms of percent of the following month's billed volume for each company. This report is used by NiSource managers and designated analysts for inclusion in their review process.

VI. AUTHORITY AND RESPONSIBILITY

Distribution & NIE Accounting is responsible for recording the current and reversing the previous month unbilled estimate. This computation is under the authority of the Segment Controller.

Demand Forecasting is responsible for determining the volumes used in calculating the unbilled estimate (with the Exception of Bay State Gas which uses volumes generated from their CIS system).

Financial Planning and Analysis is responsible for providing the rates (when the financial plan is used) used to calculate the unbilled estimate.

VII. APPENDICES

None.



Accounting Policy

Issue date: 3-31-2010 — Revised March 2015

Prepared by: Craig Berberich

Approved by: BU Controllers

Reference No.

Subject: AR Securitization

I. INTRODUCTION

This policy provides guidelines for the accounting associated with accounts receivable securitization programs.

II. SCOPE

This policy applies to NiSource companies that enter into agreements to sell their accounts receivable. Currently, Columbia Gas of Pennsylvania (CPA), Columbia Gas of Ohio (COH) and Northern Indiana Public Service Company (NIPSCO) have all entered into accounts receivable securitization programs.

III. GAAP GUIDANCE

SFAS No. 166 which amends de-recognition guidance in ASC 860 - eliminated the concept of a QSPE, which allowed for off-balance sheet treatment. In addition, it requires interests in receivables transferred to the bank to meet the definition of a participating interest in order to receive off balance sheet treatment. A participating interest is defined in SFAS 166 as a financial asset, or a portion of a financial asset that:

- 1) Conveys proportionate ownership rights with equal priority to each participating interest holder.
- 2) Involves no recourse (other than standard representations and warranties) to, or subordination by, any participating interest holder.
- 3) Does not entitle any participating interest holder to receive cash before any other participating interest holder.

SFAS 166 paragraph 17(g) indicates that for transfers of assets accounted for as secured borrowings a company must disclose:

- (1) The carrying amounts and classifications of both assets and liabilities recognized in the transferor's statement of financial position at the end of each period presented, including qualitative information about the relationship(s) between those assets and associated liabilities. For example, if assets are restricted solely to satisfy a specific obligation, the carrying amounts of those assets and associated liabilities, including a description of the nature of restrictions placed on the assets.

ASC 230-10-45-9 discusses net reporting on the cash flow statement. 'Providing that the original maturity of the asset or liability is three months or less, cash receipts and payments pertaining to any of the following qualify for net reporting.'

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Not applicable.

V. NISOURCE APPLICATION

The Accounts Receivable Securitization programs provide NiSource with an alternative source of low cost funding for short-term needs. These programs involve a two step process.

Step 1

In the first step, the NiSource companies referenced above have entered into Receivable Sales Agreements (RSAs) with Bankruptcy Remote Special Purpose Entities (BRSPes), wholly owned consolidated subsidiaries of those companies, to sell substantially all of their trade accounts receivable as they originate. All accounts receivables sold to commercial paper conduits are valued at fair value, which approximate fair value due to its short-term nature. Receivables excluded from the sale are money pool investments, interest receivable, and foreign cash. Receivables are sold at a discount



Accounting Policy

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Prepared by: Craig Berberich

Approved by: BU Controllers

Reference No.

Subject: AR Securitization

which is recorded as revenue for the BRSPEs and as miscellaneous income/loss to the parent companies. The parent companies will remove the AR sold from their books and establish a deferred purchase note receivable from the BRSPE. Interest is recorded monthly based on the deferred note balance at the rate determined in the RSA. The deferred purchase note balance, the discount booked and the interest on the deferred note all eliminate upon consolidation.

RSA's have been entered into between the following companies and their respective BRPSE's: 1. COH and Columbia Gas of Ohio Receivable Corporation (CGORC) 2. CPA and Columbia Gas of Pennsylvania Receivable Corporation (CPRC) and 3. NIPSCO and NIPSCO Accounts Receivable Corporation (NARC).

Step 2

In the second step, the BRSPEs have entered into separate Receivable Purchase Agreements (RPAs) with third party financial institutions under the terms of which it sells an undivided interest percentage ownership interest in its accounts receivables to a commercial paper conduit. Each month, an investor report provided by the third party financial institutions is prepared with details regarding the prior month's receivables balances. The monthly investor report will calculate the bank's required reserves, exclusions and apply the maximum seasonal program limits as stated in the RPA that limit the amount of receivables eligible for transfer to the conduit. The eligible receivables are then transferred dollar for dollar to the conduit therefore no gain or loss is recorded. Funds received by the BRSPE from the conduit will be transferred to the parent company. The portion of AR that is not transferred for reasons stated above will remain on the balance sheet of the BRSPE. These unsold receivables or the difference between AR transferred in step 1 and step 2 will represent the deferred purchase note between the BRSPE and the parent company.

COH, CPA and NIPSCO maintain responsibility for servicing the accounts receivable and remitting cash payments received from customers directly to the third party financial institution. NiSource maintains all risk associated with uncollectible accounts. These agreements are entered into for a period of one year, but can be and typically are renewed if mutually agreed to by both parties. Under these agreements, it is an event of termination if NiSource's debt rating is withdrawn by either Standard and Poor's or Moody's or falls below agreed upon ratings.

Financial Statement treatment

As NiSource is selling an interest in a portion of receivables, under SFAS 166 the interests issued by the BRSPE to the third party must meet the definition of a participating interest in order to qualify for off balance sheet treatment. One of the criteria is that the transfer involves "no recourse to, or subordination by, any participating interest holder." In the companies' agreements, the percentage interest in the receivables held by the third party financial institutions increases if any receivables are deemed uncollectible. Also, upon an amortization event, the third party financial institution would receive 100% of collections until paid in full. Additionally as noted in the contracts the deferred purchase price is subordinated to the Senior Obligations. Essentially the risk of loss for the receivables is never transferred from NiSource to the third party financial institutions. As such, the definition of a participating interest is not met and therefore the transfers do not qualify for de-recognition treatment under SFAS 166.

NiSource's A/R securitization agreements do not qualify for de-recognition treatment beginning January 1, 2010, the effective date of SFAS 166. Beginning January 1, 2010, the securitization agreements are accounted for as secured borrowings. Therefore the full receivables balance will remain on the BRSPE's balance sheet. Outstanding accounts receivable transfers are recorded as debt on the consolidated balance sheet. Third party financial institution fees relating to the securitization



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Reference No.

Subject: AR Securitization

agreements will be recorded as interest expense on the consolidated income statement. The Cash flow statement will show cash from/for financing activities based on the change in debt balance. The receipt/payment of cash occurs in the middle of the month based on the prior month's eligible receivables balance as calculated on the monthly bank investor report. In addition, the operating sections of the cash flow statements will include the change in customer accounts receivable.

VI. AUTHORITY AND RESPONSIBILITY

Subsidiaries are responsible for recording the accounting entries related to the AR securitization programs and preparing the monthly investor bank reports that determine the amount of AR eligible for transfer to the third party financial institutions.

Treasury is responsible for reviewing the monthly investor bank reports, communicating any changes related to amendments or renewal of the program agreements and handling any transfer of funds.

Subsidiary Accounting & Financial Reporting is responsible for presentation and disclosure in the financial statements. Presentation and disclosure in the financial statements is reviewed and approved by the Chief Accounting Officer.

VII. APPENDICES



Accounting Policy Guide

Issue date: 03/30/2010

Revised date: 03/17/2015

Prepared by: Doug Loudermilk

Approved by: BU Controllers

Reference No.

Subject: Bad-Debt Reserve and Write-off of Accounts Receivable and Gas Imbalances

I. INTRODUCTION

This document provides guidelines for recording bad-debt expense and write-off of accounts receivable. The objective is to ensure timely and accurate recording of bad-debt expense in the period in which the accounts receivable can be reasonably determined as uncollectible. Bad-debts are to be reviewed and recorded on a regular basis.

II. SCOPE

This policy applies to all NiSource subsidiaries.

III. GAAP GUIDANCE

ASC 450-20-25-1 states when loss contingencies exist, the likelihood that the future event or events will confirm the loss or impairment of an asset or the incurrence of a liability can range from probable to remote.

ASC 450-20-25-2 states an estimated loss from a loss contingency shall be accrued by a charge to income if (a) information available prior to issuance of the financial statements indicates that it is probable that an asset has been impaired at the date of the financial statements and (b) the amount of the loss can be reasonably estimated.

ASC 450-20-25-5 states when the conditions in the preceding paragraph are met and information is available to indicate that the estimated amount of loss is within a range of amounts, it follows that some amount of loss has occurred and can be reasonably estimated.

ASC 450-20-30-1 states when no amount within the range of a loss is a better estimate than any other amount, the minimum amount in the range shall be accrued.

ASC 310-10-35-9 states losses from uncollectible receivables shall be accrued when both of the conditions stated in ASC 450-22-25-2 are met. Those conditions may be considered in relation to individual receivables or in relation to groups of similar types of receivables. If the conditions are met, accrual shall be made even though the particular receivables that are uncollectible may not be identifiable.

ASC 310-10-35-10 states factors determining whether the amount of loss can be reasonably estimated will normally depend on the experience of the entity, information about the ability of individual debtors to pay, and current economic environment. If the entity has no experience of its own, reference to the experience of other entities in the same business may be appropriate.

IV. NISOURCE APPLICATION

NiSource generally charges off customer transportation and storage balances and establishes any necessary reserves based upon the specific identification of customers. In addition, reserves may be established for balances due for gathering and production and for royalties due based on individual circumstances with collectability from counterparties.

Gas Imbalances with Customers. NiSource's subsidiaries enter into balancing and exchange arrangements of natural gas as part of their operations. NiSource records a receivable or payable for their respective cumulative gas imbalances. These receivables and payables are recorded as "Exchange gas receivable" or "Exchange gas payable", as appropriate. NiSource addresses the necessary reserve of gas imbalance receivables individually and charges off balances accordingly. These balances are reviewed quarterly on a case by case basis as part of a collaborative effort to



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determine the collectability of their receivable balance and subsequently if any or all of that balance needs reserved or charged off. The review may include, but is not limited to, Business Unit Accounting and Credit. This determination would require NiSource to purchase gas in the quantity that was reserved or charged off based upon the quantity of gas that was delivered to the customer in excess of their contracted deliveries.

V. REGULATORY CONSIDERATIONS (ASC 980)

Bad debt costs of NiSource business units are not significant, nor recurring in nature, and sometimes outside the control of the business units. NiSource does not have a separate recovery mechanism of such costs. Such tracking mechanisms allow for abbreviated regulatory proceedings in order for the business units to recover costs appropriately. Tracking mechanisms allow for more timely recovery of such costs as compared with more traditional cost recovery mechanism.

NiSource recovers uncollectible expense through base rate proceedings and are not guaranteed 100% recovery as with any cost of service item included in base rates.

VI. AUTHORITY AND RESPONSIBILITY

Within NiSource, the groups that work to keep apprised of any counterparty/customer related collection issues include, but are not limited to, Business Unit Accounting & Credit. In the case of outstanding collection issues, these groups may collaborate to recommend continuity of service and/or any specific payment provisions. On a periodic basis, these groups analyze and interpret outstanding receivable balances to determine the appropriate credit reserves necessary for all counterparties/customers. Conclusions are documented in a write up compiled by NiSource's Controller on a quarterly basis.

Based upon collaborative efforts of all interested parties, the Controller obtains approval from the Chief Accounting Officer to record significant adjustments to the appropriate reserve balances.

VII. APPENDICES

Not applicable.



Accounting Policy

Issue date: Revised March 2015

Prepared by: Jim Leslie

Approved by: BU Controllers

Reference No. 2.4

Subject: Accounting for Other Receivables

I. INTRODUCTION

This policy provides guidelines for accounting for other receivables.

II. SCOPE

This policy applies to all NiSource companies and includes general guidelines related to initial recognition and measurement, subsequent valuation, and presentation of other accounts receivables.

III. GAAP GUIDANCE

Initial Recognition and Measurement

Receivables are claims held against customers and others for money, goods or services.

Valuation

ASC310-10-35-7 provides guidance regarding potential losses from uncollectable receivables stating “the conditions under which receivables exist usually involve some degree of uncertainty about their collectibility, in which case a contingency exists”. ASC310-10-35-8 “requires recognition of a loss when both of the following conditions are met:

- a) Information available before the financial statements are issued or are available to be issued (as discussed in Section 855-10-25) indicates that it is probable that an asset has been impaired at the date of the financial statements.
- b) The amount of the loss can be reasonably estimated.”

ASC310-35-9 further states “Those conditions may be considered in relation to individual receivables or in relation to groups of similar types of receivables. If the conditions are met, accrual shall be made even though the particular receivables that are uncollectible may not be identifiable.”

Presentation of Accounts Receivable

ASC210-45-3 states “a one-year time period shall be used as a basis for the segregation of current assets”. All other receivables that will not be collected within a one-year time period should be classified as non-current.

Disclosure

ASC310-10-50-4 states “The allowance for credit losses, the allowance for doubtful accounts, and, as applicable, any unearned income, any unamortized premiums and discounts, and any net unamortized deferred fees and costs, shall be disclosed in the financial statements”.

IV. REGULATORY CONSIDERATIONS

Not applicable

V. NISOURCE APPLICATION



Accounting Policy

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Prepared by: Jim Leslie

Approved by: BU Controllers

Reference No. 2.4

Subject: Accounting for Other Receivables

Other receivables represent non-trade receivables. Current other receivables are included in the accounts receivable line of the consolidated financial statements. All other receivables are evaluated for collectability and recorded at net realizable value. The allowance for other receivables is aggregated with the allowance for trade receivables for disclosure purposes.

VI. AUTHORITY AND RESPONSIBILITY

The Accounting group is responsible for determining the qualification and classification of receivables on the balance sheet under the authority of the Segment controller.

The Financial Reporting group is responsible for presentation and disclosure in the financial statements. Presentation and disclosure in the financial statements is reviewed and approved by the Chief Accounting Officer.

VII. APPENDICES

None



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: James Leslie

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 3.1

Subject: Accounting for emission allowances

I. INTRODUCTION

The Environmental Protection Agency (EPA) issues rights (allowances) to participating entities to emit a specified level of pollutants at no cost. Each individual emission allowance (EA) has a vintage year designation (i.e., the year the allowance may be used). EAs with the same vintage year designation are fungible and can be used by any party to satisfy pollution control obligations for emissions from any source within the governing bodies' associated control area during the vintage year or, potentially, subsequent years (i.e., many emission allowance programs permit carry-forward to subsequent years). EAs are generally granted several years in advance. For example, sulfur dioxide allowances in the United States have already been allocated and delivered to participating entities for the next 30 years.

Entities can choose to buy EAs from, and sell EAs to, other entities, which is typically initiated through a broker. Entities can also enter into nonmonetary exchanges of EAs of one vintage for EAs of another vintage — commonly referred to as vintage year swaps. At the end of a compliance period, participating entities are required to either (1) deliver to the governing bodies emission allowances sufficient to offset the entity's actual emissions or (2) pay a fine.

NIPSCO is issued EAs for certain SO₂ and NO_x emissions to be emitted without penalty, such as those produced from NIPSCO electric generation operations. This policy provides guidelines in determining the accounting treatment for emission allowances.

II. SCOPE

This policy applies to all NiSource business units.

III. GAAP GUIDANCE

Because of the current lack of definitive GAAP guidance, there is diversity in practice regarding accounting for EAs. The FASB has added to its agenda a project to provide comprehensive guidance for participants related to EA accounting.

OTHER GUIDANCE

Discussions with the staffs of the FASB and the SEC have indicated that two methods of accounting for EAs are acceptable: (1) an inventory model and (2) an intangible asset model. Although both are permitted, the intangible asset model is preferable. The FASB has added a project to its agenda to address the accounting for EAs. This project could result in a change in accounting under either currently accepted model.

Until the FASB issues additional guidance, entities should choose one method and apply it consistently for a given category of EA. For example, an entity could hold two categories of EAs, "held for use" and "held for sale," each with its own accounting method. However, within a category, the method must be consistently applied.

Certain accounting implications of the two methods are summarized below.

Intangible Asset Model

- Recognize full gain on sale of EAs to a third party (in the absence of an ASC 980, Regulated Operations, requirement to defer gains as a regulatory liability).
- Use fair value basis for vintage year swaps if the swap transaction has commercial substance (e.g., a swap of the same vintage EAs would likely not have commercial substance).



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Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 3.1

Subject: Accounting for emission allowances

- Amortize as consumed in operating income.
- Classify cash inflows and outflows from sales and purchases of EAs as investing activities in the statement of cash flows.
- Evaluate impairment under ASC360, Property, Plant and Equipment.
- Follow intangible asset disclosure requirements in ASC 350, Intangibles – Goodwill and Other.

Inventory Model

- Recognize full gain on sale of EAs to a third party (in the absence of an ASC 980 requirement to defer gains as a regulatory liability).
- Use carryover basis on vintage year swaps (based on inventory exchange guidance in ASC 845-10-25-4, Accounting for Purchase and Sales of Inventory with the Same Counterparty).
- Expense as consumed in operating income (i.e., in cost of sales or similar classification to other consumed inventory expense).
- Classify cash inflows and outflows from sales and purchases of EAs as operating activities in the statement of cash flows.
- Evaluate carrying value under the lower of cost or market approach pursuant to ASC 330, Inventory.

The accounting implications discussed above do not specify the initial recognition entry for allocated EAs. In many cap and trade programs, including those currently active in the United States, EAs are allocated free of charge to participating entities. NiSource records EAs at zero cost (as opposed to fair value at grant date). Entities primarily base this zero cost accounting on Federal Energy Regulatory Commission (FERC) guidance for emission allowances. In the absence of U.S. GAAP, entities sometimes refer to the guidance in IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, which provides accounting guidance similar to that of the FERC.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

As the EPA issues EAs to NIPSCO's generating plants, which are part of NIPSCO's rate base, any gain on the sale of an EA to a third party should be passed back to regulated rate paying customers. Regulated rate paying customers should also be credited for the fair value of EAs in the event that excess power that was generated through the utilization of EAs is sold to non-regulated customers through off-system sales. Such amounts are deferred as regulated liabilities and passed back to rate paying customers through the Fuel Adjustment Clause. The sale of other allowances, not used due to investments made by NiSource in pollution control assets and services, are reflected in earnings in the period in which they occur

V. NISOURCE APPLICATION

Northern Indiana has obtained SO₂ and NO_x emission allowances from the EPA based upon its electric generation operations that the utility may sell, trade or hold for future use. Northern Indiana utilizes the inventory model in accounting for these emissions allowances, whereby these allowances are recognized at zero cost upon receipt from the EPA. Proceeds received from the annual EPA auction of emission allowances and through the utilization of allowances in the generation of power for off-system sales are deferred as regulatory liabilities.



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Prepared by: James Leslie

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 3.1

Subject: Accounting for emission allowances

VI. AUTHORITY AND RESPONSIBILITY

- Preparation – Journal entries are prepared by NIE staff accountants
- Review – Entries prepared by the NIE staff accountants are reviewed by the NIE Accounting Manager
- Approval – Entries are approved by the NIE Controller

VII. APPENDICES

N/A – as no appendices are needed to support this accounting policy.



Accounting Policy

Issue date: 10/29/09

Revised date: 03/17/2015

Prepared by: Pat Gyure

Approved by: NiSource Controller

Reference No. 001

Subject: Gas in Storage

I. INTRODUCTION

This policy provides guidelines for computing, presenting, and disclosing, gas inventory and balance of costs applicable to gas on hand remaining after the matching of absorbed costs with concurrent revenues.

II. SCOPE

This policy applies to any NiSource subsidiary that accounts for Gas in Storage inventories. It should be noted that gas transported and stored by NiSource is typically owned by the customers. Ownership of gas inventory is taken by NiSource in rate circumstances.

III. GAAP GUIDANCE

Accounting Standards Codification (ASC) 330-10 paragraph 30-1 defines the basis of accounting for inventories as cost, which is "the price paid or consideration given to acquire an asset". ASC 330-10-30-9, states cost for inventory purposes may be determined under any one of several assumptions as to the flow of cost factors, such as first-in first-out (FIFO), average, and last-in first-out (LIFO). The cost to be matched against revenue from a sale may not be the identified cost of the specific item which is sold, especially in cases in which similar goods are purchased at different times and at different prices. Accordingly, if the materials purchased in various lots are identical and interchangeable, the use of identified cost of the various lots may not produce the most useful financial statements. [ARB 43, paragraph Ch. 4 Par. 6, sequence 175.1.2] [This fact has resulted in the general acceptance of several assumptions with respect to the flow of cost factors such as FIFO, average, and LIFO to provide practical bases for the measurement of periodic income. While the basis of stating inventories does not affect the overall gain or loss on the ultimate disposition of inventory items, any inconsistency in the selection or employment of a basis may improperly affect the periodic amounts of income or loss. The basis of stating inventories shall be consistently applied and shall be disclosed in the financial statements; whenever a significant change is made therein, there shall be disclosure of the nature of the change and, if material, the effect on income. [ARB 43, paragraph Ch. 4 Statement 8, sequence 191]]

ASC 330-10-S50-1 governs inventory disclosure requirements. It refers to paragraph 210-10-S99-1, Regulation S-X Rules 5-02.6(b) through (d), for inventory disclosure requirements. [SX 210.5-02, paragraph 6(b), sequence 19].

ASC 330-10-S50-2 refers to paragraph 330-10-S99-3, Staff Accounting Bulletin (SAB) Topic 11.F, for SEC Staff views on disclosure of income realized as a result of a last-in, first-out (LIFO) liquidation. [SAB TOPIC 11.F, paragraph Facts, sequence 12]

Paragraph 330-10-S99-1, SAB Topic 5.L, for SEC Staff provides views on appropriate last-in, first-out (LIFO) accounting practices. This section includes selected SEC and SEC Staff content for reference by public companies. The following is an excerpt of the text of SAB Topic 5.L, LIFO Inventory Practices:

- In the absence of existing authoritative literature on LIFO accounting, the staff believes that registrants and their independent accountants should look to the paper for guidance in determining what constitutes acceptable LIFO accounting practice. In this connection, the staff considers the paper to be an accumulation of existing acceptable LIFO accounting practices which does not



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Approved by: NiSource Controller

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establish any new standards and does not diverge from GAAP. [SAB TOPIC 5.L, paragraph Q1 Response, sequence 97]]

ASC 330-10-S99-3 The following is the text of SAB Topic 11.F, LIFO Liquidations.

- [Facts: Registrant on LIFO basis of accounting liquidates a substantial portion of its LIFO inventory and as a result includes a material amount of income in its income statement which would not have been recorded had the inventory liquidation not taken place. [SAB TOPIC 11.F, paragraph Facts, sequence 12]] Disclosure of the amount of income realized as a result of the inventory liquidation would be required in order to make the financial statements not misleading. Disclosure may be made either in a footnote or parenthetically on the face of the income statement. [SAB TOPIC 11.F, paragraph Question Interpretive Response, sequence 14]]

ASC 210-10-S99-1 The following is the text of Regulation S-X Rule 5-02, Balance Sheets.

- The purpose of this rule is to indicate the various line items and certain additional disclosures which, if applicable, and except as otherwise permitted by the Commission, should appear on the face of the balance sheets or related notes filed for the persons to whom this article pertains (see § 210.4-01(a)). Assets & Other Debits [See § 210.4-05] Section 6 (a) states if the method of calculating a LIFO inventory does not allow for the practical determination of amounts assigned to major classes of inventory, the amounts of those classes may be stated under cost flow assumptions other than LIFO with the excess of such total amount over the aggregate LIFO amount shown as a deduction to arrive at the amount of the LIFO inventory. Section 6 (c) If the LIFO inventory method is used, the excess of replacement or current cost over stated LIFO value shall, if material, be stated parenthetically or in a note to the financial statements.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

The Federal Energy Regulatory Commission (FERC) provides a uniform system of accounts and accounting guidance on how to account for Gas Stored Underground – Non-current (Acct 117). Gas stored during the year shall be priced at cost according to generally accepted methods of cost determination consistently applied from year to year. Transmission expenses for facilities of the utility used in moving the gas to the storage area and expenses of storage facilities shall not be included in the inventory gas except as may be authorized or directed by the Commission. Withdrawals of gas must be priced using the first-in-first-out, last-in-first-out, or weighted average cost method, provided the method adopted by the utility is used consistently from year to year and appropriate inventory records are maintained. Approval of the Commission must be obtained for any other pricing method, or change in the pricing method adopted by the utility. This account shall be credited with an amount equal to that debited to account 164.1 Gas Stored Underground – Current to classify for balance sheet purposes such portion of the total inventory of gas stored underground as constitutes a current asset according to conventional rules for classification of current assets. In conjunction with FERC guidance, NiSource's rate regulated subsidiaries utilize the weighted average costing method.

V. NISOURCE APPLICATION

NiSource companies use the weighted average costing method for valuation of any gas in storage inventory.



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Prepared by: Pat Gyure

Approved by: NiSource Controller

Reference No. 001

Subject: Gas in Storage

A one pool of gas concept is utilized – meaning no distinction is made for storage fields or agreements when valuing gas in storage. The net injection/withdrawal for all storage fields combined determines whether the distribution company has a new layer. The WACOG rate calculation assumes a one pool concept.

VI. AUTHORITY AND RESPONSIBILITY

NiSource Accounting is responsible for computing the cost of purchases and sales associated with gas inventory balances either recorded in the 117 account, the 164 account, or the 253 account. This computation is reviewed and approved by the Controller.

VII. APPENDICES

None.



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Derric J. Isensee

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 3.3

Subject: Accounting for Coal Inventory and Inventory in Transit

I. INTRODUCTION

Northern Indiana generates, transmits and distributes electricity to approximately 457 thousand customers in 20 counties in the northern part of Indiana. In conjunction with these operations, Northern Indiana currently has the ability to operate three coal-fired generating stations (Bailly, R.M. Schahfer, and Michigan City) consisting of a net capability of 2,574 mw.

The purpose of this accounting policy is to provide guidelines in determining the appropriate accounting treatment for coal inventory costs relating to these operations. This policy will also discuss the regulatory treatment applicable to these costs.

II. SCOPE

This policy applies to all NIPSCO – Electric Operations

III. GAAP GUIDANCE

The applicable GAAP guidance is as follows:

Codification Reference No. 330-30-1 which states, “The primary basis of accounting for inventories is cost, which has been defined generally as the price paid or consideration given to acquire an asset. As applied to inventories, cost means in principle the sum of the applicable expenditures and charges directly or indirectly incurred in bringing an article to its existing condition and location.”

Codification Reference No. 330-30-9 which states, “Cost for inventory purposes may be determined under any one of several assumptions as to the flow of cost factors, such as first-in first-out (FIFO), average, and last-in first-out (LIFO). The major objective in selecting a method should be to choose the one which, under the circumstances, most clearly reflects periodic income.”

Codification Reference No. 330-35-1 which states, “A departure from the cost basis of pricing the inventory is required when the utility of the goods is no longer as great as their cost. Where there is evidence that the utility of goods, in their disposal in the ordinary course of business, will be less than cost, whether due to physical deterioration, obsolescence, changes in price levels, or other causes, the difference shall be recognized as a loss of the current period. This is generally accomplished by stating such goods at a lower level commonly designated as market.”

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

All metered electric rates contain a provision for adjustment to reflect increases and decreases in the cost of fuel stock through operation of a Fuel Adjustment Clause (“FAC”) as allowed by the Indiana Utility Regulatory Commission (“IURC”). As prescribed by order of the IURC, the adjustment factor has been calculated based on the estimated cost of fuel and purchase power in a future three-month period. If two statutory requirements relating to expense and return levels are satisfied, any under-recovery or over-recovery caused by the variances between the estimated and actual costs in a given three-month period are recorded as adjustments to revenue and will be included in a future filing. As consistent with ASC 980-405-25-1, the amount of over/under recovery is recorded by Northern Indiana as a regulatory asset or liability until such time as it is billed or refunded to its customers.

V. NISOURCE APPLICATION

The cost for coal inventory is priced at a weighted average. All coal inventories are segregated on location in multiple piles based on the quality and type of coal. A weighted average price is calculated for each pile in order to determine the pricing of next burned volume as will be reflected in cost of



Accounting Policy

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Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 3.3

Subject: Accounting for Coal Inventory and Inventory in Transit

sales on the income statement. This weighted average price is calculated based on four components: commodity costs, transportation costs, unit train costs and fuel handling costs.

- **Commodity Costs** represent the cost of coal, which is recorded at the invoice price of fuel less any cash or other discounts. Northern Indiana takes title and assumes liability for all fuel at the point the fuel is loaded into the unit train at the mine. See Appendix A for details regarding the fuel procurement process.
- **Transportation Costs** include rental fees to third parties for use of their railways and transportation equipment used to transport fuel from the point of acquisition to the unloading point. Northern Indiana has entered into certain transportation agreements with multiple railway carriers. Transportation costs are recorded in inventory as these costs are incurred.
- **Unit Train Costs also** include lease costs of transportation equipment used to transport fuel from the point of acquisition to the unloading point. Northern Indiana has entered into a number of unit train lease agreements. Because unit train costs result from lease agreements, these costs are incurred evenly throughout the year, while coal deliveries vary throughout the year based upon seasonal needs. As such, Northern Indiana performs an expense clearing process in order to appropriately match up unit train expenses with the period in which the coal is received. These costs include unit train lease costs, insurance costs, depreciation costs relating to unit train cars owned by Northern Indiana, and certain maintenance costs. These costs are recorded into a balance sheet clearing account when incurred and then are methodically cleared out to inventory as fuel stock is received in order to match the costs with the receipt of fuel. These costs are then included in the weighted average cost of fuel and expensed when fuel is burned.
- **Fuel Handling Costs** include the cost of labor and supplies used and expenses incurred in unloading fuel from the unit train and handling the coal prior to its use. Charges consist of equipment depreciation, labor, material and supplies, and maintenance expenses and are also included in the volumetric weighted average calculation and expensed as volumes are burned. These costs are tracked separately and are not recoverable through the FAC mechanism.

As discussed above, commodity, transportation and unit train costs are generally recoverable through the FAC as allowed by the IURC. As such, the related inventories are generally free from any risk of obsolescence as the associated costs will generally be recovered with an approximately normal profit upon sale in the ordinary course of business.

Also, once a year an inventory observation (via flyover) is performed by a third-party specialist in order to determine the need for an adjustment to inventory for any possible variances between book and actual volumes. These flyovers are performed on all material coal piles. Northern Indiana will obtain approval from the IURC in instances where a volumetric adjustment is necessary to align the volumes per the books with the actual volumes observe within a five percent threshold. This annual process serves as a control to prevent material volumetric book to actual differences that may arise throughout the course of the company's operating cycle.

VI. AUTHORITY AND RESPONSIBILITY

The NIE Segment Controller is responsible for this accounting policy.



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Derric J. Isensee

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 3.3

Subject: Accounting for Coal Inventory and Inventory in Transit

VII. APPENDICES

See attached appendix.



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Derric J. Isensee

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 3.3

Subject: Accounting for Coal Inventory and Inventory in Transit

Appendix A

Commodity Procurement Procedures

Northern Indiana procures the majority of its fuel stock supply through firm contractual arrangements (usually 3-5 years) with major coal suppliers. The company also enters into certain spot agreements (1 year or less) to meet additional requirements in excess of their firm contracts. These agreements are entered into through a formal bidding process with multiple suppliers in order to obtain the most prudently priced coal which will be recovered through rate paying customers as discussed above. Prices are evaluated based on the delivered cost of coal meeting the coal quality parameters required by each generating station. Contained in each coal and transportation supply agreement is force majeure language that allows Northern Indiana to procure alternative sources of coal if a supply interruption of a predetermined length would occur.



Accounting Policy

Issue date: Revised March 2015

Prepared by: Jeff Eing

Approved by:

Reference No.

Subject: Over/Under cost recovery (gas & electric)

I. INTRODUCTION

This policy provides guidelines in determining the accounting treatment for the recognition of a regulatory asset or liability, specifically related to the deferral of purchased costs or the recovery of costs, driven by the sale of a commodity (gas or electricity).

A net position of costs recovered are less than costs incurred in a given time period is referred to as an under-collection, while a net position of costs being recovered in excess of costs incurred in a given time period is referred to as over-collection.

An under-collection represents the need to collect amounts from customers, thus a regulatory asset is established. An over-collection represents the need to refund amounts to customers, thus a regulatory liability is established.

II. SCOPE

Over/Under cost recovery applies to NiSource business units whose customers purchase a commodity for which the business unit is not permitted to make any profit on the commodity. These business units are commonly referred to as Distribution companies.

The regulatory Asset/Liability treatment of over/under costs are addressed in ASC 980 – Regulated Operations, which applies to general-purpose external financial statements of an enterprise that has regulated operations that meet all of the following criteria:

1. The enterprise's rates for regulated services or products provided to its customers are established by or are subject to approval by an independent, third-party regulator or by its own governing board empowered by statute or contract to establish rates that bind customers.
2. The regulated rates are designed to recover the specific enterprise's costs of providing the regulated services or products.
3. In view of the demand for the regulated services or products and the level of competition, direct and indirect, it is reasonable to assume that rates set at levels that will recover the enterprise's costs can be charged to and collected from customers. This criterion requires consideration of anticipated changes in levels of demand or competition during the recovery period for any capitalized costs.

III. GAAP GUIDANCE

ASC 980 – Regulated Operations provides that rate-regulated subsidiaries account for and report assets and liabilities consistent with the economic effect of the way in which regulators establish rates, if the rates established are designed to recover the costs of providing the regulated service and if the competitive environment makes it probable that such rates can be charged and collected. As defined in the glossary of the Accounting Standards Codification, probable is defined as "that which can be expected or believed on the basis of available evidence or logic but is neither certain nor proved." For a number of reasons, revenues intended to cover some costs are provided either before or after the costs are incurred. If regulation provides assurance that incurred costs will be recovered in the future, this Statement requires companies to capitalize those costs. If current recovery is provided for costs that are expected to be incurred in the future, this Statement requires companies to recognize those current receipts as liabilities.



Accounting Policy

Issue date: Revised March 2015

Prepared by: Jeff Eing

Approved by:

Reference No.

Subject: Over/Under cost recovery (gas & electric)

IV. REGULATORY CONSIDERATIONS

The Federal Energy Regulatory Commission provides a uniform system of accounts in order to give direction to regulated entities regarding the accounting for certain utility business activities.

Gas Distribution

FERC provides a uniform system of accounts and accounting guidance on how to account for Unrecovered Purchase Gas Costs (Acct 191). By FERC definition:

”This account shall include purchase gas costs related to Commission approved purchased gas adjustment clauses when such costs are not included in the utility’s rate schedule on file with the Commission. This account shall also include such other costs as authorized by the Commission. This account shall be debited or credited, as appropriate, each month for increases or decreases in purchased gas cost with contra entries to Account 805.1, Purchased Gas Cost Adjustments, so that the balance accumulated over a succeeding 6-month period or such other periods that the Commission may have authorized. Any over or under applied debits or credits to this account shall be carried forward to the succeeding period of amortization.”

Electric Distribution

NiSource electric distribution records all over/under collections on the balance sheet to “Customer Accounts Receivable” (Acct 142) as the electric chart of accounts does not have a separately identified account to record such activities. As described, “This account shall include amounts due from customers for utility service, and for merchandising, jobbing and contract work”. This account is appropriate as over and under collections are generated through normal utility service activities and are expected to be recovered from customers in a future period.

Electric distribution records the income statement effect of the current period over/under collection to “Other Electric Revenues” (Acct 456). As described, “This account shall include revenues derived from electric operations not includible in any of the foregoing accounts”. This account is appropriate as the FERC chart of accounts does not have a separately identified account for fuel adjustment clause revenues/expenses.

Each state jurisdiction (commission) regulates the business unit purchase gas/fuel adjustment recovery rates. The timing of the filing supporting these recovery rates varies by jurisdiction, usually monthly or quarterly. The filing includes Unrecovered Purchase Gas/Fuel Costs at that point in time and the rates are set to subsequently recover those costs.

V. NISOURCE APPLICATION

Electric Distribution

All metered electric rates contain a provision for adjustment to reflect increases and decreases in the cost of fuel and the fuel cost of purchased power through operation of a FAC. As prescribed by order of the regulatory commission applicable to metered retail rates, the adjustment factor has been calculated based on the estimated cost of fuel and the fuel cost of purchased power in a future three-month period. If two statutory requirements relating to expense and return levels are satisfied, any under-recovery or over-recovery caused by variances between estimated and actual costs in a given three-month period are recorded as adjustments to revenue and will be included in a future FAC filing, provided that the *purchased power benchmark has not been exceeded. Northern Indiana records any under-recovery or over-recovery as a current regulatory asset or liability until such time as it is billed or refunded to its customers. The fuel adjustment factor is subject to a quarterly review by the regulatory commission and remains in effect for a three-month period.



Accounting Policy

Issue date: Revised March 2015

Prepared by: Jeff Eing

Approved by:

Reference No.

Subject: Over/Under cost recovery (gas & electric)

Gas Distribution

All of NiSource's Gas Distribution companies defer the differences between allowable gas purchase costs and the recovery of such costs in revenues, and adjust future billings for such deferrals on a basis consistent with applicable state-approved tariff provisions.

NiSource Gas Distribution Companies recognize a cost of sale component in each customer's monthly bill. This component represents the current purchase gas cost adjustment rate applicable for each given customer. Any additional gas cost expense, purchased with the intent to sell, is deferred on the balance sheet as an asset in the gas cost adjustment, which is to be filed for recovery in a future purchase gas cost adjustment rate filing. In the event the gas cost adjustment rate results in a recovery greater than the current gas purchase costs, the difference is recognized on the balance sheet as a liability in the gas cost adjustment account.

Additional regulatory commission approved items (besides direct cost of gas) may be included in the gas cost adjustment account may include (but are not limited to):

- Pass back of regulatory incentives derived from regulatory revenue sharing programs
- Pass back or recovery of fees and gains or losses from price risk trading programs

VI. AUTHORITY AND RESPONSIBILITY

The Accounting group is responsible for calculating the monthly over/under cost recovery. The Accounting group is responsible for determining the qualification and classification of regulatory assets and liabilities on the balance sheet under the authority of the Segment controller.

The Regulatory Accounting group is responsible for the filing of gas cost recovery rates and the implementation of those rates.

The Financial Reporting group is responsible for presentation and disclosure in the financial statements. Presentation and disclosure in the financial statements is reviewed and approved by the Chief Accounting Officer.

VII. APPENDICES

**purchased power benchmark - As part of a settlement agreement which resolved issues surrounding purchased power costs, Northern Indiana implemented a new "benchmarking standard," that became effective in October 2007, which defines the price above which purchased power costs must be absorbed by Northern Indiana and are not permitted to be passed on to ratepayers. The benchmark is based upon the costs of power generated by a hypothetical natural gas fired unit using gas purchased and delivered to Northern Indiana and a set sharing mechanism. The agreement also contemplated Northern Indiana adding generating capacity to its existing portfolio by providing for the benchmark to be adjusted as new capacity is added. The dispatch of Sugar Creek into MISO on December 1, 2008 triggered a change in the benchmark, whereby the first 500 mw tier of the benchmark provision was eliminated.*



Accounting Policy

Issue date: 10/22/09 Revised April 2015

Prepared by: Craig Berberich, with documentation from Angela Camp, NIPSCO, Pipeline & Distribution Accounting

Approved by:

Reference No. 4.1

Subject: Natural Gas Exchange Agreements

I. INTRODUCTION

This policy provides guidelines in determining accounting treatment for various natural gas exchange agreements. These agreements include services for exchange parks and loans (Exchanges), gas imbalances and Operational Balancing Agreements (OBAs).

II. SCOPE

This policy applies to NiSource business units that enter into natural gas exchange agreements.

III. GAAP GUIDANCE

A. Fees: Revenue Recognition

ASC 605-10-S99

Based on these guidelines, revenue should not be recognized until it is realized or realizable and earned. Statement of Financial Accounting Concepts No. 5, paragraph 83(b) states that "an entity's revenue-earning activities involve delivering or producing goods, rendering services, or other activities that constitute its ongoing major or central operations, and revenues are considered to have been earned when the entity has substantially accomplished what it must do to be entitled to the benefits represented by the revenues" [footnote reference omitted]. Paragraph 84(a) continues "the two conditions (being realized or realizable and being earned) are usually met by the time product or merchandise is delivered or services are rendered to customers, and revenues from manufacturing and selling activities and gains and losses from sales of other assets are commonly recognized at time of sale (usually meaning delivery)" [footnote reference omitted]. In addition, paragraph 84(d) states that "If services are rendered or rights to use assets extend continuously over time (for example, interest or rent), reliable measures based on contractual prices established in advance are commonly available, and revenues may be recognized as earned as time passes."

FN4 Concepts Statement 5, Revenue Recognition in Financial Statements includes as one of the conditions for revenue recognition that "Delivery has occurred or services have been rendered."

B. Value of Gas

ASC 845-10-30-1

In general, the accounting for nonmonetary transactions should be based on the fair values of the assets (or services) involved, which is the same basis as that used in monetary transactions. Thus, the cost of a nonmonetary asset acquired in exchange for another nonmonetary asset is the fair value of the asset surrendered to obtain it, and a gain or loss shall be recognized on the exchange. The fair value of the asset received shall be used to measure the cost if it is more clearly evident than the fair value of the asset surrendered. Similarly, a nonmonetary asset received in a nonreciprocal transfer shall be recorded at the fair value of the asset received.

IV. FERC GUIDANCE

The Code of Federal Regulations, Chapter 18, Subchapter F, part 201 provides relevant accounting guidance on natural gas exchanges when defining FERC accounts; 174, 242 & 806. FERC Account 174 Misc accrued assets, paragraph B states "the utility is to include in a separate subaccount amounts receivable for gas where gas is delivered to another party in exchange transactions." Similarly, FERC Account 242, Misc accrued liabilities states the same for accounts payable. As an offset to these accounts, FERC Account 806 Exchange gas states "This account includes debits or credits for the cost of gas where gas is received from or delivered to another party in exchange transactions."



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Reference No. 4.1

Subject: Natural Gas Exchange Agreements

V. REGULATORY CONSIDERATIONS (ASC 980)

The treatment of revenues generated from these types of transactions vary by operating company with some sharing the margins with customers depending on rules set forth by the individual state commissions. These agreements are subject to renegotiation after a certain period of time and can change periodically. The value of gas exchanged is considered part of system supply and is therefore included in the over/under calculation.

VI. NISOURCE APPLICATION

NiSource's Gas Distribution Operations subsidiaries enter into balancing and exchange arrangements of natural gas as part of their operations and off-system sales programs. NiSource records a receivable or payable for their respective cumulative gas imbalances and for any gas inventory borrowed or lent under an exchange agreement. These receivables and payables are recorded as "Exchange gas receivable" or "Exchange gas payable" on NiSource's Consolidated Balance Sheets, as appropriate. While a particular agreement could be subject to renegotiation, it is NiSource's practice and is probable that agreements involving physical gas will result in physical delivery and will not net settle.

Exchanges:

Exchange transactions are firm and generally involve the delivery of gas to a customer during time frame A, and the customer delivery of equivalent volumes to NiSource during time frame B or vice versa.

Exchanges can be:

1. Same month exchange: involves delivery of agreed volumes in agreed time frame to a trading partner on the same day or in the same month, and the trading partner delivers agreed volumes on the same day or in the same month.
1. Time Exchange: generally involves the delivery or receipt of gas to a trading partner over two or more accounting periods during time frame A, and the receipt or delivery of volumes to a trading partner during time frame B.
2. Location Exchange: related where a trading partner takes receipt or delivery of gas at point A and the receipt or delivery of gas at a different point—Point B.
3. Time and Location Exchange: A combination where time exchanges and location exchanges are merged into one product. Note: While the volume agreed to in an exchange is usually the same, it can be different. In those cases, the volume difference is valued and charged as a cost in doing the arrangement.

An exchange in which NiSource delivers gas first is referred to as a loan while an exchange in which NiSource receives gas first is referred to as a park. In same month and time exchanges, the location of the delivery and receipt can take place at the same point or different points.

Distribution companies

For exchanges spanning more than one month, the company will record a receivable or payable for the gas loaned (delivered first / receivable) or parked (received first / payable) under the exchange agreement. Per FERC rules, title to the gas exchanged transfers during these arrangements. These receivables and payables are recorded as "Exchange gas receivable" or "Exchange gas payable" on the company's Balance Sheet. In establishing the asset or liability, the value of the gas exchanged must be determined. Exchange gas is valued based on individual regulatory jurisdiction requirements (e.g. WACOG, Historical Spot).



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Reference No. 4.1

Subject: Natural Gas Exchange Agreements

The assigned dollar value of the gas will be recorded as a receivable for gas that is loaned (delivered) and a payable for gas that is parked (received) with the contra entries recorded to an exchange gas account. These gas costs are either from or for system supply and therefore will be included in the companies' deferred gas cost calculation. The value of the exchanged gas is fixed and is not marked to market. These entries will be reversed upon completion of the exchange agreement which occurs when the gas is either received or delivered in satisfaction of the amounts receivable or deliverable.

Exchanges can both begin and end within the same day or within the same accounting period. For exchanges that complete within the same accounting period there is no need to price out the value of gas or record any receivable or payable.

Exchange Fees (Revenues): The Nisource companies charge an exchange fee for providing this service regardless of whether they receive or give gas. Although rare, NiSouce may pay to do an exchange. Revenue from exchange transactions is recognized ratably over the period earned but generally is not billed until the exchange is completed. Revenues are recorded as Accrued Utility Revenue until billed. This occurs when the party giving the gas has had the agreed volume of gas returned.

Imbalances

Distribution companies

End-User Bank Imbalances: When cumulative End-User deliveries are more than their cumulative usage, a liability is recorded to reflect the current value of the gas owed to the End-User. When cumulative End-User deliveries are less than their cumulative usage, an asset is recorded to reflect the current value of the gas owed by the End-User. End-User imbalances are evaluated and revalued monthly.

Pipeline Imbalances: When cumulative pipeline deliveries are more than the cumulative amounts put in the line on behalf of the distribution company, a liability is recorded to reflect the current value of the gas owed to the pipeline. When cumulative pipeline deliveries are less than the cumulative amounts put in the line on behalf of the distribution company, an asset is recorded to reflect the current value of the gas owed by the pipeline. End-User imbalances are evaluated and revalued monthly. Pipeline imbalances are relatively small due to provisions such as Operational Balancing Agreements (OBA's), pipeline monthly and daily balancing requirements, storage balancing and cash out provisions.

Gas imbalances are valued and cashed out based on individual regulatory jurisdiction requirements (e.g. Spot at beginning of month, Historical Spot – average of each day at month-end, etc.).



Accounting Policy

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Approved by:

Reference No. 4.1

Subject: Natural Gas Exchange Agreements

VII. AUTHORITY AND RESPONSIBILITY

Segment Accounting will work with NPD's Supply and Optimization for NGD and NIPSCO's Energy Supply and Trading, Supply & Optimization (formerly Energy Supply Services) and Regulatory Accounting to verify that exchange related revenues have been recorded properly based on the sharing mechanisms approved by the individual state commissions if applicable.

Segment Accounting will work with Supply & Optimization and Regulatory Accounting to obtain the proper rates to ensure exchange gas is properly valued as an asset or liability if applicable.

Segment level controllers are responsible for reviewing and approving exchange agreement accounting procedures for individual business units within each Segment.

VIII. APPENDICES

Not Applicable.



Accounting Policy

Issue date: January 22, 2010

Prepared by: Matt Harris/Don Watkins

Updated: Nick Drew, June 30, 2015

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 5.1

Subject: Allowance for Funds Used During Construction (AFUDC)

I. INTRODUCTION

This policy provides guidelines in accounting for the Allowance for Funds Used during Construction (AFUDC) for NiSource's regulated companies under U.S. Generally Accepted Accounting Principles.

II. SCOPE

This policy applies to all of NiSource's regulated business units.

III. GAAP GUIDANCE

The following is the relevant guidance relating to the Allowance for Funds Used during Construction:

ASC 980-835-25-1

In some cases, a regulator requires an entity subject to its authority to capitalize, as part of the cost of plant and equipment, the cost of financing construction as financed partially by borrowings and partially by equity. This cost of financing construction is referred to as an allowance for funds used during construction.

ASC 980-835-30-1

If a regulator requires an entity to capitalize certain costs as discussed in paragraph 980-835-25-1, a computed interest cost and a designated cost of equity funds are capitalized, and net income for the current period is increased by a corresponding amount. In such cases, the amounts capitalized for rate-making purposes as part of the cost of acquiring the assets shall be capitalized for financial reporting purposes instead of the amount of interest that would be capitalized in accordance with Subtopic 835-20. Those amounts shall be capitalized only if their subsequent inclusion in allowable costs for rate-making purposes is probable.

ASC 980-835-45-1

The income statement shall include an item of other income, a reduction of interest expense, or both, in a manner that indicates the basis for the amount of construction financing cost capitalized as required by paragraph 980-835-25-1.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

The Allowance for Funds Used during Construction is governed by ASC 980 and is not relevant for non-regulated entities. The guidance in ASC 980 is designed so that the costs for the construction of assets that are capitalized for rate-making purposes are identical to those capitalized for financial reporting purposes. As such, there are no additional regulatory considerations related to this topic.

V. NISOURCE APPLICATION

Development of the AFUDC Rate

The rate computation for AFUDC is calculated in accordance with the Code of Federal Regulations (CFR), Title 18, Gas (Electric) Plant Instruction Number 3, Sub-section 17 (Appendix A) ("the FERC Instructions"). With the exception of certain subsidiaries whose AFUDC debt and equity rates are explicitly stated in their Commission-approved order, each of the NiSource companies shall use their own capital structure to compute their respective AFUDC debt and equity rates.

Long-term debt (LTD), preferred stock and common equity balances are updated annually in accordance with the FERC Instructions. The LTD rate is based on the weighted average interest rate of each entity's LTD balance.



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The cost of equity is based on the regulated subsidiaries' last approved return on equity rate. If the cost rate that would have been granted to common equity in the last rate proceeding before the Commission is not available (which is the case in a "black box" settlement), the average return on equity earned during the preceding 3 years should be used.

Short-term debt (STD) is calculated by comparing the ending balance of STD to the average CWIP balance for each month in a twelve-month rolling period. The resulting balances are then averaged over the twelve-month rolling period to arrive at STD for the AFUDC calculation. When the average STD balance exceeds the average CWIP balance, the AFUDC debt rate shall be the average STD rate. The AFUDC equity rate therefore, shall be zero. The STD rate is based on the money pool interest rate.

CWIP is based on each company's average CWIP balance over a rolling twelve-month period.

Time Period of AFUDC Computation

AFUDC is applied to eligible capital projects from the month of first expenditure to the month the project is placed in service and/or ready for service.

Calculation and Application of AFUDC

Regular AFUDC

AFUDC charges for eligible projects will be calculated and applied to open work orders utilizing a monthly AFUDC rate. In order to simplify the calculation NiSource assumes expenditures made during the first month of a project and during the month in which a project is placed in service and/or deemed ready for service are made on the 15th of the month. As such NiSource will calculate one-half month of AFUDC related to these expenditures. For an example of an AFUDC calculation for a single project see Appendix C. This simplified methodology is not expected to generate an AFUDC amount materially different from that required by GAAP.

AFUDC for Short-term Projects

Certain projects are of a recurring nature and generally are completed over a short period of time (i.e. within one month). AFUDC related to eligible projects of this nature is calculated at one-half month times the monthly AFUDC amount. This simplified methodology is not expected to generate an AFUDC amount materially different from that required by GAAP.

AFUDC on Projects with Customer Advances for Construction

Projects for which NiSource has received a Customer Advance for Construction will only receive an AFUDC charge on the net amount over and above the advance. For example, if the incurred costs for a project are \$100,000 and NiSource receives an advance of \$70,000, AFUDC will only be calculated on the net amount of \$30,000.

No AFUDC

There are certain blanket work orders where AFUDC is not applied. Examples include: Automotive transportation equipment, general tools, office furniture and equipment, and the original cost of any purchased facility. In addition, AFUDC should not be applied to any work or purchase order until payment has actually been made.

Compound AFUDC

ASC 980 allows for AFUDC to be accounted for in accordance with the rules set out by the regulatory body in a given jurisdiction. NiSource's subsidiaries, therefore, will compound AFUDC in accordance with the regulations in place in their respective jurisdictions. Note that compounding is generally



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appropriate for projects spanning long periods of time (i.e. in excess of six months) but each Segment Controller is ultimately responsible for the appropriate application of the required accounting as it applies to compound AFUDC in his/her particular jurisdiction.

VI. AUTHORITY AND RESPONSIBILITY

The Financial Reporting Department will calculate the AFUDC rate using the methodology described above and notify the segments via a Controller's Letter (Appendix B). The FERC rules require the rate to be calculated at fiscal year end. In addition to performing the mandated calculation at year-end NiSource's Financial Reporting Department also performs the calculation on an interim basis once annually. A new Controller's letter is issued at an interim period for any significant change in rates. If a rate changes at an interim period the new rate is applied to all work orders associated with projects that have not yet been brought to completion.

Using the AFUDC rate provided by Financial Reporting, each segment will calculate AFUDC for eligible projects as described above and as seen in the example in Appendix C.

VII. APPENDICES

Appendix A - Code of Federal Regulations (CFR), Title 18, Electric (Gas) Plant Instruction Number 3, Sub-section 17

Appendix B - Example AFUDC Controller's Letter

Appendix C - Example Calculation of AFUDC Related to a Specific Project



Code of Federal Regulations (CFR), Title 18, Electric (Gas) Plant Instruction Number 3, Sub-section 17

(17) "Allowance for funds used during construction" includes the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds when so used, not to exceed without prior approval of the Commission allowances computed in accordance with the formula prescribed in (a) of this subparagraph. No allowance for funds used during construction charges shall be included in these accounts upon expenditures for construction projects which have been abandoned.

(a) The formula and elements for the computation of the allowance for funds used during construction shall be:

$$A_1 = s(S/W) + d(D/D+P+C)(1-S/W)$$

$$A_e = [1-S/W][p(P/D+P+C) + c(C/D+P+C)]$$

A_1 = Gross allowance for borrowed funds used during construction rate.

A_e = Allowance for other funds used during construction rate.

S = Average short-term debt.

s = Short-term debt interest rate.

D = Long-term debt.

d = Long-term debt interest rate.

P = Preferred stock.

p = Preferred stock cost rate.

C = Common equity.

c = Common equity cost rate.

W = Average balance in construction work in progress plus nuclear fuel in process of refinement, conversion, enrichment and fabrication, less asset retirement costs related to plant under construction.

(b) The rates shall be determined annually. The balances for long-term debt, preferred stock and common equity shall be the actual book balances as of the end of the prior year. The cost rates for long-term debt and preferred stock shall be the weighted average cost determined in the manner indicated in Section 35.13 of the Commission's Regulations Under the Federal Power Act. The cost rate for common equity shall be the rate granted common equity in the last rate proceeding before the ratemaking body having primary rate jurisdictions. If such cost rate is not available, the average rate actually earned during the preceding three years shall be used. The short-term debt balances and related cost and the average balance for construction work in progress plus nuclear fuel in process of refinement, conversion, enrichment, and fabrication shall be estimated for the current year with appropriate adjustments as actual data becomes available.

Note: When a part only of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation or ready for service, shall be treated as *Electric, Gas or Common Plant in Service* and allowance for funds used during construction thereon as a charge to construction shall cease. Allowance for funds used during construction on that part of the cost of the plant which is incomplete may be continued as a charge to construction until such time as it is placed in operation or is ready for service, except as limited in item 17, above.



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June 1, 2015
No. 2015-23

From: J. Mulpas

To: J. Konold R. Plantz S. Taylor W. Telzerow

CC: A. Abram S. Diener K. Isley D. Monk S. Sagun
 D. Beil D. Dorsch R. Jankowski C. Moore J. Sawyers
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 C. Delany J. Holtzmuller C. Misirly R. Rudenga A. Zientara

2015 Allowance for Funds Used During Construction (AFUDC) Borrowed and Equity Rates

Listed below are the updated AFUDC rates to be used for 2015 shown alongside the rates last published in Controller's Letter 2014-44 (issued December 2014). Interim rates are published to capture significant rate trends prior to year-end. For the rates that changed, please record a cumulative adjustment from January 1, 2015 in order to reflect the changes.

	Using 12 Months Ended			Using 12 Months Ended		
	October 30, 2014			April 30, 2015		
	Borrowed	Equity	Total	Borrowed	Equity	Total
	(A/C 700310000)	(A/C 703124000)		(A/C 700310000)	(A/C 703124000)	
NIPSCO (Gas)	2.34%	5.57%	7.91%	2.30%	5.57%	7.87%
NIPSCO (Electric)	2.34%	5.76%	8.10%	2.30%	5.74%	8.04%
CMA	0.67%	0.00%	0.67%	0.81%	0.41%	1.22% (1)
CMD	7.528%	0.00%	7.528%	7.528%	0.00%	7.528%
CGV	3.597%	4.327%	7.924%	3.597%	4.327%	7.924%
CKY	2.53%	5.25%	7.78%	2.73%	5.32%	8.05% (2)
COH	1.15%	1.16%	2.31%	0.71%	0.00%	0.71% (3)
CPA	1.64%	2.44%	4.08%	1.52%	2.20%	3.72% (4)

(1) The Columbia Gas of Massachusetts (CMA) AFUDC Debt and Equity rates increased from the prior period primarily due to a decrease in the average short-term debt balance relative to average CWIP.

(2) The Columbia Gas of Kentucky (CKY) AFUDC Debt and Equity rates increased from the prior period primarily due to an increase in the interest rates on long-term debt.

(3) The Columbia Gas of Ohio (COH) AFUDC Debt and Equity rates decreased from the prior period primarily due to an increase in the average short-term debt balance relative to average CWIP.



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(4) The Columbia Gas of Pennsylvania (CPA) AFUDC Debt and Equity rates decreased from the prior period primarily due to an increase in the average short-term debt balance relative to average CWIP.

Notes on certain key components of the AFUDC Rate calculation:

ST Debt Interest Rate: Generally, an increase in the ST Debt Interest Rate will increase the AFUDC-Borrowed Rate and have no impact on the AFUDC-Equity Rate. Operating company rates are based on the consolidated rate. The ST Debt Interest Rate is based on Money Pool Borrowings.

Ratio of Average ST Debt to Average CWIP (S/W Ratio): An increase in the S/W Ratio will decrease both the AFUDC-Borrowed Rate and AFUDC-Equity Rate, as the AFUDC formula assumes that ST borrowings are used first for construction before costs of LT debt and equity are factored in. Average ST Debt is based on Money Pool Borrowings. In the event average ST borrowings exceed the average CWIP balance for the period, the AFUDC-Equity Rate will be zero, and the AFUDC-Borrowed Rate will equal the ST borrowing rate.

Cost of Equity Rate: An increase in the Cost of Equity Rate will increase the AFUDC-Equity Rate and have no impact on the AFUDC-Borrowed Rate. The Cost of Equity Rate is based on regulatory filings and is a weighted average rate at the NiSource Consolidated level.

Attached are schedules showing the computation of the 2015 AFUDC rates.

If you have any questions regarding the AFUDC calculations, please contact Lacey Doles at (614) 460-4877.

Appendix C

ASSUME:

(a) the following charges to a work order:

Month of Expenditure	\$ Expenditure
January	1,000
February	15,000
March	8,000
April	2,000
May	0

(b) work order is placed in service in April

(c) AFUDC Rate - Full Month 1%, Half-month .5%

AFUDC Calculation:

	Calculation	AFUDC Amount	Explanation
January AFUDC	$\$1,000 \times .5\%$	\$5	One-half month AFUDC for current month expenditures
February AFUDC	$(\$1,000 \times 1\%) + (\$15,000 \times .5\%)$	\$85	Full AFUDC for prior months expenditures plus one-half month AFUDC for current month expenditures
March Expenditure AFUDC	$(\$16,000 \times 1\%) + (\$8,000 \times .5\%)$	\$200	Full AFUDC for prior months expenditures plus one-half month AFUDC for current month expenditures
April Expenditure AFUDC	$(\$26,000 \times .5\%)$	\$130	One-half month AFUDC for entire project expenditures in month placed in-service
Total Project AFUDC		\$420	



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: James Leslie

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 5.2

Subject: Accounting for asset sales

I. INTRODUCTION

This policy provides guidelines for accounting for the sale or retirement of rate-regulated utility plant.

II. SCOPE

This policy applies to sale or retirement of Utility Plant for all of NiSource's rate-regulated subsidiaries.

III. GAAP GUIDANCE

ASC 360, Property, Plant and Equipment, 35-2 "addresses the concept of depreciation accounting and the various factors to consider in selecting the related periods and methods to be used in such accounting." Paragraph 35-3 states "depreciation expense in financial statements for an asset shall be determined based on the asset's useful life."

Paragraph 360-35-4 defines depreciation accounting as "a system of accounting which aims to distribute the cost or other basic value of tangible capital assets, less salvage (if any), over the estimated useful life of the unit (which may be a group of assets) in a systematic and rational manner." There are a number of acceptable depreciation methods under GAAP, which include units of production, straight line, decreasing charge methods (including sum-of-the-years digits and declining-balance methods) and special depreciation methods, including group and composite methods.

OTHER GUIDANCE

The Code of Federal Regulations, Conservation of Power and Water Resources, Chapter 18, Parts 101 and 201 provides a uniform system of accounts and accounting guidance for electric and gas entities. FERC Account 108, Accumulated Provision for Depreciation", Paragraph C states "for general ledger and balance sheet purposes, this account shall be regarded and treated as a single composite provision for depreciation."

Based on this FERC guidance, along with common rate-making practice, NiSource's rate regulated subsidiaries utilize the composite method of depreciation. Depreciation expense is determined using composite rates on a straight line basis over the remaining service lives of the electric, gas and common properties as determined by depreciation studies completed in conjunction with the rate regulated subsidiary's latest rate case.

Typically a gain or loss on an asset sale is equal to the cash proceeds less the net book value of the asset. As NiSource's rate regulated subsidiaries utilize the composite method of depreciation and groups of assets are depreciated over an estimated useful life for the asset group, the net book value of a specific asset cannot be calculated.

FERC Account 108 Paragraph B provides guidance to account for recording depreciation expense and retirements, stating "at the time of retirement of depreciable electric utility plant, this account shall be charged with the book cost of the property retired and the cost of removal and shall be credited with the salvage value and any other amounts recovered, such as insurance. When retirement, costs of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a separate subaccount hereunder." As such, gains or losses on the sale of rate regulated subsidiaries' utility plant are typically not recognized.

Gains or losses on the sale of an operating unit or system comprised of rate regulated utility plant are recognized. While FERC has not explicitly defined what represents an operating unit or system, in a



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response to El Paso Natural Gas company docket No. CP88-475-001, FERC discussed what determines an operating unit or system:

The term “operating unit or system” is a term of art. The principal considerations are whether customers are attached, amount of investments, character of the property, and the continuity of operations. It is unnecessary, however, that an operating unit or system embraces a complete transmission or distribution system or that it serves completely an incorporated or unincorporated area”.

In the El Paso case, the assets being retired were determined to be an operating system. The facilities included a compressor unit, 12 miles of 14-inch pipe, and over 140 miles of well-tie and gathering pipelines. The amount of the investment was determined to be significant, as demonstrated by the fact that the net book value of the facilities sold was nearly \$9 million. The commission ruled that given the continuity of the system’s operations, and the substantial amount of the investment, the facilities met the criteria of an operating system or unit. See Appendix A for additional case guidance related to retirements at Natural Gas Pipeline of America and Columbia Gas Transmission Corporation.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

NiSource’s rate regulated subsidiaries follow the accounting and reporting requirements of ASC 980, Regulated Operations. ASC 980 provides that rate regulated subsidiaries account for and report assets and liabilities consistent with the economic effect of the way in which regulators establish rates, if the rates established are designed to recover the costs of providing the regulated services and it is probable that such rates can be charged and collected.

V. NISOURCE APPLICATION

Property, plant and equipment (principally utility plant) are stated at cost. The rate-regulated subsidiaries record depreciation using composite rates on a straight line basis over the remaining service lives of the electric, gas and common properties.

Generally, NiSource’s subsidiaries follow the practice of charging maintenance and repairs, including the cost of removal of minor items of property, to expense as incurred. When regulated property that represents a retired unit is replaced or removed, the cost of such property is credited to utility plant and such cost, net of salvage, is debited to the accumulated provision for depreciation in accordance with composite depreciation (“composite method”).

Gains or losses on the sale of rate regulated subsidiaries’ utility plant are typically not recognized. The difference between the cost of the assets retired or replaced and the related salvage values is charged or credited to accumulated depreciation. Gains or losses on the sale of an operating unit or system comprised of rate regulated utility plant are recognized in an amount equal to the cash proceeds less the net book value of the asset. Similarly, gains or losses on the sale of non-utility property are recognized in the amount equal to the cash proceeds less the net book value of the asset.

In the event that the sale of rate regulated utility plant includes land, a portion of the sales price is allocated to land based on the original cost of the land as a percentage of the total cost (original cost of the land plus original cost of utility plant assets). Because land is not depreciated, a gain or loss on the sale of land can be calculated and is recognized on the Statement of Consolidated Income as an Operating Expense in the Impairment and (Gain) Loss on Sale of Assets line item.

Note any intercompany sales are recorded at net book value and as such no gain/loss is recognized.



Accounting Policy

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Subject: Accounting for asset sales

VI. AUTHORITY AND RESPONSIBILITY

When a sale of regulated property occurs, the accounting department at the subsidiary where the sale occurs will record the appropriate entries as described above. These entries are approved via the same process of all other journal entries recorded during an accounting period.

VII. APPENDICES

See attached appendices.



Accounting Policy

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Reference No. 5.2

Subject: Accounting for asset sales

Appendix A

FERC Case Examples – Retirement Represents an Operating Unit

In Docket No. CP96-99-000 Natural Gas Pipeline of America (Natural) proposed treating the retirement of certain facilities as normal retirement with the accounting to be consistent with the Gas Plant Instruction No. 10(B). The facilities consisted of certificated and uncertificated assets with a net book value of \$7.719 million. The certificated facilities consisted of 40 miles of 10-inch laterals, three compressor units, 17 miles of 10-inch gathering lines, and seventeen laterals ranging in diameter from 4 to 8 inches. The uncertificated facilities consisted of eighty-two 3 to 8 inch laterals connected to eight-one wells with associated taps and meters. The commission ruled that given the nature of the facilities, the system should be properly viewed as an operating unit or system under the Uniform System of Accounts and accounted for as proscribed in the Gas Plant Instruction No. 5(F).

FERC Case Examples – Retirement Does Not Represent an Operating Unit

In Docket CP97-323-000 Columbia Gas Transmission Corporation (TCO) proposed to account for the sale of approximately 18.2 miles of 6 and 8 inch lateral pipelines, and all appurtenances and rights-of-way associated with these pipelines to NYSEG as a normal retirement. NYSEG agreed to pay TCO \$900,000 for the facilities which had a net book value of \$1,515,546. FERC issued a data request asking for TCO's rationale as to why it felt it was not an operating system. TCO's answer in part stated: "The original investment in the facilities proposed for sale is less than one percent of the original investment for the Columbia Transmission System. It contains no wells, well lines, gathering lines, storage facilities, or compressor facilities. When the assets are viewed as an independent system, they could not perform their intended function of the transportation of natural gas without being connected to other facilities. The only customer served by the line is NYSEG, the party to whom the facilities are being sold. Given the relatively small amount of the investment, small number of customers, and its inability to maintain continuity of operations when viewed as an independent unit or system, it appears that the Olean facilities would not qualify as an operating unit or system based on the dockets discussed above." The FERC approved TCO's treatment of the sale as a composite retirement.

In Docket No. CP99-616-000 Columbia Gas Transmission Corporation proposed to account for the sale of approximately 200 miles of transmission pipeline, appurtenances and rights-of-ways associated with these pipelines to Gatherco as a composite retirement. Gatherco paid \$3,750,000, of which \$395,000 was allocated to the non-jurisdictional facilities (gathering portion of the sale). The operating unit issue is only pertinent to the jurisdictional (transmission) facilities sold. This leaves \$3,355,000 paid for the transmission facilities that had a net book value of \$3,723,000. The accounting entries recorded this as a composite retirement (non-operating unit treatment). No income statement impact was recognized. TCO received various data requests on this filing, but none questioned the accounting treatment. The FERC approved TCO's treatment of the sale as a normal retirement.



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Reference No. 5.2

Subject: Accounting for asset sales

Appendix B

Accounting Matrix for Retirement/Sale of Property

Property Classification	Gain/Loss Accounting Treatment
Non-Utility Property	Record Gain/Loss equal to cash proceeds less the net book value
Operating Unit or System	Record Gain/Loss equal to cash proceeds less the net book value
Utility Property (not considered Oper. Unit or System)	Composite Method



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Matt Harris

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 5.3

Subject: Long-lived Asset Impairment

I. INTRODUCTION

This policy provides guidelines for determining potential impairment related to NiSource's long-lived assets and discusses the appropriate accounting related to any impairment identified.

II. SCOPE

This policy applies to all of NiSource's business units.

III. GAAP GUIDANCE

The following is the relevant guidance relating to the impairment of long-lived assets:

ASC 360-10-35-17 through ASC 360-10-35-36

When to Test an Asset for Recoverability

A long-lived asset (asset group) shall be tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The following are examples of such events or changes in circumstances:

- a. A significant decrease in the market price of a long-lived asset (asset group)
- b. A significant adverse change in the extent or manner in which a long-lived asset (asset group) is being used or in its physical condition
- c. A significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset (asset group), including an adverse action or assessment by a regulator
- d. An accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset (asset group)
- e. A current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset (asset group)
- f. A current expectation that, more likely than not, a long-lived asset (asset group) will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The term *more likely than not* refers to a level of likelihood that is more than 50 percent.

When a long-lived asset (asset group) is tested for recoverability, it also may be necessary to review depreciation estimates and method as required by Topic 250 or the amortization period as required by Topic 350. Paragraphs 250-10-45-17 through 45-20 and 250-10-50-4 address the accounting for changes in estimates, including changes in the method of depreciation, amortization, and depletion. Paragraphs 350-30-35-1 through 35-5 address the determination of the useful life of an intangible asset. Any revision to the remaining useful life of a long-lived asset resulting from that review also shall be considered in developing estimates of future cash flows used to test the asset (asset group) for recoverability (see paragraphs 360-10-35-31 through 35-32). However, any change in the accounting method for the asset resulting from that review shall be made only after applying this Subtopic.

Measurement of an Impairment Loss

An impairment loss shall be recognized only if the carrying amount of a long-lived asset (asset group) is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset (asset group) is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset (asset group). That assessment shall be based on the carrying amount of the asset (asset group) at the date it is tested for recoverability, whether in use (see



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paragraph 360-10-35-33) or under development (see paragraph 360-10-35-34). An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset (asset group) exceeds its fair value.

Assets Subject to Asset Retirement Obligations

In applying the provisions of this Subtopic, the carrying amount of the asset being tested for impairment shall include amounts of capitalized asset retirement costs. Estimated future cash flows related to the liability for an asset retirement obligation that has been recognized in the financial statements shall be excluded from both of the following:

- a. The undiscounted cash flows used to test the asset for recoverability
- b. The discounted cash flows used to measure the asset's fair value.

If the fair value of the asset is based on a quoted market price and that price considers the costs that will be incurred in retiring that asset, the quoted market price shall be increased by the fair value of the asset retirement obligation for purposes of measuring impairment.

Adjusted Carrying Amount Becomes New Cost Basis

If an impairment loss is recognized, the adjusted carrying amount of a long-lived asset shall be its new cost basis. For a depreciable long-lived asset, the new cost basis shall be depreciated (amortized) over the remaining useful life of that asset. Restoration of a previously recognized impairment loss is prohibited.

Grouping Long-Lived Assets Classified as Held and Used

For purposes of recognition and measurement of an impairment loss, a long-lived asset or assets shall be grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. However, an impairment loss, if any, that results from applying this Subtopic shall reduce only the carrying amount of a long-lived asset or assets of the group in accordance with paragraph 360-10-35-28.

In limited circumstances, a long-lived asset (for example, a corporate headquarters facility) may not have identifiable cash flows that are largely independent of the cash flows of other assets and liabilities and of other asset groups. In those circumstances, the asset group for that long-lived asset shall include all assets and liabilities of the entity.

In limited circumstances, an asset group will include all assets and liabilities of the entity. For example, the cost of operating assets such as corporate headquarters or centralized research facilities may be funded by revenue-producing activities at lower levels of the entity. Accordingly, in limited circumstances, the lowest level of identifiable cash flows that are largely independent of other asset groups may be the entity level. See Example 4 (paragraph 360-10-55-35).

Effect of Goodwill when Grouping

Goodwill shall be included in an asset group to be tested for impairment under this Subtopic only if the asset group is or includes a reporting unit. Goodwill shall not be included in a lower-level asset group that includes only part of a reporting unit. Estimates of future cash flows used to test that lower-level asset group for recoverability shall not be adjusted for the effect of excluding goodwill from the group. The term *reporting unit* is defined in Topic 350 as the same level as or one level below an operating segment. That Topic requires that goodwill be tested for impairment at the reporting unit level.

Other than goodwill, the carrying amounts of any assets (such as accounts receivable and inventory) and liabilities (such as accounts payable, long-term debt, and asset retirement obligations) not covered by this Subtopic that are included in an asset group shall be adjusted in accordance with other



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Subject: Long-lived Asset Impairment

applicable generally accepted accounting principles (GAAP) before testing the asset group for recoverability. Paragraph 350-20-35-31 requires that goodwill be tested for impairment only after the carrying amounts of the other assets of the reporting unit, including the long-lived assets covered by this Subtopic, have been tested for impairment under other applicable accounting guidance.

Allocating Impairment Losses to an Asset Group

An impairment loss for an asset group shall reduce only the carrying amounts of a long-lived asset or assets of the group. The loss shall be allocated to the long-lived assets of the group on a pro rata basis using the relative carrying amounts of those assets, except that the loss allocated to an individual long-lived asset of the group shall not reduce the carrying amount of that asset below its fair value whenever that fair value is determinable without undue cost and effort. See Example 1 (paragraph 360-10-55-20) for an illustration of this guidance.

Estimates of Future Cash Flows Used to Test a Long-Lived Asset for Recoverability

Estimates of future cash flows used to test the recoverability of a long-lived asset (asset group) shall include only the future cash flows (cash inflows less associated cash outflows) that are directly associated with and that are expected to arise as a direct result of the use and eventual disposition of the asset (asset group). Those estimates shall exclude interest charges that will be recognized as an expense when incurred.

Estimates of future cash flows used to test the recoverability of a long-lived asset (asset group) shall incorporate the entity's own assumptions about its use of the asset (asset group) and shall consider all available evidence. The assumptions used in developing those estimates shall be reasonable in relation to the assumptions used in developing other information used by the entity for comparable periods, such as internal budgets and projections, accruals related to incentive compensation plans, or information communicated to others. However, if alternative courses of action to recover the carrying amount of a long-lived asset (asset group) are under consideration or if a range is estimated for the amount of possible future cash flows associated with the likely course of action, the likelihood of those possible outcomes shall be considered. A probability-weighted approach may be useful in considering the likelihood of those possible outcomes. See Example 2 (paragraph 360-10-55-23) for an illustration of this guidance.

Estimates of future cash flows used to test the recoverability of a long-lived asset (asset group) shall be made for the remaining useful life of the asset (asset group) to the entity. The remaining useful life of an asset group shall be based on the remaining useful life of the primary asset of the group. For purposes of this Subtopic, the primary asset is the principal long-lived tangible asset being depreciated or intangible asset being amortized that is the most significant component asset from which the asset group derives its cash-flow-generating capacity. The primary asset of an asset group therefore cannot be land or an intangible asset not being amortized.

Factors that an entity generally shall consider in determining whether a long-lived asset is the primary asset of an asset group include the following:

- a. Whether other assets of the group would have been acquired by the entity without the asset
- b. The level of investment that would be required to replace the asset
- c. The remaining useful life of the asset relative to other assets of the group. If the primary asset is not the asset of the group with the longest remaining useful life, estimates of future cash flows for the group shall assume the sale of the group at the end of the remaining useful life of the primary asset.



Accounting Policy

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Reference No. 5.3

Subject: Long-lived Asset Impairment

Estimates of future cash flows used to test the recoverability of a long-lived asset (asset group) that is in use, including a long-lived asset (asset group) for which development is substantially complete, shall be based on the existing service potential of the asset (asset group) at the date it is tested. The service potential of a long-lived asset (asset group) encompasses its remaining useful life, cash-flow-generating capacity, and for tangible assets, physical output capacity. Those estimates shall include cash flows associated with future expenditures necessary to maintain the existing service potential of a long-lived asset (asset group), including those that replace the service potential of component parts of a long-lived asset (for example, the roof of a building) and component assets other than the primary asset of an asset group. Those estimates shall exclude cash flows associated with future capital expenditures that would increase the service potential of a long-lived asset (asset group).

Estimates of future cash flows used to test the recoverability of a long-lived asset (asset group) that is under development shall be based on the expected service potential of the asset (group) when development is substantially complete. Those estimates shall include cash flows associated with all future expenditures necessary to develop a long-lived asset (asset group), including interest payments that will be capitalized as part of the cost of the asset (asset group). Subtopic 835-20 requires the capitalization period to end when the asset is substantially complete and ready for its intended use.

If a long-lived asset that is under development is part of an asset group that is in use, estimates of future cash flows used to test the recoverability of that group shall include the cash flows associated with future expenditures necessary to maintain the existing service potential of the group (see paragraph 360-10-35-33) as well as the cash flows associated with all future expenditures necessary to substantially complete the asset that is under development (see the preceding paragraph). See Example 3 (paragraph 360-10-55-33). See also paragraphs 360-10-55-7 through 55-18 for considerations of site restoration and environmental exit costs.

Fair Value

For long-lived assets (asset groups) that have uncertainties both in timing and amount, an expected present value technique will often be the appropriate technique with which to estimate fair value.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Not applicable.

V. NISOURCE APPLICATION

NiSource will test a long-lived asset or group of assets for impairment upon the occurrence of one of the six triggering events discussed above. NiSource's Segment Controllers as well as Financial Reporting will evaluate the existence of a triggering event on a quarterly basis at a minimum.

Step 1

Upon identification of a triggering event the Segment Controller where the possibility of impairment has been identified will perform Step 1 of the impairment test. The test will be performed by comparing the undiscounted cash flows to be generated from the use and disposition of the asset or asset group for which a triggering event has occurred to the carrying value of the asset or asset group.

The cash flows will exclude interest expense recorded as an expense as incurred and will be for the remaining useful life of the asset as reported on the company's books. The remaining useful life of an asset group for the purposes of this test will be the primary asset being depreciated or amortized that is most significant to the asset group's cash generating activities.



Accounting Policy

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Reference No. 5.3

Subject: Long-lived Asset Impairment

Step 2

If after performing Step 1 of the impairment test the undiscounted cash flows are not equal or greater than the asset or asset group's carrying value, Step 2 of the impairment calculation must be performed.

In order to perform Step 2 of the analysis, the fair value for the asset or asset group for which the existence of impairment has been determined will be calculated. This will be done using a present value technique, such as a discounted cash flow model, whenever possible. If a more accurate method of determining fair value, such as quoted prices in an active market, is available, the more accurate method of calculating fair value may be used.

Upon the performance of Step 2 of the impairment calculation, NiSource will record an impairment loss equal to the difference between the fair value of the asset or asset group and the respective asset's carrying value. In accordance with US Generally Accepted Accounting Principles (US GAAP), NiSource will allocate the impairment loss to the assets of an asset group on a pro rata basis while ensuring that no individual asset is written down below its individual fair value if the fair value of the individual asset can be determined "without undue cost and effort."

Once recorded, an impairment charge will not be reversed by the company. The impairment is included in results from operations on the line "Impairment and (gain)/loss on sale of assets, net" on the consolidated income statement.

VI. AUTHORITY AND RESPONSIBILITY

The Financial Reporting Department along with the Segment Controllers are responsible for identifying triggering events that would cause an impairment analysis to be required. The analysis is the responsibility of the Segment Controller where the assets in question reside.

Once the analysis is performed it is reviewed and approved by the appropriate Segment CFO as well as NiSource's Chief Accounting Officer. Additionally, any impairment charge in excess of \$4 million requires approval by the Chief Financial Officer.

VII. APPENDICES

Not applicable.



Accounting Policy

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Approved by: BU Controllers

Reference No. 5.5

Subject: Accounting for Asset Retirement Obligations

I. INTRODUCTION

This policy provides guidelines on the accounting treatment of asset retirement obligations.

II. SCOPE

This policy applies to all of NiSource's business units.

III. GAAP GUIDANCE

The following is the relevant guidance relating to the accounting for asset retirement obligations:

ASC 410-20-25

Recognition of Asset Retirement Obligations

In accordance with ASC 410-20-25 an entity shall recognize a liability for an asset retirement obligation in the period it is incurred if a reasonable estimate of the fair value of the liability can be made. If a reasonable approximation of fair value can not be made in the period the liability is incurred the liability is recognized when a reasonable estimate of fair value can be made.

ASC 410-20-30

Initial Measurement of an Asset Retirement Obligation

In estimating the fair value of the liability an entity is required to use an expected present value technique and to discount the expected cash flows using a credit adjusted risk-free rate. Items that must be considered in estimating the cash flows associated with an asset retirement obligation include the following:

- The costs that a third party would incur in performing the tasks necessary to retire the asset
- Other amounts that a third party would include in determining the price of the transfer, including, for example, inflation, overhead, equipment charges, profit margin, and advances in technology
- The extent to which the amount of a third party's costs or the timing of its costs would vary under different future scenarios and the relative probabilities of those scenarios
- The price that a third party would demand and could expect to receive for bearing the uncertainties and unforeseeable circumstances inherent in the obligation, sometimes referred to as a market-risk premium.

In determining the credit adjusted risk-free rate used to discount the cash flows an entity should consider the effects of all terms, collateral, and existing guarantees on the fair value of the liability.

ASC 410-20-35

Subsequent Measurement of an Asset Retirement Obligation

In some instances a liability for an asset retirement obligation may be incurred over more than one period. In accordance with ASC 410-20-35 the obligation incurred in each period is to be treated as a separate layer and measured at fair value in the period it is incurred.

Asset retirement cost associated with an asset retirement obligation is to be capitalized and expensed over its useful life in a "systematic and rational manner." The expensing of asset retirement costs is recorded as depreciation expense on the income statement. Additionally, an entity is required to



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Approved by: BU Controllers

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recognize adjustments to its liability for asset retirement obligations due to the passage of time. These adjustments are classified as accretion expense which is not considered to be interest expense for the purposes of applying ASC 835-20, *Capitalization of Interest*. Accretion expense is to be classified as an operating item on the income statement. In adjusting the liability for the passage of time an entity must use an interest method of allocation which includes the credit-adjusted risk free rate utilized upon the initial measurement of fair value of the liability.

Entities may also need to adjust the liabilities associated with asset retirement obligations due to changes in estimate. These changes could relate to the timing or amount of cash flows associated with the ultimate settlement of the liability. Any upward revision to the amount of undiscounted cash flows is to be adjusted using the credit-adjusted risk-free rate in place at the time of the revision while downward adjustments are discounted using the rate in place at the time of initial fair value measurement.

ASC 410-20-40

Settlement of Asset Retirement Obligations

Generally asset retirement obligations will be settled upon the retirement of the asset associated with the obligation. It is possible, however, to settle a portion of the obligation prior to asset retirement. Timing of the settlement should not impact the fair value of the obligation recorded upon initial recognition. A gain/loss on settlement is recording in operations on the income statement for the difference between the book value of the liability settled and the actual cost of settlement. Cash outlays for the settlement of asset retirement obligations are recorded in the operating section of the statement of cash flows.

ASC 410-20-50

Disclosures for Asset Retirement Obligations

An entity must disclose the following regarding its asset retirement obligations:

- A description of the asset retirement obligations and the associated long-lived assets
- The fair value of any assets legally restricted for the settlement of the asset retirement obligations
- A reconciliation of the beginning and ending carrying amount of the obligations showing changes related to liabilities incurred during the period, liabilities settled in the current period, accretion expense, and revisions in estimated cash flows.

In the event the fair value of an asset retirement obligation cannot be reasonably estimated an entity is required to disclose the facts and reasons for the inability to provide an estimate.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Many rate-regulated entities currently provide for the costs related to the retirement of certain long-lived assets in their financial statements and recover those amounts in rates charged to their customers. Some of those costs result from asset retirement. The amounts charged to customers for the costs related to the retirement of long-lived assets may differ from the period costs recognized in the financial statements and, therefore, may result in a difference in the timing of recognition of period costs for financial reporting and rate-making purposes. An additional recognition timing difference may exist when the costs related to the retirement of long-lived assets are included in amounts charged to customers but liabilities are not recognized in the financial statements. A regulated entity also shall



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recognize a regulatory asset or liability for differences in the timing of recognition of the period costs associated with asset retirement obligations for financial reporting and rate-making purposes.

V. NISOURCE APPLICATION

NiSource and its subsidiaries have asset retirement obligations relating to underground storage tanks, asbestos, cut and cap pipe requirements, landfills, ash ponds, and other items. Asset retirement obligations are determined as they arise by individuals in the environmental department as well as by the business unit controllers.

Upon identification of a new asset retirement obligation the useful life of the long-lived asset underlying the obligation is determined with input from the business unit accountants as well as individuals from operations. A credit-adjusted risk-free rate is determined in order to discount the liability related to the asset retirement obligation. The credit-adjusted risk-free rate is determined by utilizing the re-offer yield provided from the Treasury new issue pricing report. The anticipated cost to retire the asset at the end of its useful life is determined by applying an estimate for inflation to the current value of settling the liability. The current value is determined with input from EH&S, the business units, or other departments. The future value of settling the obligation is then discounted back to present value utilizing the credit-adjusted risk-free rate at the date of recognition and a liability (or in certain instances a regulatory asset as discussed in Section IV above) is recorded on the balance sheet. Accretion expense is then recorded each year as the beginning liability multiplied by the credit-adjusted risk-free rate which was used upon initial measurement of the fair value of the obligation.

Asset Retirement Cost is recorded at the date of recognition in an amount equivalent to the fair value of the liability associated with the asset retirement obligation. This asset retirement cost effectively increases the carrying value of the underlying long-lived asset and is depreciated on a straight-line basis over the useful life of the asset. See Section IV above for the treatment of asset retirement cost under ASC 980.

Any settlements or changes in estimate which occur during a reporting period are recorded in accordance with ASC 410-20-35 as described in Section III above.

VI. AUTHORITY AND RESPONSIBILITY

The Environmental Department along with the Business Unit Controllers are responsible for identifying asset retirement obligations as they arise. The Financial Reporting team facilitates the EH&S review on a quarterly basis on behalf of the business units. Upon identification the information surrounding the obligation must be provided to the Accounting Research team. Additionally, ARO activity is to be provided to the Financial Reporting team on a quarterly basis via a quarterly questionnaire.

The Accounting Research team facilitates an annual review of AROs and assists with the development of the calculations used to record AROs, accretion and other associated entries. Accounting Research also maintains schedules detailing the adoption of FAS 143 and FIN 47.

The Business Unit Controllers and their respective fixed asset accountants are ultimately responsible for recording and tracking the activity associated with AROs.

VII. APPENDICES

N/A



Accounting Policy Guide

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Prepared by:

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Reference No. 5.5

Subject: Lease Accounting

NOTE: This policy is solely a GAAP accounting policy and is not intended as an asset acquisition policy and should not be construed as such.

I. INTRODUCTION

This document provides guidelines for the accounting for leases, including classification of leases as capital or operating.

II. SCOPE

This policy applies to NiSource and all NiSource subsidiaries.

III. GAAP GUIDANCE

ASC 840 addresses leases. This topic and all of its subtopics, sections, and paragraphs are included by reference as part of this policy. An overview of the information included may be found in Section VII, Appendix A to this policy.

The objective of the lease classification criteria as stated in this subtopic derives from the concept that a lease that transfers substantially all of the benefits and risks incident to the ownership of property should be accounted for as the acquisition of an asset and the incurrence of an obligation by the lessee and as a sale or financing by the lessor. All other leases should be accounted for as operating leases. (ASC 840-10-10-1).

IV. NISOURCE APPLICATION

A. Lease Determination

A determination must be made as to whether a lease is a capital lease or an operating lease. The criteria applied by the lessee and the lessor are as follows:

1. Lessee – Analyzing the Agreement

The lessee must determine that an agreement is a lease rather than a rental agreement based on the following:

- a) A rental agreement generally specifies use for a short period of time. A month-to-month rental agreement is automatically renewed each month unless proper notice is given to terminate the agreement. Rental payments required may change on relatively short notice (usually a notice of 30 days).
- b) An agreement is not a lease if it is a contract for services that does not transfer the right to use property, plant, or equipment from one contracting party to another and is not dependent on the specified property, plant, or equipment (ASC 840-10-15-10).
- c) Inventory, minerals, precious metals or other natural resources cannot be the subject of a lease for accounting purposes because those assets are not depreciable. This exclusion includes lease agreements concerning the rights to explore for or to exploit natural resources such as oil, gas, minerals, timber, precious metals, or other natural resources (ASC 840-10-15-15).
- d) A lease obligates both the lessee and the lessor for a set period of time, usually longer than a year. During this time, the payment cannot be changed unless the lease itself provides for modifications. At the end of the lease term, the lessee or lessor can decline to renew it or negotiate to sign a new lease or rental agreement.

Once a determination has been made that an agreement is a lease, a classification must be made as to what type of lease it is. The lessee will classify an agreement as a capital lease if it meets one of the following four criteria (ASC 840-10-25-1):



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- a) The lease transfers ownership of the property to the lessee at the end of the lease term.
- b) The lease contains a bargain purchase option.
- c) The lease term is equal to 75% or more of the estimated economic life of the leased property. However, if the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property, including earlier years of use, this criterion shall not be used for the purposes of classifying the lease.
- d) The present value at the beginning of the lease term of the minimum lease payments, excluding that portion of the payments representing executory costs such as insurance, maintenance, and taxes to be paid by the lessor, including any profit thereon, equals or exceeds 90% of the excess of the fair value of the lease property to the lessor at the inception of the lease over any related investment tax credit retained by the lessor and expected to be realized by the lessor. If the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property, including earlier years of use, this criterion shall not be used for purposes of classifying the lease.

If a lease does not meet any of these four criteria, it is classified as an operating lease (ASC 840-10-25-30).

2. Lessor – Analyzing the Agreement

As the Lessor, a lease is classified as a lease based upon the same criteria as for a lessee. Once determined to be a lease, the agreement is further classified as an operating lease unless the lessee can classify it as a capital lease and both of the following criteria are met (ASC 840-10-25-42):

- a) Collectability of the minimum lease payments is reasonably predictable.
- b) No important uncertainties surround the amount of unreimbursable costs yet to be incurred by the lessor under the lease.

If both of the additional qualifications are met, there are three types of capital lease classifications for the Lessor (ASC 840-10-25-43):

- a) Sales-type lease - recognizes a profit or loss on the initial transaction in addition to interest income over the term of the lease; the fair value of the property (selling price) is different than the carrying value (cost)
- b) Direct financing lease - generally involves a leasing company or other financial institution and results in only interest income being earned by the lessor; the fair value of the property equals the carrying value
- c) Leveraged lease- meets the requirements for a direct financing lease but involves at least three parties (a lessee, a long-term creditor, and a lessor)

If the agreement does not meet the criteria for a capital lease, it is classified as an operating lease (ASC 840-10-25-43).

B. Lessee Accounting and Reporting Requirements

1. Capital Leases

Accounting for capital leases is addressed in ASC-840-30. When making calculations regarding the present value of the obligation, the interest rate to be used in this calculation should be the all-in yield rate as specified in the fixed rate pricing attachments to the most recent Controller's Letter titled "Updated NiSource Incremental Borrowing Rates to be used for ASC 840 Capital Leases" (for an example, see Appendix B: Controller's Letter No. 2009-41.



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Fixed assets recorded under capital leases must be depreciated in the same manner as company-owned property.

Appropriate account classification for regulated businesses should be obtained by referring to the appropriate Code of Federal Regulations section as identified in Section V: Regulatory Considerations of this policy.

Appropriate account classification for non-regulated businesses would be to record the present value of the obligation to make lease payments as long and short-term debt with either (1) an offsetting fixed asset or (2) CWIP if the asset is still under construction but the lease obligation must be met.

2. Operating Leases

Accounting for operating leases is addressed in ASC-840-20. Rent shall be charged to expense by lessees over the lease term as it becomes payable. If rental payments are not made on a straight-line basis, rental expense nevertheless shall be recognized on a straight-line basis unless another systematic and rational basis is more representative of the time pattern in which use benefit is derived from the leased property, in which case that basis shall be used. The difference between the actual payment of cash and expense recognized may result in the recording of prepaid rent or rent payable.

Lease payments dependent upon a factor directly related to the future use of the leased property, such as machine hours of use or sales volume during the lease term, are contingent rentals and, accordingly, are excluded from minimum lease payments in their entirety.

Lease payments that depend on an existing index or rate, such as the consumer price index or the prime interest rate, shall be included in minimum lease payments based on the index or rate existing at lease inception; any increases or decreases in lease payments that result from subsequent changes in the index or rate are contingent rentals and thus affect the determination of income as accruable.

C. Lessor Accounting and Reporting Requirements

1. Capital Leases

Accounting for capital leases is addressed in ASC-840-30. When making calculations regarding the present value of the obligation, the interest rate to be used in this calculation should be the all-in yield rate as specified in the fixed rate pricing attachments to the most recent Controller's Letter titled "Updated NiSource Incremental Borrowing Rates to be used for ASC 840 Capital Leases" (for an example, see Appendix B: Controller's Letter No. 2009-41).

Appropriate account classification for regulated businesses should be obtained by referring to the appropriate Code of Federal Regulations section as identified in Section V: Regulatory Considerations of this policy.

Appropriate account classification for non-regulated businesses would be to record the present value of the obligation to make lease payments as long and short-term debt with an offsetting fixed asset.

2. Operating Leases



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Accounting for operating leases is addressed in ASC-840-20. Rent shall be reported as income by lessors over the lease term as it becomes receivable. If rental payments are not made on a straight-line basis, rental income nevertheless shall be recognized on a straight-line basis unless another systematic and rational basis is more representative of the time pattern in which use benefit is derived from the leased property, in which case that basis shall be used. The difference between the actual receipt of cash and income recognized may result in the recording of a receivable.

V. REGULATORY CONSIDERATIONS (ASC 980)

ASC 980-840 – Regulated Operations: Leases does not address capital or operating leases. Therefore, there are no additional considerations applicable to this topic regarding the accounting for capital leases by regulated entities as established under GAAP.

The Federal Energy Regulatory Commission provides a uniform system of accounts and accounting guidance on how to account for capital leases. Account 243 (Obligations under capital leases – current) shall include the portion due within one year, of the obligations recorded for the amounts applicable to leased property recorded as assets in account 101.1 (Property under Capital Leases) or account 121 (Non-Utility Property). Account 227 (Obligations under capital leases – noncurrent) shall include the portion not due within one year, of the obligations recorded for the amounts applicable to leased property recorded as assets in account 101.1 (Property under Capital Leases) or account 121 (Non-Utility Property).

VI. AUTHORITY AND RESPONSIBILITY

This policy deals specifically with the accounting and reporting for capital and operating leases. As such, the authority and responsibility of recording and reporting these leases resides with the Accounting Department.

NiSource and its subsidiaries currently have in place two policies which provide guidance for the approval of capital leases. The stipulations of these policies are included in this policy by reference. They are the NiSource Capital Allocation Policy (effective December 19, 2007) and the NiSource Corporate Accountability Policy (effective June 1, 2004 as revised December 19, 2007). Both of these policies imply that the proper determination has already been made that the lease is a capital lease based upon the criteria listed above under GAAP Guidance.

VII. APPENDICES

Appendix A: GAAP References

ASC 840-10 addresses leases overall; ASC 840-20 addresses operating leases; ASC 840-30 addresses capital leases; ASC 840-40 addresses sale-leaseback transactions. ASC 840 and all of its subsections are included by reference as part of this policy. Specific areas of interest may be found by consulting the appropriate subtopic. Each subtopic of the ASC is formatted similarly as follows:

1. Section 05 – Overview and Background
2. Section 10 – Objectives
3. Section 15 – Scope and Scope Exceptions
4. Section 20 – Glossary
5. Section 25 – Recognition
6. Section 35 – Subsequent Measurement
7. Section 40 – Derecognition



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8. Section 45 – Other Presentation Matters
9. Section 50 – Disclosure
10. Section 55 – Implementation Guidance and Illustrations



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Approved by:

Reference No. 5.5

Subject: Lease Accounting

Appendix B: Controller's Letter No. 2009-41



Delivering life's essential resources

December 23, 2009

No. 2009-41

From: J. Grossman

To: R. Kriner M. Hershberger W. Telzerow S. Taylor G. Bane
 J. Veurink

CC:

K. Blissmer	L. Francisco	K. Isley	L. Pilof	T. Stanton
M. Casey	J. Gambone	K. Johnson	R. Plantz	M. Tapp
C. Delany	B. Golding	L. Koh	G. Plesac	K. Townsend
B. Douce	J. Gore	P. LaCroix	E. Postma	B. Vangen
J. Eing	R. Grzywana	C. Misirly	S. Rippy	J. Wood
B. Elliot	T. Harmon	P. Newman	A. Romero	A. Zientara
G. Fisher	R. Harper	J. O'Brien	R. Rudenga	
L. Ford	A. Hazen	L. Olson	J. Shikany	
K. Fritts	K. Humrichouse	T. Pemberton	J. Siegle	

Re: Updated NiSource Incremental Borrowing Rates to be used for ASC 840 Capital Leases

Attached are the incremental borrowing rates for NiSource to be used for ASC 840 capital leases recorded prospectively and for current capital lease proposals/evaluations. Use the all-in yield rates included in the fixed rate pricing attachment. If the rates change materially, a new controllers letter will be issued.

If you have any questions, please contact Kevin Blissmer at (219) 647-5690 or Matt Harris at (219) 647-6520.



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Subject: Lease Accounting



Materials Prepared for:

NiSource Inc.

New Issue Pricing Indications

December 14, 2009



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Approved by:

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Subject: Lease Accounting



NiSource Finance Corporation New Issue Pricing Indications

Secondary Trading Levels

Issuer	Ratings Mdys / S&P	Issue Size (millions)	Coupon	Maturity	Reference Treasury	Price	Spread to Treasury	Yield To Maturity	Spread to LIBOR
NiSource Finance Corp	Baa3 / BBB-	\$500	5.400%	7/15/2014	5-Yr	\$ 104.295	+ 207 bps	4.354%	L +185 bps
NiSource Finance Corp	Baa3 / BBB-	\$600	10.750%	3/15/2016	10-Yr	\$ 124.584	+ 242 bps	5.972%	L +296 bps
NiSource Finance Corp	Baa3 / BBB-	\$450	5.250%	9/15/2017	10-Yr	\$ 98.917	+ 187 bps	5.422%	L +209 bps
NiSource Finance Corp	Baa3 / BBB-	\$800	6.400%	3/15/2018	10-Yr	\$ 105.675	+ 196 bps	5.532%	L +211 bps
NiSource Finance Corp	Baa3 / BBB-	\$500	6.810%	1/15/2019	10-Yr	\$ 107.910	+ 213 bps	5.682%	L +214 bps
NiSource Finance Corp	Baa3 / BBB-	\$550	5.450%	9/15/2020	10-Yr	\$ 97.597	+ 220 bps	5.752%	L +206 bps
NiSource Finance Corp	Baa3 / BBB-	\$500	6.125%	3/1/2022	10-Yr	\$ 101.477	+ 240 bps	5.952%	L +222 bps

Senior Notes (Baa3 / BBB-) *Guaranteed by NiSource Inc.*

	5 Year	7 Year	10 Year	30 Year
Issue Size (MM)	\$250+	\$250+	\$250+	\$250+
Benchmark Treasury	2.125% due 11/14	2.750% due 11/16	3.375% due 11/19	4.500% due 8/39
Benchmark Treasury Yield	2.277%	3.031%	3.550%	4.496%
Reoffer Spread	T + 220 bps Area	T + 225 bps Area	T + 230 bps Area	T + 255 bps Area
Reoffer Yield	4.477%	5.281%	5.850%	7.046%
Underwriting Commission	0.600%	0.625%	0.650%	0.875%
All-in Yield	4.614%	5.309%	5.957%	7.127%
INTEREST RATE SWAP				
Reoffer to 3M LIBOR	L + 179 bps Area	L + 206 bps Area	L + 216 bps Area	-
All-in to 3M LIBOR	L + 192 bps Area	L + 217 bps Area	L + 224 bps Area	-

Bank of America Merrill Lynch Corporate Bond Trading Desk as of December 14, 2009.

Note: The All-In Yield Rate is found under the section entitled “Senior Notes”.



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Approved by:

Reference No. 5.5

Subject: Lease Accounting



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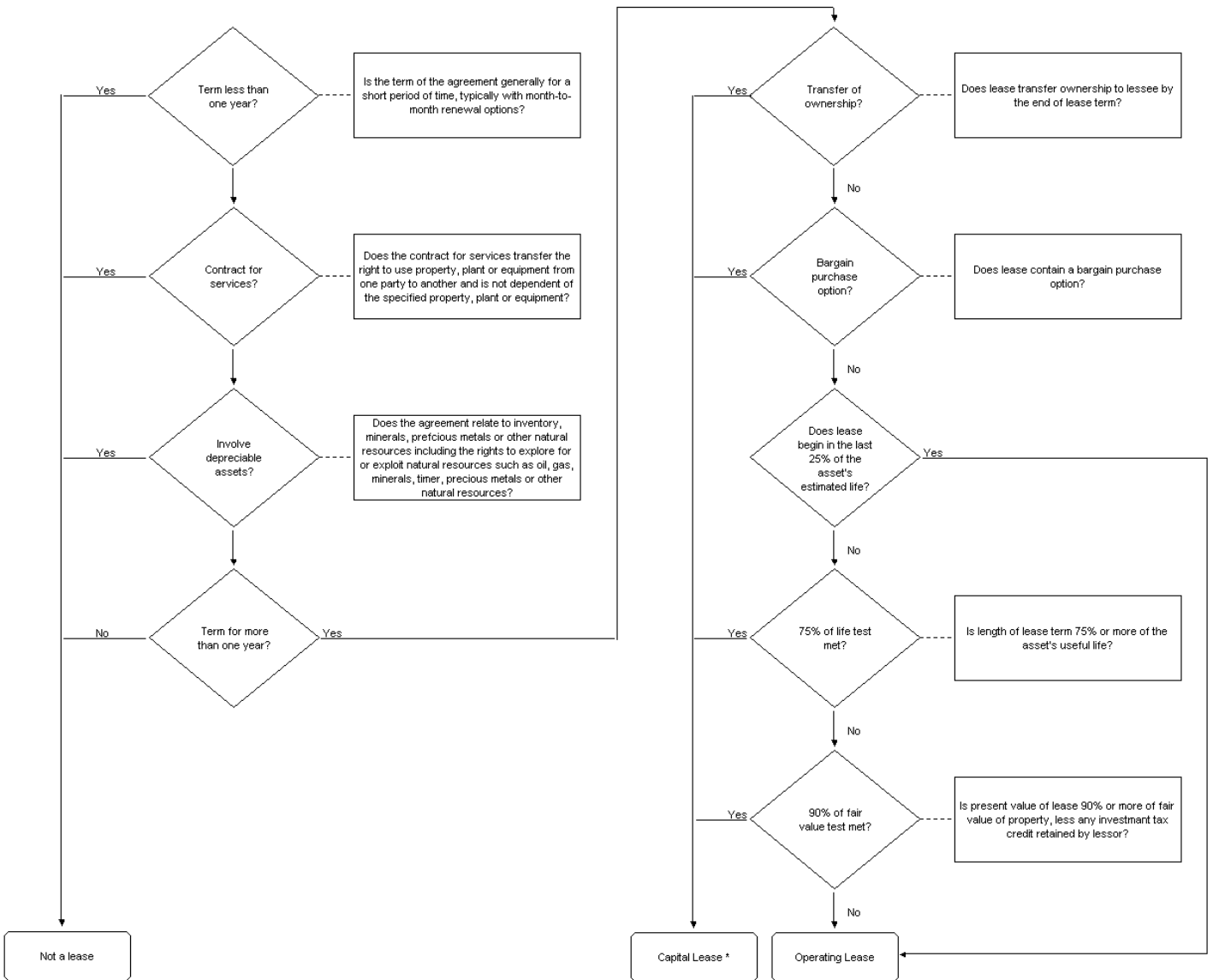
Prepared by:

Approved by:

Reference No. 5.5

Subject: Lease Accounting

Appendix C: Analyzing the Agreement as a Lease and the Lease as Capital versus Operating



* Lessor must determine that two additional criteria are met to account for the lease as a capital lease.

1. Collection of minimum lease payments is reasonably predictable.
2. No important uncertainties exist for unreimbursable costs to be incurred by the lessor.

(From: 2004 Miller GAAP Guide)



Accounting Policy

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Approved by: BU Controllers

Reference No. 6.1

Subject: Accounting for Regulatory Assets and Liabilities

I. INTRODUCTION

This policy provides guidelines in determining the accounting treatment for the recognition of a regulatory asset or liability, per ASC 980 – Regulated Operations.

II. SCOPE

ASC 980 – Regulated Operations applies to general-purpose external financial statements of an enterprise that has regulated operations that meet all of the following criteria:

1. The enterprise's rates for regulated services or products provided to its customers are established by or are subject to approval by an independent, third-party regulator or by its own governing board empowered by statute or contract to establish rates that bind customers.
2. The regulated rates are designed to recover the specific enterprise's costs of providing the regulated services or products.
3. In view of the demand for the regulated services or products and the level of competition, direct and indirect, it is reasonable to assume that rates set at levels that will recover the enterprise's costs can be charged to and collected from customers. This criterion requires consideration of anticipated changes in levels of demand or competition during the recovery period for any capitalized costs.

If some of an enterprise's operations are regulated and meet the criteria of ASC 980-10-15, this Statement shall be applied to only that portion of the enterprise's operations.

III. GAAP GUIDANCE

ASC 980 – Regulated Operations provides that rate-regulated subsidiaries account for and report assets and liabilities consistent with the economic effect of the way in which regulators establish rates, if the rates established are designed to recover the costs of providing the regulated service and if the competitive environment makes it probable that such rates can be charged and collected. As defined in the glossary of the Accounting Standards Codification, probable is defined as "that which can be expected or believed on the basis of available evidence or logic but is neither certain nor proved." For a number of reasons, revenues intended to cover some costs are provided either before or after the costs are incurred. If regulation provides assurance that incurred costs will be recovered in the future, this Statement requires companies to capitalize those costs. If current recovery is provided for costs that are expected to be incurred in the future, this Statement requires companies to recognize those current receipts as liabilities.

In addition to the recovery of costs some regulators have also authorized the use of additional, alternative revenue programs. The major alternative revenue programs currently used are:

- programs that adjust billings for the effects of weather abnormalities or broad external factors or to compensate the utility for demand-side management initiatives
- programs that provide for additional billings (incentive awards) if the utility achieves certain objectives, such as reducing costs, reaching specified milestones, or demonstratively improving customer service.



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Reference No. 6.1

Subject: Accounting for Regulatory Assets and Liabilities

Both types of programs enable the utility to adjust rates in the future (usually as a surcharge applied to future billings) in response to past activities or completed events.

Once the specific events permitting billing of the additional revenues under these programs have been completed, the regulated utility shall recognize the additional revenues if all of the following conditions are met:

1. The program is established by an order from the utility's regulatory commission that allows for automatic adjustment of future rates. Verification of the adjustment to future rates by the regulator would not preclude the adjustment from being considered automatic.
2. The amount of additional revenues for the period is objectively determinable and is probable of recovery.
3. The additional revenues will be collected within 24 months following the end of the annual period in which they are recognized.

General Standards of Accounting for the Effects of Regulation

Rate actions of a regulator can provide reasonable assurance of the existence of an asset. An enterprise shall capitalize all or part of an incurred cost that would otherwise be charged to expense if both of the following criteria are met:

1. It is probable that future revenue in an amount at least equal to the capitalized cost will result from inclusion of that cost in allowable costs for ratemaking purposes.
2. Based on available evidence, the future revenue will be provided to permit recovery of the previously incurred cost rather than to provide for expected levels of similar future costs. If the revenue will be provided through an automatic rate adjustment clause, this criterion requires that the regulator's intent clearly be to permit recovery of the previously incurred cost.

If at any time the incurred cost no longer meets the above criteria, that cost shall be charged to earnings.

Rate actions of a regulator can reduce or eliminate the value of an asset. If a regulator excludes all or part of a cost from allowable costs, the carrying amount of any asset recognized shall be reduced to the extent of the excluded cost.

Rate actions of a regulator can impose a liability on a regulated enterprise. Such liabilities are usually obligations to the enterprise's customers. The following are the usual ways in which liabilities can be imposed and the resulting accounting:

- a. A regulator may require refunds to customers. Refunds that meet the criteria of ASC 450-20-25 – Contingencies shall be recorded as liabilities and as reductions of revenue or as expenses of the regulated enterprise.
- b. A regulator can provide current rates intended to recover costs that are expected to be incurred in the future with the understanding that if those costs are not incurred future rates will be reduced by corresponding amounts.
- c. A regulator can require that a gain or other reduction of net allowable costs be given to customers over future periods. That would be accomplished, for rate-making purposes, by



Accounting Policy

Issue date: Revised March 2015

Prepared by: Jeff Eing

Approved by: BU Controllers

Reference No. 6.1

Subject: Accounting for Regulatory Assets and Liabilities

amortizing the gain or other reduction of net allowable costs over those future periods and reducing rates to reduce revenues in approximately the amount of the amortization.

Actions of a regulator can eliminate a liability only if the liability was imposed by actions of the regulator.

IV. REGULATORY CONSIDERATIONS

This policy is designed to address the impact of including regulatory assets and regulatory liabilities on the balance sheet. For specific accounting treatment on various transactions and activities refer to specific policies associated with those accounts.

V. NISOURCE APPLICATION

Deferral Accounting

NiSource's rate-regulated subsidiaries follow the accounting and reporting requirements of ASC 980 – Regulated Operations. Certain expenses and credits subject to utility regulation or rate determination normally reflected in income are deferred on the Consolidated Balance Sheets and are recognized in income as the related amounts are included in service rates and recovered from or refunded to customers. These are presented on the Consolidated Balance Sheets as either current, for items settled within a year, or long-term regulatory assets or liabilities

Evidence that a regulatory asset is probable of recovery is a matter of professional judgment based on the facts and circumstances of each case. NiSource management's positive representation is required that each regulatory asset is probable of recovery in future rates. Evidence that could support future recovery and corroborates NiSource management's representation includes:

- Rate orders from the regulator specifically authorizing recovery of the costs in rates
- Previous rate orders from the regulator allowing recovery for substantially similar costs
- Written approval from the regulator approving future recovery in rates
- Analysis of recoverability from internal or external legal counsel

In the event the length of the regulatory process does not enable NiSource to obtain a rate order, an "accounting order" might be obtained from its regulator's staff agreeing the entity's proposed accounting for an incurred cost even though such orders often include a qualifier that the letter of guidance is not authoritative for ratemaking purposes. Such an order may simply agree to deferral accounting pending a rate case or rate order.

Ineligibility

In the event that regulation significantly changes the opportunity for NiSource to recover its costs in the future, all or a portion of NiSource's regulated operations may no longer meet the criteria for the application of ASC Topic 980 – Regulated Operations. In such event, a write-down of all or a portion of NiSource's existing regulatory assets and liabilities could result. If transition cost recovery is approved by the appropriate regulatory bodies that would meet the requirements under generally accepted accounting principles for continued accounting as regulatory assets and liabilities during such recovery period, the regulatory assets and liabilities would be reported at the recoverable amounts. If unable to continue to apply the provisions of ASC Topic 980 – Regulated Operations, NiSource would be required to apply the provisions of ASC Topic 980-20 – Discontinuation of Rate-Regulated Accounting.



Accounting Policy

Issue date: Revised March 2015

Prepared by: Jeff Eing

Approved by: BU Controllers

Reference No. 6.1

Subject: Accounting for Regulatory Assets and Liabilities

Disclosures

NiSource discloses all regulatory assets and liabilities for a two year period in the annual 10-K filing with the SEC. The disclosure is included in the Notes to Consolidated Financial Statements in the Nature of Operations and Summary of Significant Accounting Policies. Per ASC 980 – Regulated Operations disclosure requirements, NiSource highlights, on an aggregate basis, the following:

- Regulatory assets and liabilities by issue
- Regulatory assets not in rate base and therefore not earning a return
- Regulatory assets recovered as a component of cost of service per a regulatory order
- Regulatory assets that require specific regulatory action

VI. AUTHORITY AND RESPONSIBILITY

All regulatory assets and liabilities must be reviewed annually to verify it continues to meet the requirements of ASC 980 – Regulated Operations.

The Accounting group is responsible for determining the qualification and classification of regulatory assets and liabilities on the balance sheet under the authority of the Segment controller.

The Regulatory Accounting group may be responsible for review/reconciliation of certain regulatory assets and liabilities.

The Financial Reporting group is responsible for presentation and disclosure in the financial statements. Presentation and disclosure in the financial statements is reviewed and approved by the Chief Accounting Officer.

VII. APPENDICES

None.



Accounting Policy

Issue date:

Revised date: 03/17/2015

Prepared by: Jeff Eing

Approved by: BU Controllers

Reference No.

Subject: Accounting for Regulatory Assets and Liabilities

I. INTRODUCTION

This policy provides guidelines in determining the accounting treatment for the recognition of a regulatory asset or liability, per ASC 980 – *Regulated Operations*.

II. SCOPE

ASC 980 – *Regulated Operations* applies to general-purpose external financial statements of an enterprise that has regulated operations that meet all of the following criteria:

1. NiSource's rates for regulated services provided to its customers are established by or are subject to approval by an independent, third-party regulator or by its own governing board empowered by statute or contract to establish rates that bind customers.
2. The regulated rates are designed to recover the specific company's costs of providing the regulated services.
3. In view of the demand for the regulated services and the level of competition, direct and indirect, it is reasonable to assume that rates set at levels that will recover the company's costs can be charged to and collected from customers. This criterion requires consideration of anticipated changes in levels of demand or competition during the recovery period for any capitalized costs.

If some of an company's operations are regulated and meet the criteria of ASC 980-10-15, this Statement shall be applied to only that portion of the company's operations.

III. GAAP GUIDANCE

ASC 980 – *Regulated Operations* provides that rate-regulated subsidiaries account for and report assets and liabilities consistent with the economic effect of the way in which regulators establish rates, if the rates established are designed to recover the costs of providing the regulated service and if the competitive environment makes it probable that such rates can be charged and collected. As defined in the glossary of the Accounting Standards Codification, probable is defined as "that which can be expected or believed on the basis of available evidence or logic but is neither certain nor proved." For a number of reasons, revenues intended to cover some costs are provided either before or after the costs are incurred. If regulation provides assurance that incurred costs will be recovered in the future, this Statement requires companies to capitalize those costs. If current recovery is provided for costs that are expected to be incurred in the future, this Statement requires companies to recognize those current receipts as liabilities.

In addition to the recovery of costs some regulators have also authorized the use of additional, alternative revenue programs. The major alternative revenue programs currently used are:

- programs that adjust billings for the effects of gas used in compression and lost and unaccounted for gas
- programs that provide for additional billings to cover the cost of infrastructure replacement, incurred costs for transportation on other pipelines, and electric costs incurred in compression and other operations



Accounting Policy

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Reference No.

Subject: Accounting for Regulatory Assets and Liabilities

Both types of programs enable the utility to adjust rates in the future (usually as a surcharge applied to future billings) in response to past activities or completed events.

Once the specific events permitting billing of the additional revenues under these programs have been completed, the regulated utility shall recognize the additional revenues if all of the following conditions are met:

1. The program is established by an order from the utility's regulatory commission that allows for automatic adjustment of future rates. Verification of the adjustment to future rates by the regulator would not preclude the adjustment from being considered automatic.
2. The amount of additional revenues for the period is objectively determinable and is probable of recovery.
3. The additional revenues will be collected within 24 months following the end of the annual period in which they are recognized.

General Standards of Accounting for the Effects of Regulation

Rate actions of a regulator can provide reasonable assurance of the existence of an asset. An enterprise shall capitalize all or part of an incurred cost that would otherwise be charged to expense if both of the following criteria are met:

1. It is probable that future revenue in an amount at least equal to the capitalized cost will result from inclusion of that cost in allowable costs for ratemaking purposes.
2. Based on available evidence, the future revenue will be provided to permit recovery of the previously incurred cost rather than to provide for expected levels of similar future costs. If the revenue will be provided through an automatic rate adjustment clause, this criterion requires that the regulator's intent clearly be to permit recovery of the previously incurred cost.

If at any time the incurred cost no longer meets the above criteria, that cost shall be charged to earnings.

Rate actions of a regulator can reduce or eliminate the value of an asset. If a regulator excludes all or part of a cost from allowable costs, the carrying amount of any asset recognized shall be reduced to the extent of the excluded cost.

Rate actions of a regulator can impose a liability on a regulated enterprise. Such liabilities are usually obligations to the enterprise's customers. The following are the usual ways in which liabilities can be imposed and the resulting accounting:

- a. A regulator may require refunds to customers. Refunds that meet the criteria of ASC 450-20-25 – *Contingencies*, shall be recorded as liabilities and as reductions of revenue or as expenses of the regulated enterprise.
- b. A regulator can provide current rates intended to recover costs that are expected to be incurred in the future with the understanding that if those costs are not incurred future rates will be reduced by corresponding amounts.



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Prepared by: Jeff Eing

Approved by: BU Controllers

Reference No.

Subject: Accounting for Regulatory Assets and Liabilities

- c. A regulator can require that a gain or other reduction of net allowable costs be given to customers over future periods. That would be accomplished, for rate-making purposes, by amortizing the gain or other reduction of net allowable costs over those future periods and reducing rates to reduce revenues in approximately the amount of the amortization.

Actions of a regulator can eliminate a liability only if the liability was imposed by actions of the regulator.

IV. REGULATORY CONSIDERATIONS

This policy is designed to address the impact of including regulatory assets and regulatory liabilities on the balance sheet. For specific accounting treatment on various transactions and activities refer to specific policies associated with those accounts.

V. NISOURCE APPLICATION

Deferral Accounting

NiSource's rate-regulated subsidiaries follow the accounting and reporting requirements of ASC 980 – *Regulated Operations*. Certain expenses and credits subject to utility regulation or rate determination normally reflected in income are deferred on the Consolidated Balance Sheets and are recognized in income as the related amounts are included in service rates and recovered from or refunded to customers. These are presented on the Consolidated Balance Sheets as either current, for items settled within a year, or long-term regulatory assets or liabilities

Evidence that a regulatory asset is probable of recovery is a matter of professional judgment based on the facts and circumstances of each case. NiSource management's positive representation is required that each regulatory asset is probable of recovery in future rates. Evidence that could support future recovery and corroborates NiSource management's representation includes:

- Rate orders from the regulator specifically authorizing recovery of the costs in rates
- Previous rate orders from the regulator allowing recovery for substantially similar costs
- Written approval from the regulator approving future recovery in rates
- Analysis of recoverability from internal or external legal counsel

In the event the length of the regulatory process does not enable NiSource to obtain a rate order, an "accounting order" might be obtained from its regulator's staff agreeing the entity's proposed accounting for an incurred cost even though such orders often include a qualifier that the letter of guidance is not authoritative for ratemaking purposes. Such an order may simply agree to deferral accounting pending a rate case or rate order.

Ineligibility

In the event that regulation significantly changes the opportunity for NiSource to recover its costs in the future, all or a portion of NiSource's regulated operations may no longer meet the criteria for the application of ASC Topic 980 – *Regulated Operations*. In such event, a write-down of all or a portion of NiSource's existing regulatory assets and liabilities could result. If transition cost recovery is approved by the appropriate regulatory bodies that would meet the requirements under generally accepted accounting principles for continued accounting as regulatory assets and liabilities during such recovery period, the regulatory assets and liabilities would be reported at the recoverable amounts. If



Accounting Policy

Issue date:

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Prepared by: Jeff Eing

Approved by: BU Controllers

Reference No.

Subject: Accounting for Regulatory Assets and Liabilities

unable to continue to apply the provisions of ASC Topic 980 – Regulated Operations, NiSource would be required to apply the provisions of ASC Topic 980-20 – Discontinuation of Rate-Regulated Accounting.

Disclosures

NiSource discloses all regulatory assets and liabilities for a two year period in the annual 10-K filing with the SEC. The disclosure is included in the Notes to Consolidated Financial Statements in the Nature of Operations and Summary of Significant Accounting Policies. Per ASC 980 – Regulated Operations disclosure requirements, NiSource highlights, on an aggregate basis, the following:

- Regulatory assets and liabilities by issue
- Regulatory assets not in rate base and therefore not earning a return
- Regulatory assets recovered as a component of cost of service per a regulatory order
- Regulatory assets that require specific regulatory action

VI. AUTHORITY AND RESPONSIBILITY

All regulatory assets and liabilities must be reviewed annually to verify it continues to meet the requirements of ASC 980 – Regulated Operations.

The Accounting group is responsible for determining the qualification and classification of regulatory assets and liabilities on the balance sheet under the authority of the Segment controller.

The Regulatory Accounting group may be responsible for review/reconciliation of certain regulatory assets and liabilities.

The Financial Reporting group is responsible for presentation and disclosure in the financial statements. Presentation and disclosure in the financial statements is reviewed and approved by the Chief Accounting Officer.

VII. APPENDICES

None.



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Vicky Flesher

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 7.1

Subject: Goodwill Impairment Testing

I. INTRODUCTION

This policy provides guidelines for performing and calculating the goodwill impairment test.

II. SCOPE

This policy applies to all NiSource business units carrying a goodwill balance on the books.

III. GAAP GUIDANCE

When to Test Goodwill for Impairment

Per ASC 350, Goodwill of a reporting unit shall be tested for impairment at least annually, and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Examples of such events or circumstances include the following:

- a. A significant adverse change in legal factors or in the business climate
- b. An adverse action or assessment by a regulator
- c. Unanticipated competition
- d. A loss of key personnel
- e. A more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or otherwise disposed of
- f. The testing for recoverability under the Impairment or Disposal of Long-Lived Assets Subsections of Subtopic 360-10 of a significant asset group within a reporting unit
- g. Recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a reporting unit.

Determining the Fair Value of a Reporting Unit

The fair value of a reporting unit refers to the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. Quoted market prices in active markets are the best evidence of fair value and shall be used as the basis for the measurement, if available. However, the market price of an individual equity security (and thus the market capitalization of a reporting unit with publicly traded equity securities) may not be representative of the fair value of the reporting unit as a whole.

In estimating the fair value of a reporting unit, a valuation technique based on multiples of earnings or revenue or a similar performance measure may be used if that technique is consistent with the objective of measuring fair value. Use of multiples of earnings or revenue in determining the fair value of a reporting unit may be appropriate, for example, when the fair value of an entity that has comparable operations and economic characteristics is observable and the relevant multiples of the comparable entity are known. Conversely, use of multiples would not be appropriate in situations in which the operations or activities of an entity for which the multiples are known are not of a comparable nature, scope, or size as the reporting unit for which fair value is being estimated.

Recognition and Measurement of an Impairment Loss

The goodwill impairment test involves the process outlined below:

Qualitative Assessment (Step 0)

An entity may assess qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount, including goodwill. An entity has an unconditional option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the goodwill



Accounting Policy

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Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 7.1

Subject: Goodwill Impairment Testing

impairment test. In evaluating whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, an entity shall assess relevant events and circumstances such as those listed above under 'When to Test Goodwill for Impairment'. If, after this assessment, an entity determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then the first and second steps of the goodwill impairment test are unnecessary. If, after the assessment, an entity determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the entity shall perform the first step of the two-step process described below.

Step 1

The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired, thus the second step of the impairment test is unnecessary. In determining the carrying amount of a reporting unit, deferred income taxes shall be included in the carrying value of the reporting unit, regardless of whether the fair value of the reporting unit will be determined assuming it would be bought or sold in a taxable or nontaxable transaction. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test shall be performed to measure the amount of impairment loss, if any.

Step 2

The second step of the goodwill impairment test, used to measure the amount of impairment loss, compares the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. If the carrying amount of reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss shall be recognized in an amount equal to that excess. The loss recognized cannot exceed the carrying amount of goodwill. After a goodwill impairment loss is recognized, the adjusted carrying amount of goodwill shall be its new accounting basis. Subsequent reversal of a previously recognized goodwill impairment loss is prohibited once the measurement of that loss is recognized.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Not applicable.

V. NISOURCE APPLICATION

NiSource has several business units with goodwill and as such is required to perform an impairment test for these business units on an annual basis. Columbia Distribution entities hold significant goodwill related to the acquisition of Columbia. Goodwill related to the Columbia acquisition is recorded on NiSource parent books. Goodwill is also recorded for NIFL and Kokomo. NiSource will apply the guidance of ASC 350 when performing an impairment test for recorded goodwill or for any new goodwill recorded in the future.

It is NiSource's policy to perform the annual impairment test for each business unit with goodwill recorded on the books as of May 1 of each fiscal year. When determining the fair value of the reporting units, NiSource can use the income approach, market approach, or a combination of approaches to give the most accurate measurement of the fair value of the reporting unit.

Reporting Units

Per ASC 350, the Company is required to identify reporting units for which goodwill is allocated. NiSource's most significant goodwill assets pertain primarily to the acquisition of Columbia on November 1, 2000, in which goodwill was allocated to Columbia's principal reporting unit, the Gas Distribution segment, comprised of the Columbia local distribution companies. 46% of the Columbia goodwill was allocated to the Distribution reporting unit.



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Vicky Flesher

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 7.1

Subject: Goodwill Impairment Testing

Determining Fair Value

In order to determine the best representation of fair value of the reporting units that carry goodwill, the Company can use the income approach, market approach, or a combination of the methods. If a combination of methods is used, each approach should be weighted based on management's judgment. Below is a summary of each approach.

Income Approach Assumptions (Discounted Cash Flow Model). Under the income approach, NiSource utilizes a valuation technique based on projected cash flows in future years, giving consideration to unusual items, cost reduction initiatives, new business initiatives and other factors that generally would be considered in determining fair value. Input and review is provided by Regulatory, Planning and management in the respective segments.

Discount Rate - The discount rate is based on the weighted average cost of capital calculation (WACC) which is calculated by either treasury or by an independent consultant

Growth Rate - Operating income growth rates used in the valuation models are calculated based on the board approved plan, as well as other factors that were not originally considered in the plan such as restructuring, rate case initiatives, etc. NiSource evaluates and applies a specific growth rate to each reporting unit separately. Planning and Regulatory groups review the rates.

Current Financial Plan – The most current approved financial plan available (0&12 Financial Plan) is obtained from Financial Planning to use in the discounted cash flow model and calculate the CAGR which helps in determining the growth rate. Any material events happening after the financial plan are added as adjustments in the discounted cash flow model and those changes are vetted with management.

Capital Expenditures – Capital expenditures, which are included in the Financial Plan, are used in the discounted cash flow model. A steady state capital expenditure amount is determined based on the Financial Plan amounts and input from the Planning groups.

Market Approach Assumptions. Under the market approach, NiSource may utilize three market-based models to estimate the value of the reporting units: (i) the comparable company multiples valuation, (ii) the comparable transaction valuation, and (iii) the market capitalization method. The comparable company multiples valuation method values the enterprise at multiples consistent with a peer group of publicly traded comparable companies. The comparable transaction valuation method values the enterprise based on transaction multiples observed in public company transactions. The market capitalization method estimates the enterprise value based on percentage of earnings before interest, taxes, depreciation and amortization (“EBITDA”), revenues, and operating income relative to overall NiSource enterprise value. The determination of the market comparables involves a degree of judgment by both management and, if the company chooses to consult with an outside valuation firm, the valuation firm.



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Vicky Flesher

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 7.1

Subject: Goodwill Impairment Testing

Impairment Test

An estimate of the reporting unit's fair value is compiled by Financial Reporting using the income and market approach. Management at the reporting units prepares a discounted cash flow model and submits to Financial Reporting. The different fair values calculated by the use of the income and market approaches will be weighted as appropriate to determine the overall fair value of each business unit. Management at the reporting units as well as the Financial Reporting team will use judgment to weight the various approaches which will give the best representation of the fair value. This fair value is then compared to the carrying value of the business unit to determine if Step 2 of the impairment test is necessary.

Impairment Charge. If the carrying amount of reporting unit goodwill exceeds the implied fair value of that goodwill Step 2 is required and an impairment loss shall be recognized in an amount equal to that excess.

The impairment journal entry would be a debit to Impairment Charge and credit Goodwill Asset.

VI. **AUTHORITY AND RESPONSIBILITY**

Responsibility – Management for the reporting units will work with Financial Reporting, Regulatory, Planning and outside third party consultants to determine significant assumptions. The reporting units are responsible for finalizing discount rate and market approach methods for determining fair value. If third parties are used to determine discount rate (for the income approach) or the market approach valuations, the Financial Reporting team is responsible for facilitating and compiling the information between the reporting units and the third parties.

Reviewer - Financial Reporting, Director of Accounting Research and Financial Reporting , CAO, and reporting unit CFOs will review the analysis.

Approver - After all comments are cleared from initial review, described above, the CEO and CFO of NiSource give the final approval.

VII. **APPENDICES**

Not applicable.



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Vicky Flesher

Approved by: Segment Contollers and Chief Accounting Officer

Reference No. 7.2

Subject: Impairment Testing for Intangibles Other Than Goodwill

I. INTRODUCTION

This policy provides guidelines in determining potential impairment related to NiSource's intangible assets other than goodwill.

II. SCOPE

This policy applies to all NiSource business units carrying an intangible asset balance on the books.

III. GAAP GUIDANCE

Recognition and Measurement of an Impairment Loss

Intangible Assets Subject to Amortization

ASC 350-30-35-14 states that an intangible asset that is subject to amortization shall be reviewed for impairment and an impairment loss shall be recognized if the carrying amount of an intangible asset is not recoverable and its carrying amount exceeds its fair value. After an impairment loss is recognized, the adjusted carrying amount of the intangible asset shall be its new accounting basis. Subsequent reversal of a previously recognized impairment loss is prohibited.

Intangible Assets Not Subject to Amortization

ASC 350-30-35-15 through 35-20 state that if an intangible asset is determined to have an indefinite useful life, it shall not be amortized until its useful life is determined to be no longer indefinite. An entity shall evaluate the remaining useful life of an intangible asset that is not being amortized each reporting period to determine whether events and circumstances continue to support an indefinite useful life.

An intangible asset that is not subject to amortization shall be tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test shall consist of a comparison of the fair value of an intangible asset with its carrying amount. If the carrying amount of an intangible asset exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. After an impairment loss is recognized, the adjusted carrying amount of the intangible asset shall be its new accounting basis.

Subsequent reversal of a previously recognized impairment loss is prohibited.

Measurement of an Impairment Loss

ASC 360-10-35-17 states that an impairment loss shall be recognized only if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. That assessment shall be based on the carrying amount of the asset at the date it is tested for recoverability, whether in use or under development. An impairment loss shall be measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

When to Test an Asset for Recoverability

ASC 360-10-35-21 state that a long-lived asset shall be tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The following are examples of such events or changes in circumstances:

- a. A significant decrease in the market price of a long-lived asset
- b. A significant adverse change in the extent or manner in which a long-lived asset is being used or in its physical condition



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Vicky Fleisher

Approved by: Segment Contollers and Chief Accounting Officer

Reference No. 7.2

Subject: Impairment Testing for Intangibles Other Than Goodwill

- c. A significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset, including an adverse action or assessment by a regulator
- d. An accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset
- e. A current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset
- f. A current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The term *more likely than not* refers to a level of likelihood that is more than 50%.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Not applicable.

V. NISOURCE APPLICATION

NiSource will test an intangible other than goodwill for impairment upon the occurrence of a triggering event; examples of triggering events are discussed above. NiSource's Segment Contollers as well as Financial Reporting will continually evaluate the existence of a triggering event. Non-amortized intangibles assets are tested for impairment annually, and at the occurrence of a triggering event.

Upon identification of a triggering event, and/or annually for non-amortized intangible assets, Segment Accounting where the possible impairment has been identified will perform an impairment test by comparing the fair value to the carrying value of the intangible asset.

NiSource will record any impairment loss equal to the difference between the fair value of the intangible asset and the respective asset's carrying value.

Once recorded, an impairment charge will not be reversed by the company. The impairment is included in results from operations on the line "Impairment and (gain)/loss on sale of assets, net" on the consolidated income statement.

NiSource Intangibles: Bay State has intangible assets of franchise rights recorded on their books to reflect the push down of the purchase premium recorded when NiSource acquired Bay State in February 1999. These franchise rights are being amortized on a straight-line basis over forty years from the date of acquisition. Past triggering events that have required impairment analysis have been the sale of Bay State subsidiary (Northern Utilities) and a rate case.

VI. AUTHORITY AND RESPONSIBILITY

Responsible for Identifying Triggering Events

- Segment CFOs
- Segment Contollers
- Financial Reporting Department

Responsible for Performing Impairment Analysis

- Segment Accounting



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Vicky Flesher

Approved by: Segment Contollers and Chief Accounting Officer

Reference No. 7.2

Subject: Impairment Testing for Intangibles Other Than Goodwill

Responsible for Reviewing/Approving Impairment Analysis

- Segment CFO and NiSource CAO
- NiSource CFO approval for any impairment charge of \$4 million

VII. APPENDICES

Not applicable.



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Matt Harris

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 8.1

Subject: Share Based Compensation

I. INTRODUCTION

This policy provides accounting guidelines for Share Based Compensation provided by NiSource to certain employees and non-employee directors under U.S. Generally Accepted Accounting Principles.

II. SCOPE

This policy applies to NiSource's share based compensation plans.

III. GAAP GUIDANCE

Share-based compensation awards to both employees and non-employees (e.g. directors) must be accounted for using fair value as the measurement objective. The following guidance refers to awards granted to employees but the accounting treatment is identical for transactions with non-employees.

Determination of the Grant Date of a Share-Based Award

Under ASC 718-10-55-81/82 the definition of the grant date of an award is the date the employer and employee have a mutual understanding of the terms of the award, all necessary approvals have been obtained to issue the award, the company is contingently obligated to issue shares or transfer assets to employees who fulfill vesting conditions, and the employee begins to be impacted by "subsequent changes in the price of the employer's equity shares." The understanding between the employer and employee can be established via a formal, written agreement, an oral arrangement, or an entity's past practice.

Equity versus Liability Classification of an Award

Share-based compensation awards are classified as either equity or liability awards. Equity awards are generally settled in shares, have a vesting condition and fulfill certain other requirements while liability awards generally require the company to use cash or other assets to settle the arrangement. More specific guidance in determining the equity or liability classification of a given award is outlined in ASC 718-10-25-6 through 25-19. The recognition of Compensation Cost related to both equity and liability awards is discussed later in this policy.

Measurement of Share-Based Compensation Awards

In accordance with ASC 718-10-30, share-based compensation awards are to be measured at fair value at the date of grant. Market prices of identical or similar instruments should be utilized if available. While an estimate of a share-based compensation award can sometimes be determined by reference to the market price at the grant date of the underlying stock to be awarded, often times share-based compensation awards have characteristics unlike those of securities traded on the open-market. In accordance with ASC 718-10-30 these characteristics must be considered in determining the fair value of the award. The following is a description of various characteristics of share-based payment awards and the treatment of those characteristics in the determination of fair value:

Non-transferability during the Vesting Period

A restriction placed on a share based compensation award that prevents the receiver of the award from transferring his or her rights in the instruments awarded during the vesting period does NOT factor in the determination of fair value of the award as outlined in ASC 718-10-30-11.

Non-transferability after the Vesting Period

A restriction placed on a share based compensation award that prevents the receiver of the award from transferring his or her rights in the instruments awarded after the vesting period must be considered in the determination of fair value of the award as outlined in ASC 718-10-30-10.



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Market prices for securities subject to transfer restrictions are often times not available. As such, ASC 718-10-30 requires fair value to be estimated by using valuation techniques. However, the FASB notes in ASC 718-10-55-5 that if unrestricted “shares are traded in an active market, post-vesting restrictions may have little, if any, effect on the amount at which the shares being valued would be exchanged.” As such, in most circumstances, the appropriate measurement for a share-based compensation award with a post-vesting transferability restriction is the fair value of the same or similar unrestricted security traded on the open market.

Awards Containing Market Conditions

ASC 718-10-30-14 notes that the calculation of fair value for share-based awards which contain market conditions should take into account the impact on fair value of those market conditions. Compensation cost is recognized for an award with a market condition provided that the requisite service is rendered, regardless of when, if ever, the market condition is satisfied.

The most commonly used methods for calculating fair value of a share-based compensation award containing market conditions are lattice or Monte Carlo simulations.

Contingent or Clawback Features

Contingent features sometimes referred to as clawback features contained in a share-based compensation award are excluded from the calculation of grant-date fair value of the award. These features are accounted for upon occurrence of the contingent event. ASC 718-10-30-24 discusses the exclusion of contingent features from the determination of fair value.

Share-based Awards that do not pay Dividends during the Vesting Period

Some share-based compensation awards may not accrue dividends throughout the vesting period. Stock traded on the active market, however, includes the expected dividend payout as part of the stock price. As such, the fair value of a share of stock that does not receive dividends should be something less than a share which does receive dividends. Prior to the FASB codification, SFAS 123(R) paragraph B93 indicated the following regarding share-based awards that do not accrue dividends:

The fair value of a share of stock in concept equals the present value of the expected future cash flows to the stockholder, which includes dividends. Therefore, additional compensation does not arise from dividends on nonvested shares that eventually vest. Because the measure of compensation cost for those shares is their fair value at the grant date, recognizing dividends on nonvested shares as additional compensation would effectively double count those dividends. For the same reason, if employees do not receive dividends declared on the class of share granted to them until the shares vest, the grant-date fair value of the award is measured by reducing the share price at that date by the present value of the dividends expected to be paid on the share during the requisite service period, discounted at the appropriate risk-free interest rate.

Stock Options

While market prices for the same or similar instruments traded in active markets are the best indicator of fair value, absent market prices for the same or similar instruments, ASC 718-10-30-8/9 requires the fair value of options to be measured through the use of option-pricing models. The most common option pricing model is the Black-Scholes model.



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Recognition of Compensation Cost Associated with Share-Based Payment Awards (Equity Awards)

Compensation cost for a share-based compensation award classified as equity is to be recognized over the requisite service period. ASC 718-10-35-2 defines the requisite service period as “the period during which an employee is required to provide service in exchange for an award, which is often the vesting period.” Compensation cost is recognized in expense on a straight-line basis over the requisite service period with an offsetting credit to equity.

Awards with Service Conditions

Some share-based compensation awards contain service conditions which require employees to remain employed by the company for a specified period of time. In general, for awards with service conditions the requisite service period is equivalent to the service period required for the awards to vest. Compensation cost is recognized on a straight-line basis over the requisite service period and is reversed when it becomes probable that the award will fail to vest. (See the following page for a discussion of forfeiture assumptions.)

Awards with Performance Conditions

Some share-based compensation awards contain performance conditions which may be based upon the performance and/or achievements of an employee, a division of a company, or even the company as a whole. Compensation cost for these types of awards is recognized in accordance with ASC 718-10-25-20 “based on the probable outcome” of the performance condition. The guidance goes on to say that no compensation cost should be recognized if it is not probable that the performance condition will be met. For awards with multiple performance conditions it may be necessary to build into the determination of the requisite service period the relationship amongst the various performance conditions. Compensation cost for awards with performance conditions is recognized on a straight-line basis over the requisite service period and is reversed when it becomes probable that the award will fail to vest. (See the following page for a discussion of forfeiture assumptions.)

Awards with Market Conditions

Some share-based compensation awards may be tied to market conditions such as an entity’s stock price. Generally, lattice models must be used to determine the grant-date fair value of awards with market conditions as they are capable of incorporating the possibility that the market condition is not met in the analysis. Compensation cost associated with awards containing market conditions is not to be reversed solely due to the market condition not being met. ASC 718-10-35-4 states that “an entity shall reverse previously recognized compensation cost for an award with a market condition only if the requisite service is not rendered.” Compensation expense for awards with market conditions, such as stock options, is recognized on the date of grant in an amount equivalent to the fair value of the award granted.

Awards for which Dividends are paid during the Vesting Period

Certain share-based compensation awards contain features that allow the holder of the award to receive dividend payments during the vesting period. These payments are treated differently depending upon whether or not the award will eventually vest. Dividends paid on awards which vest are charged to retained earnings as they are paid out even if during the vesting award (i.e. the award has not yet vested). Dividends paid on awards which eventually do not vest which are not subject to repayment conditions by the employee are charged to expense when paid. The portion of dividends paid that is charged to retained earnings versus expense is determined based upon the company’s estimation of forfeitures as well as the probability of any service or performance conditions being met. Amounts are trued up in the same manner as compensation expense is adjusted for a change in forfeiture assumptions.



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Recognition of Compensation Cost Associated with Share-Based Payment Awards (Liability Awards)

Under ASC 718 both equity awards (discussed in detail above) and liability awards are required to be measured at fair value. Fair value for awards with service, performance, and market conditions is determined in the same manner as for equity awards discussed above.

Compensation cost for liability awards which is measured at the grant-date is to be recognized over the vesting period of the award similar to equity awards.. Liability awards, however, must be remeasured each period so that the total expense recorded for a given award is equivalent to the cash or value of other assets used to settle the award in accordance with ASC 718-30-30-1. The liability accrued at the end of a given accounting period should equal the fair value of the award at period end multiplied by the percentage of the vesting period completed taking into account the award's forfeiture assumption. Note if cash payments are made on a liability award which accrues dividends the amount is charged directly to expense and does not pass through retained earnings.

Forfeiture Assumptions

In accordance with ASC 718, employers are required to estimate forfeitures when recognizing compensation expense for all share-based compensation awards (i.e. both equity and liability awards). The estimate is to be adjusted throughout the entirety of the requisite service period through a true-up to expense and/or equity. As such, at the end of an award's requisite service period, compensation cost should be recorded only for those awards for which service is actually rendered.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Not applicable.

V. NISOURCE APPLICATION

NiSource issues long-term incentive grants to key management and employees under a long-term incentive plan. The plan permits various types of awards to be granted. New plans may also be approved by the stockholders at any time. As it is not possible to predict each type of award that may be issued by NiSource in the future this policy will contain general descriptions of awards that NiSource has issued in the past and therefore is likely to issue in the future along with a discussion of the proper accounting treatment for such awards. Please note that the accounting treatment in the examples contained below is discussed on a consolidated basis. In developing the accounting entries for each award the Consolidation Accounting Manager will allocate expense, equity, and liabilities to the various business units based upon the business units to which employees granted each share-based award record their time.

Restricted/Contingent Stock/Units

NiSource sometimes issues shares of restricted/contingent stock or units under its long-term incentive plan. These awards are settled in shares of the company's stock and are therefore classified as equity awards. These awards have contained both performance and service conditions which determine the vesting period of the awards. Performance conditions are generally based upon the Company achieving a certain earnings or cash target while service conditions are based upon the length of an employee's service to the Company. Performance and service conditions can be present in a share-based compensation award in various manners. For instance, when an award contains a performance condition, which if met accelerates the vesting period of the award, and a service condition which is independent of the performance condition and would result in a longer vesting period, the probability of achieving the performance condition is considered and if determined probable the grant-date fair



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value of the award is recognized as expense over the period of time necessary to achieve the performance condition. If achievement of the performance condition is not probable the expense shall be recognized over the service period required for the award to vest (see example 2 below). Note that expense is to be recognized only for those awards that actually vest. As such, on the grant-date of each award NiSource estimates a forfeiture percentage for the award based on past history of forfeitures for similar awards. The estimate is adjusted should actual forfeitures occur so that upon the vesting date of the award compensation expense has been recognized and equity has been recorded only for the portion of the award that actually vests. Some awards require both the performance and service conditions to be met in order for the award to vest. In this circumstance a performance condition which is not probable to be met would result in no compensation expense being recorded for the award.

The grant-date fair value of NiSource's restricted or contingent awards is generally measured as the NiSource stock price on the date of grant multiplied by the number of shares or units to be issued. Restrictions placed on share-based compensation awards issued by NiSource generally relate to the transferability of the awards during the vesting period. The restrictions generally lapse on the date of vesting. These restrictions are not taken into account when determining the grant-date fair value of the awards as the best estimate of fair value for awards with these restrictions is the value of similar shares traded on the open market even though they are absent these restrictions. Some awards issued by NiSource, however, do not participate in dividends during the vesting period. The fair value of such awards must be adjusted from the price of NiSource shares in the open market as the price of shares traded on the market contains the assumption that the holder of the share is entitled to receive dividends associated with the stock. See below for examples of the accounting for a grant of a restricted/contingent stock award with each of the various terms discussed above.

Example 1 – Award with a Service Condition Receiving Dividends during the Vesting Period:

Scenario

NiSource issues 300,000 shares of restricted stock on January 1, 20X0 when NiSource stock is trading at \$15 per share. The award contains a service condition requiring the employees receiving the award to remain employed by NiSource for 6 years in order to receive the shares. The shares accrue dividends during the vesting period which are paid out in cash to the employee. Past history shows approximately 10% of awards of this nature are forfeited.

Accounting Treatment

Given the above scenario NiSource will calculate total stock compensation expense for this award at the grant-date of \$4.1 million $[(300K \times \$15) \times (1-.10)]$. This amount will be recorded over the 6 year vesting period in a monthly amount of \$56.3K $(\$4.1 \text{ million}/72 \text{ months})$ by debiting Compensation Expense and crediting Additional Paid in Capital. To the extent actual forfeitures vary from the 10% estimate on the grant date an adjustment will be booked to both Compensation Expense and Additional Paid in Capital. This adjustment is booked as soon as information becomes available to indicate the 10% forfeiture assumption is no longer accurate and Compensation Expense over the remainder of the vesting period is adjusted so that upon vesting expense has been recorded only for that portion of the award which actually vests.



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Example 2 – Award with a Service and Performance Condition Receiving Dividends during the Vesting Period:

Scenario

NiSource issues 300,000 shares of restricted stock on January 1, 20X0 when NiSource stock is trading at \$15 per share. The award contains a service condition requiring the employees receiving the award to remain employed by NiSource for 6 years in order to receive the shares. The award also contains a performance condition which accelerates the vesting of the award to 3 years if the 3 year cumulative EPS for NiSource is \$3 per share beginning with the date of grant. The performance condition exists only as an accelerated vesting provision. The award will vest in 6 years even if the performance condition is not met. NiSource estimates it is probable that the performance condition will be met. The shares accrue dividends during the vesting period which are paid out in cash to the employee. Past history shows no forfeitures relating to awards of this nature.

Accounting Treatment

Given the above scenario NiSource will calculate total stock compensation expense for this award at the grant-date of \$4.5 million (300K x \$15). As it is probable the performance condition will be met the award is assumed to vest over 3 years and therefore expense is recorded over the 3 year vesting period in the amount of \$125K per month (\$4.5 million/36 months) by debiting Compensation Expense and crediting Additional Paid in Capital. As dividends are paid they are recorded as a reduction of retained earnings. If during the 3 years subsequent to the award's issuance it becomes evident the performance condition will not be met and the vesting period becomes 6 years the remaining amount to be expensed will be straight-lined over the remainder of the vesting period. This change would be considered a change in estimate and prior periods would not be adjusted.

Example 3 – Award with a Service and Performance Condition, both of which must be satisfied to receive the award, Receiving Dividends during the Vesting Period:

Scenario

NiSource issues 300,000 shares of restricted stock on January 1, 20X0 when NiSource stock is trading at \$15 per share. The award contains a service and performance condition in which 3 year cumulative EPS for the company must be \$4 and employees must remain employed by NiSource for 3 years in order to receive the shares. NiSource estimates it is NOT probable that the performance condition will be met. The shares accrue dividends during the vesting period which are paid out in cash to the employee and are not required to be paid back if the award does not vest. Past history shows no forfeitures relating to awards of this nature.

Accounting Treatment

Given the above scenario NiSource will only record compensation expense relating to this award as dividends are paid out during the vesting period of 3 years. This charge is booked directly to expense and not to retained earnings as the likelihood of the award vesting is not probable. No additional compensation expense is recorded relating to the grant date fair value of this award as it is not probable that the performance condition will be met.



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Scenario

Assume the same scenario as above; however, assume that it is now probable that the performance condition will be met over the 3 year vesting period.

Accounting Treatment

Given the above scenario NiSource will calculate total stock compensation expense for this award at the grant-date of \$4.5 million (300K x \$15). As it is probable the performance condition will be met expense is recorded over the 3 year vesting period in the amount of \$125K per month (\$4.5 million/36 months) by debiting Compensation Expense and crediting Additional Paid in Capital. Dividends are recorded directly to Retained Earnings and are NOT recorded as additional compensation expense.

Example 4 – Award with a Service Condition which does NOT Receive Dividends during the Vesting Period:

Scenario

NiSource issues 300,000 shares of restricted stock on January 1, 20X0 when NiSource stock is trading at \$15 per share. The award contains a service condition requiring the employees receiving the award to remain employed by NiSource for 6 years in order to receive the shares. The shares do NOT accrue dividends during the vesting period. Past history shows no forfeitures relating to awards of this nature.

Accounting Treatment

Given the above scenario NiSource will first calculate the present value of the dividend stream over the 6 year vesting period of the award. Assume NiSource will pay a quarterly dividend of 23 cents per share for the duration of the vesting period and a risk-free rate of 4%. Given these assumptions the present value of the dividend stream at the grant-date is \$4.89. As such the grant-date fair value of the award is \$3.0 million $[(\$15 - \$4.89) \times 300,000]$. This amount will be recorded over the 6 year vesting period in a monthly amount of \$42.1K (\$3.0 million/72 months) by debiting Compensation Expense and crediting Additional Paid in Capital.

Stock Options

In the past NiSource has granted non-qualified stock options to certain individuals. The option is a right to purchase NiSource stock at a specific price usually one year from the date of grant. NiSource values the award at the grant-date through the use of the Black-Scholes option pricing model and recognizes compensation expense related to the award immediately in earnings as the awards are vested immediately. If the award vested over a period of time the compensation expense would be recognized over the period of time necessary for the option to vest. On the grant-date Compensation Expense is debited with an offsetting credit to Additional Paid in Capital. The expense is not reversed even if the option is never exercised. Reversal of expense relating to stock options only occurs if the employee granted the option fails to render the requisite service to the company in order to be eligible to exercise the award.

Phantom Stock Awards

NiSource may choose to issue “phantom shares” to certain employees as a form of share-based compensation. These awards are settled in cash and therefore are classified as a liability award. Similar to the examples given for equity awards above these awards may also contain service or performance conditions and may or may not accrue dividends during the vesting period. The



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measurement of grant-date fair value for liability awards is performed in the same manner as for equity awards. However, the grant-date fair value of a liability award is recognized as compensation expense over the requisite service period (i.e. the vesting period) with an offsetting credit to a liability account.

Additionally, a “phantom award” must be marked to market each period so that upon vesting of the award the liability recorded on the books (and corresponding expense recognized) equals the value paid out to employees. Estimated forfeitures for an award of this nature will serve to reduce compensation expense recognized at the grant-date.

Example:

Scenario

NiSource issues 300,000 phantom shares on January 1, 20X0 when NiSource stock is trading at \$15 per share. The award contains a service condition requiring the employees receiving the award to remain employed by NiSource for 6 years in order to receive their payout. The shares accrue dividends during the vesting period which are paid out in cash to the employee. Past history shows no forfeitures relating to awards of this nature.

Accounting Treatment

Given the above scenario NiSource will calculate total stock compensation expense for this award at the grant-date of \$4.5 million (300K x \$15). This amount will be recognized over the vesting period of 6 years by debiting Compensation Expense and crediting a corresponding liability account. The award will be marked to market based on the NiSource stock price each period with adjustments recorded to Compensation Expense and the corresponding liability account each period. Upon vesting the liability is reversed and cash is paid out to the employees.

VI. AUTHORITY AND RESPONSIBILITY

- Human Resources is responsible for notifying Consolidation Accounting when a share-based award is granted for employees.
- Shareholder Services is responsible for notifying Consolidation Accounting when a share-based award is granted for non-employee directors.
- The Consolidation Accounting Manager is responsible for developing the accounting entries for each award and drafting a Controllers letter.
- The entries for each award are approved by the Assistant Controller and Controller and the Controller’s letter is then provided to the Segment Controllers
- Segment Controllers are responsible for booking the entries provided in the Controller’s Letter
- Controllers Letters are updated by the Consolidation Accounting Manager anytime the circumstances surrounding an award (i.e. forfeitures, performance conditions are met/fail to be met, etc.) cause a change in the accounting
- The Accounting Research Department will provide a whitepaper outlining the proper accounting treatment for each award material to the financial statements

VII. APPENDICES

Not applicable.



Accounting Policy Guide

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Subject: Paid Time Off

I. INTRODUCTION

This policy provides guidelines and procedures for compensation for future absences by NiSource and its subsidiaries, excluding accounting for Severances, Restructuring, and Change in Control.

II. SCOPE

This policy applies to all NiSource business units.

III. GAAP GUIDANCE

ASC 710-10-25-1 through ASC 710-10-24-3

An employer shall accrue a liability for employees' compensation for future absences if all of the following conditions are met:

- a) The employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- b) The obligation relates to rights that vest (employer has an obligation to make payment even if the employee terminates) or accumulate (earned but unused rights to compensated absences may be carried forward to subsequent period).
- c) Payment of the compensation is probable.
- d) The amount can be reasonably estimated.

A liability for amounts to be paid as a result of employees' rights to compensated absences shall be accrued in the year in which it is earned. For example, if a new employee receives vested rights to two-weeks' paid vacation at the beginning of their second year of employment with no pro rata payment in the event of termination during the first year, the two-weeks' vacation shall be considered to be earned by work performed in the first year and an accrual for vacation shall be required for the new employee during their first year of service.

Individual facts and circumstances must be considered in determining when non-vesting rights to compensated absences are earned by services rendered. The requirement to accrue a liability for non-vesting rights depends on whether the unused rights expire at the end of the year in which earned or accumulate and are carried forward to succeeding years, thereby increasing the benefits that would otherwise be available in subsequent periods. If the rights expire, a liability for future absences shall not be accrued at year-end because the benefits to be paid in subsequent years would not be attributable to employee services rendered in prior years.

IV. NISOURCE APPLICATION

NiSource and its subsidiaries record two paid time off provisions for compensated absences. The first provision is related to non-vesting compensated absences such as holidays, personal holidays, personal and family illnesses, military pay, etc. These absences are paid to employees and expensed as incurred because the employee is entitled to receive compensation only if they are an employee as of the date the absence is incurred. The second provision is related to vested compensated absences such as vacation, accrued vacation, and banked vacation. NiSource grants vacation on January 1 for employees whose terms and conditions of employment are not covered by a collective bargaining unit and is calculated based upon full years of service on the preceding December 31. All compensated absences are governed by Human Resources policies. NiSource grants vacation for employees whose terms and conditions of employment are covered by a collective bargaining unit in accordance with a collective bargaining agreement.

The provisions for compensated absences should be allocated and distributed in a systematic and rational manner. Each subsidiary is responsible for the manner in which these provisions are recorded.



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Generally, the provisions for compensated absences are applied to all productive time recorded during the calendar year.

V. REGULATORY CONSIDERATIONS (ASC 980)

Not applicable.

VI. AUTHORITY AND RESPONSIBILITY

Accounting will monitor the balance in the non-productive time provision accounts and vacation entitlement under the authority of the Segment Controllers.

VII. APPENDICES

Appendix A – Accounting for Paid Time Off Example

APPENDIX A – Accounting for Paid Time Off Example

Paid Time Off Appendix

Accounting for Gross Payroll

Company A expects annual gross payroll to be \$75 million for calendar year 2010. Total compensated absences are estimated at \$7.5 million for 2010 vacation entitlement (vested balance as of December 31, 2009) and \$7 million for non-vested absences (holidays, personal holidays, etc).

DR-Productive Time Gross Payroll	\$60.5 million	
DR-Vacation Taken (vested)	7.5 million	
DR-NPL Taken (non-vested)	7.0 million	
CR-Accrued Payroll, Net Pay, Tax Withholding		75.0 million

Company A expects its 2011 vacation entitlement to increase to \$7.7 million based upon annual salary adjustments. Entries to illustrate recording the provisions for 2010 are illustrated below. The compensated absence provisions would be applied to productive time gross payroll accounts—examples would be construction work-in-progress and operation and maintenance expense. At the end of 2010, the non-vested and vested account balances are zero and \$7.7 million, respectively.

DR-Productive Time Provision	\$14.7 million	
CR-Vacation Provision		7.7 million
CR-NPL Provision		7.0 million

* The \$14.7 million is determined by the estimated NPL to be taken of \$7.0 million during 2010 plus the \$7.7 million vacation entitlement estimate to be taken during 2011.

Accounting Procedures

NiSource allows employees to carry over up to 80 hours of unused vacation into the following year without management approval. Extenuating circumstances may exist beyond an employee's control that management approval would be obtained to carry over more than 80 hours. All vacation taken is paid at the employee's regular base rate of pay, exclusive of any premium or temporary upgrade rate, at the time the vacation is taken.

Additionally, employees age 45 and older are qualified to participate in the vacation banking program. After using 80 hours of their vacation grant, such employees may elect to bank up to 160 hours of unused vacation per year, up



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Subject: Paid Time Off

to a lifetime banking limit of 640 hours. At retirement or separation, qualified employees receive a lump-sum cash payment for their banked hours, calculated at their pay rate at the time of separation.

Both of these items require the vacation liability to be re-priced by taking into consideration annual merits and salary adjustments that occur until the vacation time is incurred.

Payroll distributes a dollar-based quarterly notification that values each business unit's vacation liability into three buckets: current year unused, subsequent year entitlement, and employee banked vacation. The values reported by Payroll are adjusted due to a one pay period lag in reporting actual vacation absence data. Each business unit analyzes the current month vacation taken by pay group and adjusts its general ledger balance for those absences not yet reported to Payroll. Each business unit would determine if an adjustment is necessary.

The Segment Controllers and Accountants will obtain the projected annual gross payroll for each business unit from the Segment Financial Planning group, will review three years of non-productive time absence data and normalize for abnormal activity incurred or due to changes in Human Resources policies, and will ensure that provision rates are timely approved and entered into the accounting systems prior to monthly labor and payroll processing.

Paid Time Off Appendix

Accounting for Gross Payroll

Company A expects annual gross payroll to be \$75 million for calendar year 2010. Total compensated absences are estimated at \$7.5 million for 2010 vacation entitlement (vested balance as of December 31, 2009) and \$7 million for non-vested absences (holidays, personal holidays, etc).

DR-Productive Time Gross Payroll	\$60.5 million	
DR-Vacation Taken (vested)	7.5 million	
DR-NPL Taken (non-vested)	7.0 million	
CR-Accrued Payroll, Net Pay, Tax Withholding		75.0 million

Company A expects its 2011 vacation entitlement to increase to \$7.7 million based upon annual salary adjustments. Entries to illustrate recording the provisions for 2010 are illustrated below. The compensated absence provisions would be applied to productive time gross payroll accounts—examples would be construction work-in-progress and operation and maintenance expense. At the end of 2010, the non-vested and vested account balances are zero and \$7.7 million, respectively.

DR-Productive Time Provision	\$14.7 million	
CR-Vacation Provision		7.7 million
CR-NPL Provision		7.0 million
* The \$14.7 million is determined by the estimated NPL to be taken of \$7.0 million during 2010 plus the \$7.7 million vacation entitlement estimate to be taken during 2011.		

Accounting Procedures

NiSource allows employees to carry over up to 80 hours of unused vacation into the following year without management approval. Extenuating circumstances may exist beyond an employee’s control that management approval would be obtained to carry over more than 80 hours. All vacation taken is paid at the employee’s regular base rate of pay, exclusive of any premium or temporary upgrade rate, at the time the vacation is taken.

Additionally, employees age 45 and older are qualified to participate in the vacation banking program. After using 80 hours of their vacation grant, such employees may elect to bank up to 160 hours of unused vacation per year, up to a lifetime banking limit of 640 hours. At retirement or separation, qualified employees receive a lump-sum cash payment for their banked hours, calculated at their pay rate at the time of separation.

Both of these items require the vacation liability to be re-priced by taking into consideration annual merits and salary adjustments that occur until the vacation time is incurred.

Payroll distributes a dollar-based quarterly notification that values each business unit’s vacation liability into three buckets: current year unused, subsequent year entitlement, and employee banked vacation. The values reported by Payroll are adjusted due to a one pay period lag in reporting actual vacation absence data. Each business unit analyzes the current month vacation taken by pay group and adjusts its general ledger balance for those absences not yet reported to Payroll. Each business unit would determine if an adjustment is necessary.

The Segment Controllers and Accountants will obtain the projected annual gross payroll for each business unit from the Segment Financial Planning group, will review three years of non-productive time absence data and normalize for abnormal activity incurred or due to changes in Human Resources policies, and will ensure that provision rates are timely approved and entered into the accounting systems prior to monthly labor and payroll processing.



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Approver: Nick Drew

I. INTRODUCTION

This policy provides guidelines related to the proper accounting for incurred but not reported (IBNR) employee medical, dental and prescription claims for active employees.

II. SCOPE

This policy applies to medical, dental and prescription claims for active employees. Similar claims for retirees are accounted for as part of the OPEB liability (8.5). Other insurance-related IBNR reserves are covered under the scope of the NICI Insurance Reserves Policy (9.3).

III. GAAP GUIDANCE

Recognition and Measurement of Claims Liabilities

ASC 450-20-25-2 requires accrual of a liability if both of the following conditions are met:

1. Information available before the financial statements are issued or are available to be issued indicates that it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements.
2. The amount of the loss can be reasonably estimated.

ASC 450-20 also states if some amount within a range of loss appears at the time to be a better estimate than any other amount within the range, that amount shall be accrued. When no amount within the range is a better estimate than any other amount, however, the minimum amount in the range shall be accrued

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

To the extent IBNR reserves are recoverable through an approved rate order; such losses may be deferred as regulatory asset. As regulatory treatment for losses varies by company / jurisdiction, such determinations will be the responsibility of the legal / regulatory departments of the impacted company.

V. NISOURCE APPLICATION

Annual True-Up Process

Annually in Q4, NiSource adjusts the IBNR liability based on the current year claim activity (medical, dental and prescription). The annual true-up process consists of the following steps:

1. Obtain 12 months of PBS and RMBS reports from NiSource Benefits department. These reports present claims paid in a given month, by company, by plan. These reports are prepared by a third party (Aon Hewitt) and are maintained by the NiSource Benefits department.
 - o Given that the calculation is performed in November each year, 12 months of activity consists of November (prior year) through October (current year)
2. Consolidate rolling 12 months of PBS and RMBS reports. Adjust PBS (includes active and retired employees) claims activity by subtracting RMBS (retirees only) claims activity to determine the total active claims. Perform this consolidation and calculation separately for medical, dental and prescription activity.
3. Calculate the average monthly activity for each type of claim. This result represents an estimate of the liabilities that have been incurred by NiSource but have not yet been reported/ processed as of the balance sheet date. This balance also represents the new IBNR liability to be booked to account number 304221242: *Health & Benefit Obligation*.
4. The average monthly activity calculated in Step 3 above is then inflated by one month to account for the inflation of medical-related costs. The inflation rate is obtained from the Bureau of Labor Statistics website, and divided by 12 to arrive at the inflation for one month.
5. Obtain the most recent active medical, dental and prescription active member headcount by company from NiSource Benefits department. Use data to calculate allocation ratio by determining each company's percentage of total active participants.



MSourceTM
Accounting Policy

6. Multiply the balance calculated in step 4 by the company percentages determined in step 5. Compare the allocated balances to the prior year's allocated obligation. The difference between the current and prior periods represents the current year's adjustment to be booked during November's month-end close. This adjustment, including general ledger accounts and amounts, is communicated to the business units through a controller's letter.

VI. AUTHORITY AND RESPONSIBILITY

The annual IBNR calculation is performed by a member of accounting research or financial reporting. The calculation is then reviewed by the Accounting Research Manager and Director of Accounting Research/ Financial Reporting prior to distribution. Business unit accounting representative are responsible for recording the information contained within the controller's letter as part of November's month end close.

VII. APPENDICES

None



Accounting Policy

Issue date: July 23, 2010 — Revised March 2015

Prepared by: Doug Loudermilk

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 1.3

Subject: Accounting for gross annual incentive bonus, profit sharing, and spot awards

I. INTRODUCTION

This policy provides guidelines in determining accounting treatment for the NiSource annual incentive bonus, profit sharing, and spot awards.

II. SCOPE

This policy applies to all NiSource business units.

III. GAAP GUIDANCE

ASC 450-20 states the treatment of loss contingencies where the underlying causal event has occurred before the balance-sheet date depends on two determinations:

An estimated loss from a loss contingency shall be accrued by a charge to income if both of the following conditions are met:

a. Information available before the financial statements are issued or are available to be issued indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements. Date of the financial statements means the end of the most recent accounting period for which financial statements are being presented. It is implicit in this condition that it must be probable that one or more future events will occur confirming the fact of the loss.

b. The amount of loss can be reasonably estimated.

The guidance in ASC 270-10-45-9 through 45-10 should be considered when allocating bonuses to interim periods. Costs should be allocated so that each interim period bears a reasonable portion of the annual expense. In the case of a bonus that is determined by reference to a target such as net income, the bonus should not be accrued in proportion to achievement of the target. For example, seasonal businesses should not record a larger bonus expense in periods with high net income and smaller expense in periods with low net income.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

The guidance in ASC 330-10-30 states that other employee benefit costs, such as profit-sharing and stock bonus plans may be included as an inventory cost. This is analogous to Electric Gas Plant Instructions included in Part 101 and Gas Plant Instructions included in Part 201 of the Code of Federal Regulations stating "The cost of construction properly includable in the gas plant accounts shall include, where applicable, direct and overhead costs, including pay and expenses of employees of the utility engaged on construction work."

V. NISOURCE APPLICATION

NiSource Corporate Accounting provides the monthly expense to be recorded for the corporate incentive and profit-sharing programs. The monthly accrual is based upon NiSource's projected operating earnings at any point in time. The business units determine the appropriate capital and operating expense treatment.

NiSource employees may also earn a spot award for the demonstration of superior performance based upon Quality Improvement, Customer Satisfaction, Significant Cost Savings, Teamwork, Significant Process Improvement, or Achievement above and beyond normal responsibilities. Employees are nominated for such award by either direct leadership or leaders from another part of the organization. Justification is required for a spot award. As such, expense is recorded as incurred.



Accounting Policy

Issue date: July 23, 2010 — Revised March 2015

Prepared by: Doug Loudermilk

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 1.3

Subject: Accounting for gross annual incentive bonus, profit sharing, and spot awards

NiSource includes the costs associated with the gross annual incentive bonus and profit sharing as Payroll Expense, Net within the Statement of Consolidated Income. Spot awards are included in Other O&M within the Statement of Consolidated Income.

VI. AUTHORITY AND RESPONSIBILITY

- The NiSource Officer Nomination and Compensation Committee of the Board of Directors of the Corporation defines the basic terms and conditions under which incentive compensation will be paid under the Corporate Incentive Plan.
- NiSource Corporate Incentive Plan and Retirement Savings Plan Profit Sharing expense accruals are provided by Corporate Accounting through issuance of Controller Letters.
- Based upon NiSource and Segment performance, Corporate Accounting determines the eligible incentive payout for each business segment and provides this information to Human Resources to determine the amounts that will be distributed to employees that have participated in the Corporate Incentive Plan for the performance year.
- Spot awards are recorded based upon monthly Other Earnings Report distributed by the Payroll Department
- Ultimate approval of the classification of incentives (i.e. capitalized portion) is performed by the Segment Controllers

VII. APPENDICES

N/A



Accounting Policy

Issue date: 3/10/15

Prepared by: Diana Beil

Approved by:

Reference No.

Subject: Accounting for Pension and OPEB Plans

I. INTRODUCTION

This policy addresses the accounting for defined benefit pension and other postretirement benefit ("OPEB") plans as well as defined contribution plans, all of which are offered by NiSource (the "Company").

II. SCOPE

This policy applies to each of NiSource's business units that have employees participating in defined benefit, defined contribution and OPEB plans.

III. GAAP GUIDANCE

The accounting entries required to account for defined benefit pension and OPEB plans are primarily determined via actuarial calculation. The following is the relevant guidance relating to defined benefit pension and OPEB accounting found within the FASB codification, primarily ASC 715-30.

Recognition of Liabilities and Assets

If the projected benefit obligation (PBO) exceeds the fair value of plan assets, the employer shall recognize a liability on the balance sheet equal to the unfunded projected benefit obligation. The portion of the liability expected to be paid over the next twelve months, in excess of plan assets, should be classified as current with the remaining liability classified as long-term. Note, current versus long-term classification shall be determined at the plan level.

If the fair value of plan assets exceeds the projected benefit obligation, the employer shall recognize an asset on the balance sheet that equals the overfunded projected benefit obligation. The entire amount of any asset recorded should be classified as long-term. Overfunded plans are not to be netted with underfunded plans in recognizing the associated assets or liabilities on the balance sheet. Note funded status is to be determined at the overall plan level rather than the company level. This could result in some companies recording a negative liability/asset.

An entity is required to measure its benefit obligations at the end of its annual reporting period. However, in certain circumstances an entity may be required to remeasure both plan assets and benefit obligations at an interim period. Items that may trigger an interim remeasurement include plan amendments, settlements, curtailments, or in some instances changes in legislation.

Upon remeasurement, a business entity shall adjust its balance sheet to reflect the overfunded or underfunded status of the plan consistent with that measurement date. The offset to the change in funded status of a plan recognized as an asset or liability on the balance sheet should be recorded in accumulated other comprehensive income.

Net Periodic Pension/Benefit Cost

All of the following components shall be included in the net pension and OPEB cost recognized for a period by an employer sponsoring a defined benefit plan:

- a. Service cost
- b. Interest cost
- c. Actual return on plan assets, if any



Accounting Policy

Issue date: 3/10/15

Prepared by: Diana Beil

Approved by:

Reference No.

Subject: Accounting for Pension and OPEB Plans

d. Amortization of any prior service cost or credit included in accumulated other comprehensive income

e. Gain or loss which includes, to the extent recognized, amortization of the net gain or loss included in accumulated other comprehensive income

f. Amortization of any net transition asset or obligation remaining in accumulated other comprehensive income.

The above six components of net periodic pension cost are defined in Appendix I. Service cost, interest cost, and the actual return are included in benefit cost for the period and impact the funded status of the plan while the remaining three components are recorded in accumulated other comprehensive income and are amortized through various methods described in Appendix I.

Assumptions

The accounting guidance requires an explicit approach to assumptions. That is, each significant assumption used shall reflect the best estimate solely with respect to that individual assumption. All assumptions shall presume that the plan will continue in effect in the absence of evidence that it will not continue. Actuarial assumptions reflect the time value of money (discount rate) and the probability of payment (assumptions as to mortality, turnover, early retirement, and so forth). Assumptions shall be determined at the plan level.

Settlements

A settlement is a transaction that results in an irrevocable action that relieves the employer (or the plan) of primary responsibility for a pension or other postretirement benefit obligation, and eliminates significant risks related to the obligation and the assets used to effect the settlement. Examples of transactions that may result in a settlement include:

- Lump sum cash payments in exchange for specified pension benefits
- Annuity contracts purchased to cover vested benefits

The maximum gain or loss subject to recognition in earnings when a pension obligation is settled is the net gain or loss remaining in accumulated other comprehensive income plus any transition asset remaining in accumulated other comprehensive income. That maximum amount includes any gain or loss first measured at the time of settlement. The maximum amount shall be recognized in earnings if the entire projected benefit obligation is settled. If only part of the projected benefit obligation is settled, the employer shall recognize in earnings a pro rata portion of the maximum amount equal to the percentage reduction in the projected benefit obligation.

Plan assets and the projected benefit obligation shall be measured as of the date the settlement occurs (that is, as of the date that the criteria for a settlement are met and settlement accounting becomes appropriate, see following paragraph) to determine the maximum gain or loss subject to pro rata recognition in earnings and the percentage reduction in the projected benefit obligation.

Recognition in earnings of gains or losses from settlements is required if the cost of all settlements during a year is greater than the sum of the service cost and interest cost components of net periodic pension cost for the pension plan for the year. However, if the cost of all settlements in a year is less than or equal to the sum of the service cost and interest cost components of net periodic pension cost for the plan for the year, gain or loss recognition in earnings is permitted but not required for those



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settlements. The accounting policy adopted for recognition in earnings of gains or losses from settlements shall be applied consistently from year to year.

Curtailments

A curtailment is an event that significantly reduces the expected years of future service of present employees or eliminates for a significant number of employees the accrual of defined benefits for all or some of their future service.

The prior service cost included in accumulated other comprehensive income associated with years of service no longer expected to be rendered as the result of a curtailment is a loss. For example, if a curtailment eliminates half of the estimated remaining future years of service of those who were employed at the date of a prior plan amendment and were expected to receive benefits under the plan, then the loss associated with the curtailment is half of the prior service cost included in accumulated other comprehensive income related to that amendment that has not been amortized as a component of net periodic pension cost. For purposes of applying the provisions of this paragraph, prior service cost includes the cost of retroactive plan amendments and any transition obligation remaining in accumulated other comprehensive income.

The projected benefit obligation, exclusive of increases that reflect termination benefits that are excluded from the scope of this paragraph, may be decreased (a gain) or increased (a loss) by a curtailment. To the extent that such a gain exceeds any net loss included in accumulated other comprehensive income (or the entire gain, if a net gain exists), it is a curtailment gain. To the extent that such a loss exceeds any net gain included in accumulated other comprehensive income (or the entire loss, if a net loss exists), it is a curtailment loss. For purposes of applying the provisions of this paragraph, any transition asset remaining in accumulated other comprehensive income shall be treated as a net gain and shall be combined with the net gain or loss arising thereafter.

A net curtailment loss shall be recognized in earnings when it is probable that a curtailment will occur and the loss is reasonably estimable. A net curtailment gain shall be recognized in earnings when the related employees terminate or the plan suspension or amendment is adopted.

Capitalization

The guidance in ASC 330-10-30 states that other employee benefit costs may be included as an inventory cost. This is analogous to Gas Plan Instructions included in Part 201 of the Code of Federal Regulations states "The cost of construction property includable in the gas plant accounts shall include, where applicable, direct and overhead costs, including pay and expenses of employees of the utility engaged on construction work."

Disclosures

See Appendix IV.

Defined Contribution Plans

To the extent a plan's defined contributions to an individual's account are to be made for periods in which that individual renders services, the net pension or other postretirement benefit cost for a period shall be the contribution called for in that period. If a plan calls for contributions for periods after an individual retires or terminates, the estimated cost shall be accrued during the employee's service period.

An employer shall disclose the amount of cost recognized for defined contribution pension plans and for other defined contribution postretirement benefit plans for all periods presented separately from the amount of cost recognized for defined benefit plans. The disclosures shall include a description of the



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nature and effect of any significant changes during the period affecting comparability, such as a change in the rate of employer contributions, a business combination, or a divestiture.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

The following is the guidance relating to pension benefits as they apply to rate-regulated entities:

Postretirement Pension Cost (ASC 980-715-25) A rate-regulated entity shall recognize a regulatory asset for the difference between ASC 715 costs and costs included in the entity's rates if the entity does both of the following:

- Determines that it is probable that future revenue in an amount at least equal to the deferred cost (regulatory asset) will be recovered in rates
- Meets all of the following criteria:
 - i. The rate-regulated entity's regulator has issued a rate order or issued a policy statement or a generic order applicable to entities within the regulator's jurisdiction that allows both for the deferral of ASC 715 costs and for the subsequent inclusion of those deferred costs in the entity's rates.
 - ii. The annual ASC 715 costs (including amortization of the transition obligation) will be included in rates within approximately five years from the date of adoption of that ASC 715. The change to full accrual accounting may take place in steps, but the period for deferring additional amounts shall not exceed approximately five years.
 - iii. The combined deferral-recovery period authorized by the regulator for the regulatory asset shall not exceed approximately 20 years from the date of adoption of ASC 715. To the extent that the regulator imposes a deferral-recovery period for those costs provided for in ASC 715 greater than approximately 20 years, any proportionate amount of such costs not recoverable within approximately 20 years shall not be recognized as a regulatory asset.
 - iv. The percentage increase in rates scheduled under the regulatory recovery plan for each future year shall be no greater than the percentage increase in rates scheduled under the plan for each immediately preceding year. This criterion is similar to that required for phase-in plans. Recovery of the regulatory asset in rates on a straight-line basis would meet this criterion.

Examples of Pension and OPEB applicable regulatory treatment could include, but are not limited to, the following:

- Cash basis reporting – where expense is recognized when the plans are funded, therefore the timing of the expense/income accrual is deferred to a regulatory asset/liability
- Regulatory Trackers – where expense/income is deferred to a regulatory asset/liability with the income statement recognition corresponding with the recovery in revenue
- Adoption of new accounting standard – where regulatory treatment is required or approved by the regulator



Accounting Policy

Issue date: 3/10/15

Prepared by: Diana Beil

Approved by:

Reference No.

Subject: Accounting for Pension and OPEB Plans

V. NISOURCE APPLICATION

NiSource has several defined benefit pension and postretirement plans as well as defined contribution plans which must be accounted for in accordance with the guidance set forth above.

Actuarial Calculation and Financial Reporting

NiSource utilizes Aon Hewitt (Hewitt) as the Company's third-party actuary for the purpose of performing the actuarial analysis of the Company's defined benefit plans. Hewitt provides the Company with a measurement of its benefit plan obligation and plan assets as of December 31 each year as required by guidance documented above. Hewitt provides the measurement results in early to mid-January, which is used by the Company to adjust its balance sheet. Note, Hewitt calculates the PBO/APBO of each benefit plan on a plan by plan basis, as well as a by company basis. Plan assets are allocated by Hewitt to each company within each plan using a methodology established through consultation with the Company.

In performing the annual measurement, Hewitt uses several assumptions including discount rates, rate of compensation increases, expected long-term rate of return on plan assets, retirement age of plan participants and mortality rates. Each December a planning meeting is held with Hewitt, members of the NiSource Accounting Research and Reporting Department and the NiSource Treasury Department to review and conclude on assumptions to be used.

The Treasury Department is responsible for determining the expected long-term rate of return on plan assets. This is done by reviewing the actual long-term returns of its net assets, long-term historical averages for passive indices of various asset classes, and forward looking estimated long term returns of various asset classes used in the Company's investment strategy. The preliminary results of this analysis are reviewed with Aon Hewitt at the planning meeting to ensure it is within their company guidelines.

The discount rates are derived, consistently each year, using the Aon Hewitt AA Above Median yield curve and expected cash flows for each NiSource plan. This methodology is reviewed each year at the planning meeting. Final discount rates are provided by Hewitt and approved by the Company's Chief Accounting Officer.

Assumptions regarding mortality, retirement age of participants, etc. are discussed at the planning meeting and formulated in accordance with accounting guidance documented above. All assumptions are determined at the plan level and represent the current best estimate at the time of the measurement.

Subsequent to the year-end measurement Hewitt then provides a more detailed actuarial report which contains the information required for the disclosures to be contained in NiSource's 10-K regarding the company's defined benefit pension and other postretirement plans.

NiSource reviews quarterly activity with Hewitt to identify any potential plan settlements or curtailments and the need for additional accounting. Once it is determined to be probable that a plan will exceed the settlement threshold for the year, a settlement charge will be recognized for the portion of the liability settled. In addition, a full re-measurement of the plan's benefit obligation and plan assets will be completed. At least quarterly, subsequent to the initial settlement charge, NiSource will recognize a settlement charge for additional material settlements from the plan. An analysis will then be performed to determine the need for a full re-measurement based on materiality.



Accounting Policy

Issue date: 3/10/15

Prepared by: Diana Beil

Approved by:

Reference No.

Subject: Accounting for Pension and OPEB Plans

NiSource also accounts for its defined contribution plans in accordance with the guidance set forth above and monitors the activity of the plans to determine whether the administration of the plans requires any additional disclosures each accounting period. It should be noted that accounting for defined contribution plans does not require an actuarial calculation as all investment risk resides with the employee/retiree. As such, NiSource records liabilities for employer contributions to its defined contribution plans in the same manner as for other payroll accruals.

VI. AUTHORITY AND RESPONSIBILITY

Formulation of the key assumptions to be used in the actuarial determination of the funded status of each NiSource defined benefit plan is the responsibility of the Accounting Research and Reporting Department, along with input from the Treasury and Finance group.

Accounting Research and Reporting is also responsible for interpreting the information provided by Hewitt and formulating Controller's Letters when accounting entries/adjustments are necessary. In addition to the Controller's Letter for the year-end measurement results discussed, there is a Controller's Letter each year which contains the appropriate entries to be recorded for pension/OPEB expense. This Controller's Letter is generally sent out once a year in January unless a remeasurement of the plan liability/asset is performed during an interim period, at which time an adjusted expense Controller's Letter is issued. See Appendix III for an example Controller's Letter.

Accounting Research and Reporting also performs a quarterly reconciliation of pension/OPEB expense and of the asset/liability for each defined benefit plan, by company. See Appendix II for an example of this reconciliation.

Business Unit Controller's are ultimately responsible for the accuracy of the entries related to pension and OPEB accounting.

Corporate Accounting is responsible for recording the entries related to NiSource's defined contribution plans in accordance with the accounting literature above.

Accounting Research and Reporting is responsible for ensuring the required disclosures are included within the appropriate SEC filings.

VII. APPENDICES

Appendix I – Key Terms Defined

Appendix II – Example Pension/OPEB Expense reconciliation

Appendix III – Example Controller's Letter

Appendix IV – Disclosure Requirements

Appendix I: Key Terms Defined

- **Accumulated Benefit Obligation (ABO)** – The actuarial present value of pension benefits attributed by the pension benefit formula to employee service rendered before a specified date.
- **Accumulated Postretirement Benefit Obligation (APBO)** – The actuarial present value of OPEB benefits attributed by the OPEB benefit formula to employee service rendered before a specified date.
- **Corridor Method** – Method utilized for amortizing the net gain/loss each period related to pension benefits. The amount of amortization to be recognized in net periodic pension cost for a given year is the gain/loss that exceeds 10% of the greater of the **projected benefit obligation** and the value of plan assets. If required, the minimum amortization is equal to the excess of the gain/loss over 10% of either the projected benefit obligation or value of plan assets, divided by the average remaining service period of active employees receiving benefits under the plan. If nearly all participants in a plan are inactive, average remaining life expectancy may be used instead of the average remaining service period.
- **Curtailment** – An event that significantly reduces the expected years of future service of present employees or eliminates for a significant number of employees the accrual of defined benefits for some or all of their future services.
- **Defined Benefit Plan** – A plan that defines an amount of pension benefit to be provided which is usually a function of one or more factors such as age, years of service, or compensation.
- **Defined Contribution Plan** – A plan in which the amount of the employer's contribution is specified. Individual accounts are generally set-up for participants and benefits are based on the amounts credited to these accounts through both employer and often employee contributions.
- **Discount Rate** – The discount rate used in the actuarial calculation should reflect the rates at which pension benefits could be effectively settled. Employers should look to available information about rates implicit in current prices of annuity contracts that could be used to effectively settle the obligation. Employers may also look to rates of return on high-quality fixed-income investments currently available and expected to be available in the period to maturity of the pension benefits.
- **Expected Long-Term Rate of Return on Plan Assets** – This assumption is used in the actuarial calculation of **net periodic benefit cost** and should reflect the average rate of earnings expected on the funds to be invested to provide for the benefits included in the **projected benefit obligation**.
- **Funded Status** – A plan is considered to be underfunded when the benefit obligation is greater than the plan assets, while a plan is considered overfunded when the plan assets are greater than the benefit obligation.
- **Gains/Losses** – These consist of changes in the **projected benefit obligation** or plan assets resulting from experience different than anticipated or changes in actuarial

assumptions. These amounts are recorded initially in accumulated other comprehensive income and amortized using the 10% **corridor method** defined above.

- **Interest Cost** – Interest on the **projected benefit obligation**, which is a discounted amount. Measuring the projected benefit obligation as a present value requires accrual of an interest cost at rates equal to the assumed discount rate.
- **Net Periodic Benefit Cost** – The amount recognized in an employer’s financial statements as the cost of a pension or OPEB plan for a period. Components of net periodic benefit cost are **service cost**, **interest cost**, actual return on plan assets, **gain or loss**, amortization of unrecognized **prior service cost**, and amortization of the unrecognized **transition obligation**.
- **Other Postretirement Benefit Plans (OPEB Plans)** – A plan that provides for benefits other than pensions, such as medical or life insurance benefits.
- **Prior Service Cost** – Costs created by the adoption of a new plan and/or plan amendments. Plan amendments often include provisions that grant increased benefits based on service rendered in prior periods. This amount is recorded in accumulated other comprehensive income and amortized over the remaining service period of the employees receiving the benefits. If most a plan’s participants are inactive, the amount may be amortized over the remaining life expectancy of the participants instead.
- **Project Benefit Obligation (PBO)** – The actuarial present value as of a date of all benefits attributed by the benefit formula to employee service rendered prior to that date. The PBO is measured using an assumption as to future compensation levels if the benefit formula is based on those future compensation levels.
- **Service Cost** – The actuarial present value of benefits attributed by the plan’s benefit formula to services rendered by employees during the period.
- **Settlement** – An irrevocable action that relieves the employer (or the plan) of primary responsibility for a pension or postretirement benefit obligation, and eliminates significant risks related to the obligation and the assets used to effect the settlement.
- **Transition Obligation** – The amount recorded in accumulated other comprehensive income related to the adoption of SFAS 87. These amounts are amortized out of accumulated other comprehensive income over the average remaining service period of the employees receiving benefits in a particular plan.

Pension Expense Testing
12/31/09

1.00

Annual Expense per Controller's Letter	CL #8 2009 Exp	Pension Expense Per Hyperion Acct. #606000000 12/31/2009	Variance	Pension Restoration Pymt	Regulatory Asset/Liability (cash basis)	Cash Contributions Cash Basis	Reduction Due to Restructuring	Variance	Reconciliation Provided By:	1) ACTUAL QUALIFIED CASH CONTRIBUTION PAYMENT MADE IN AUGUST 2009 AS A REDUCTION TO THE 131015182
NSI058.PADJ	50,286	50,286	-							
NCS012.PADJ	17,163,669	17,163,669	(8)					(8)		
NET078.PADJ	128,724	128,724	-					-		
NIPSCO	60,870,709	60,870,709	(460,798)				456,302	(4,496)	Shirley Rippy	
BSG066.PADJ	8,145,972	8,145,972	-					-		
NUR218.PADJ	485,293	485,293	-					-		
PRIMCON_C	101,135	101,135	1					1		
CRD044.PADJ	15,024	15,024	-					-		
EUSACONS	341,150	341,150	-					-		
KGL064.PADJ	417,247	417,247	10					10		
NIFLCONS	414,872	414,872	563					563	pass	
CEG011.PADJ	1,585,503	1,585,503	-					-		
REM054.PADJ	-	-	25					25		
CGT014.PADJ/G										
TS082.PADJ	2,555,738	2,555,738	(2,046,939)	(489,449)	2,555,738	(19,350)		-	G. Shoemaker	
CKY032.PADJ	1,313,813	1,313,813	39,167	(39,167)				-	J. Eing	
COHCONS	11,321,580	11,321,580	1,051,731		(1,051,731)			-	J. Eing	
CMD035.PADJ	375,201	375,201	-					-		
CES015.PADJ	119,835	119,835	-					-		
CVA038.PADJ	1,874,596	1,874,596	-					-		
TCO051.PADJ	14,702,814	14,702,814	(11,608,549)	(3,001,329)	14,702,814	(78,994)		13,942	G. Shoemaker	
CPA037.PADJ	4,980,713	4,980,713	(4,017,672)		4,980,713	(963,041)		-	J. Eing	
CMW057.PADJ	29,416	29,416	-					-		
Total	126,993,290	126,993,290	(17,042,469)	(3,529,945)	21,187,534	(1,061,385)	456,302	10,037		

Notes>

**3) ACTUAL
 QUALIFIED CASH
 CONTRIBUTION
 PAYMENT MADE IN
 AUGUST 2009 AS A
 REDUCTION TO THE
 131015182**

NiSource Inc.
Annual 2015 Expense With 12/31/2014 Measurement Date

	DR (CR) PENSION EXPENSE (1)		DR (CR) PENSION EXPENSE (1)		Pension Total
	Pension Expense acct #:	606000000 *	Pension Expense acct #:	606000000 *	
	OFFSET - PENSION LIABILITY OR ASSET (2)		OFFSET - ACCUM OCI OR OCI REG ASSET (3)		
	Qualified Pension	Nonqualified Pension	Qualified Pension	Nonqualified Pension	
NiSource Gas Distribution					
Columbia Gas of Kentucky	(544,298)	4,037	620,116	709	80,564
Columbia Gas of Ohio	(5,474,262)	5,252	5,565,614	3,370	99,974
Columbia Gas of Maryland	(137,116)	0	202,914	0	65,798
Columbia Gas of Pennsylvania	(1,973,465)	6,556	2,357,164	455	390,710
Columbia Gas of Virginia	(623,351)	8,441	931,513	1,327	317,930
Columbia Gas of Massachusetts	(1,928,286)	108,846	4,282,833	98,160	2,561,553
NIPSCO	(26,120,224)	36,338	33,618,189	5,903	7,540,206
CPG					
Columbia Gas Transmission	(6,058,918)	80,994	6,092,048	15,438	129,562
Columbia Gulf Transmission	(749,605)	2,170	447,332	1,393	(298,710)
Columbia Pipeline Group Service Co	(133,339)	22,254	591,106	11,290	491,311
Crossroads Pipeline	1,013	0	2,916	0	3,929
Columbia Midstream Services LLC	29,785	16,191	24,308	1,412	71,696
Corp/Other					
Company 12	(2,705,115)	1,951,281	6,059,959	744,510	6,050,635
CNS Microwave	4,296	0	5,005	0	9,301
Primary Energy	(20,672)	0	16,400	0	(4,272)
Energy Technology	(33,253)	0	27,281	0	(5,972)
NiSource Divested	(264,435)	211	231,479	136	(32,609)
Columbia Divested	(1,831,690)	5,334	1,061,751	3,419	(761,186)
Grand Total	(48,562,935)	2,247,905	62,137,928	887,522	16,710,420

	DR (CR) OPEB EXPENSE (1)		DR (CR) OPEB EXPENSE (1)		OPEB Total
	OPEB Expense acct #:	602020000 *	OPEB Expense acct #:	602020000 *	
	OFFSET - OPEB LIABILITY OR ASSET (4)		OFFSET - ACCUM OCI OR OCI REG ASSET (5)		
	Retiree Medical	Retiree Life Insurance	Retiree Medical	Retiree Life Insurance	
	(42,400)	(86,061)	(15,371)	20,403	(123,429)
	(3,434,444)	(675,548)	164,277	168,048	(3,777,667)
	(41,324)	(10,593)	1,098	6,241	(44,578)
	(1,128,608)	(152,000)	30,288	47,834	(1,202,486)
	34,519	(56,646)	(11,315)	22,061	(11,381)
	(1,171,784)	92,456	645,046	28,591	(405,691)
	14,179,667	1,557,501	(1,434,874)	155,800	14,458,094
	(11,378,231)	(748,779)	16,499	185,622	(11,924,889)
	(43,795)	(146,896)	(153,049)	31,134	(312,606)
	190,306	(15,782)	29,398	10,042	213,964
	1,431	463	(138)	167	1,923
	13,246	2,478	2,340	614	18,678
	1,084,784	16,726	272,143	84,309	1,457,962
	4,490	459	542	451	5,942
	21,226	4,434	3,796	937	30,393
	5,838	927	1,843	(745)	7,863
	(385,998)	13,413	(740,356)	1,321	(1,111,620)
	(199,071)	(161,908)	(859,790)	32,058	(1,188,711)
	(2,290,148)	(365,356)	(2,047,623)	794,888	(3,908,239)

* Some companies may be able to collect these charges and therefore will charge the expense to a regulatory asset account.
(1) If the below amount is positive it will be a debit to expense, if the below amount is negative it will be a credit to expense
(2) If the entity's balance sheet contains a pension liability balance use the pension liability account for the offset, if the entity's balance sheet contains a pension asset balance use the pension asset account for the offset.
(3) If the entity's has an AOCI balance on it's balance sheet due to the SFAS 158 entries, use the Accum. OCI *Transfers* -Pension account for the offset, if the entity has a OCI regulatory asset/liability on it's balance sheet due to the SFAS 158 entries, use the FAS 158 Pension OCI Regulatory Asset/Liability account for the offset.
(4) If the entity's balance sheet contains an OPEB liability balance use the OPEB liability account for the offset, if the entity's balance sheet contains an OPEB asset balance use the OPEB asset account for the offset.
(5) If the entity's has an AOCI balance on it's balance sheet due to the SFAS 158 entries, use the Accum. OCI *Transfers* -OPEB account for the offset, if the entity has a OCI regulatory asset/liability on it's balance sheet due to the SFAS 158 entries, use the FAS 158 OPEB OCI Regulatory Asset/Liability account for the offset.

Appendix IV: Disclosures for Defined Benefit Plans (ASC 715-20-50)

An employer that sponsors one or more defined benefit pension plans or one or more defined benefit other postretirement plans shall provide the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed for each period for which a statement of income is presented. Amounts related to the employer's statement of financial position shall be disclosed as of the date of each statement of financial position presented. All of the following shall be disclosed:

a. A reconciliation of beginning and ending balances of the benefit obligation showing separately, if applicable, the effects during the period attributable to each of the following:

1. Service cost
2. Interest cost
3. Contributions by plan participants
4. Actuarial gains and losses
5. Foreign currency exchange rate changes
6. Benefits paid
7. Plan amendments
8. Business combinations
9. Divestitures
10. Curtailments, settlements, and special and contractual termination benefits.

For defined benefit pension plans, the benefit obligation is the projected benefit obligation. For defined benefit other postretirement plans, the benefit obligation is the accumulated postretirement benefit obligation.

b. A reconciliation of beginning and ending balances of the fair value of plan assets showing separately, if applicable, the effects during the period attributable to each of the following:

1. Actual return on plan assets
2. Foreign currency exchange rate changes
3. Contributions by the employer
4. Contributions by plan participants
5. Benefits paid
6. Business combinations
7. Divestitures
8. Settlements.

c. The funded status of the plans and the amounts recognized in the statement of financial position, showing separately the assets and current and noncurrent liabilities recognized.

d. The following information about plan assets:

1. For each major category of plan assets, which shall include, but is not limited to equities, securities, debt securities, real estate, and all other assets, the percentage of the fair value of total plan assets held as of the measurement date used for each statement of financial position presented
 2. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages for each major category of plan assets presented on a weighted-average basis as of the measurement date(s) of the latest statement of financial position presented, if applicable, and other factors that are pertinent to an understanding of the policies or strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations
 3. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined
 4. Disclosure of additional asset categories and additional information about specific assets within a category is encouraged if that information is expected to be useful in understanding the risks associated with each asset category and the overall expected long-term rate of return on assets.
- e. For defined benefit pension plans, the accumulated benefit obligation.
- f. The benefits (as of the date of the latest statement of financial position presented) expected to be paid in each of the next five fiscal years, and in the aggregate for the five fiscal years thereafter. The expected benefits shall be estimated based on the same assumptions used to measure the entity's benefit obligation at the end of the year and shall include benefits attributable to estimated future employee service.
- g. The employer's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the next fiscal year beginning after the date of the latest statement of financial position presented. Estimated contributions may be presented in the aggregate combining all of the following:
1. Contributions required by funding regulations or laws
 2. Discretionary contributions
 3. Noncash contributions.
- h. The amount of net benefit cost recognized, showing separately all of the following:
1. The service cost component
 2. The interest cost component
 3. The expected return on plan assets for the period
 4. The gain or loss component
 5. The prior service cost or credit component
 6. The transition asset or obligation component
 7. The gain or loss recognized due to settlements or curtailments.
- i. Separately the net gain or loss and net prior service cost or credit recognized in other comprehensive income for the period, and reclassification adjustments of other comprehensive income for the period, as those amounts, including amortization of the net transition asset or obligation, are recognized as components of net periodic benefit cost.

- j. The amounts in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit cost, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.
- k. On a weighted-average basis, all of the following assumptions used in the accounting for the plans, specifying in a tabular format, the assumptions used to determine the benefit obligation and the assumptions used to determine net benefit cost:
1. Assumed discount rates
 2. Rates of compensation increase (for pay-related plans)
 3. Expected long-term rates of return on plan assets.
- l. The assumed health care cost trend rate(s) for the next year used to measure the expected cost of benefits covered by the plan (gross eligible charges), and a general description of the direction and pattern of change in the assumed trend rates thereafter, together with the ultimate trend rate(s) and when that rate is expected to be achieved.
- m. The effect of a one-percentage-point increase and the effect of a one-percentage-point decrease in the assumed health care cost trend rates on the aggregate of the service and interest cost components of net periodic postretirement health care benefit costs and the accumulated postretirement benefit obligation for health care benefits. Measuring the sensitivity of the accumulated postretirement benefit obligation and the combined service and interest cost components to a change in the assumed health care cost trend rates requires remeasuring the accumulated postretirement benefit obligation as of the beginning and end of the year. (For purposes of this disclosure, all other assumptions shall be held constant, and the effects shall be measured based on the substantive plan that is the basis for the accounting.)
- n. If applicable, the amounts and types of securities of the employer and related parties included in plan assets, the approximate amount of future annual benefits of plan participants covered by insurance contracts, including annuity contracts issued by the employer or related parties, and any significant transactions between the employer or related parties and the plan during the period.
- o. If applicable, any alternative method used to amortize prior service amounts or net gains and losses.
- p. If applicable, any substantive commitment, such as past practice or a history of regular benefit increases, used as the basis for accounting for the benefit obligation.
- q. If applicable, the cost of providing special or contractual termination benefits recognized during the period and a description of the nature of the event.
- r. An explanation of any significant change in the benefit obligation or plan assets not otherwise apparent in the other disclosures required by the accounting guidance.
- s. The amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the fiscal year that follows the most recent annual statement of financial position presented, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.
- t. The amount and timing of any plan assets expected to be returned to the employer during the 12-month period, or operating cycle if longer, that follows the most recent annual statement of financial position presented.

The required disclosures outlined above shall be aggregated for all of an employer's defined benefit pension plans and for all of an employer's other defined benefit postretirement plans unless disaggregating in groups is considered to provide useful information.

Disclosures about pension plans with assets in excess of the accumulated benefit obligation generally may be aggregated with disclosures about pension plans with accumulated benefit obligations in excess of assets. The same aggregation is permitted for other postretirement benefit plans. If aggregate disclosures are presented, an employer shall disclose both of the following:

- a. The aggregate benefit obligation and aggregate fair value of plan assets for plans with benefit obligations in excess of plan assets as of the measurement date of each statement of financial position presented

- b. The aggregate pension accumulated benefit obligation and aggregate fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets.



Issue Date: January 13, 2014
Preparer: Diana Baldwin
Approver: Nick Drew

I. INTRODUCTION

This policy provides guidelines related to the proper accounting for the employer portion of medical, dental and life insurance premiums offered as nonretirement postemployment benefits under NiSource's long-term disability plan.

II. SCOPE

This policy applies to all NiSource companies offering long-term disability benefits.

III. GAAP GUIDANCE

Recognition and Measurement of Nonretirement Postemployment Benefits

ASC 712-10-25-5 states that other postemployment benefits that are in the scope ASC 712 but do not meet the conditions in paragraph 710-10-25-1 should be accounted for in accordance with paragraph 450-20-25-2.

ASC 710-10-25-1 requires accrual of a liability if the following conditions are met:

- a. The employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- b. The obligation relates to rights that vest or accumulate. Vested rights are those for which the employer has an obligation to make payment even if an employee terminates; thus, they are not contingent on an employee's future service. Accumulate means that earned but unused rights to compensated absences may be carried forward to one or more periods subsequent to that in which they are earned, even though there may be a limit to the amount that can be carried forward.
- c. Payment of the compensation is probable.
- d. The amount can be reasonably estimated.

ASC 710-10-25-1(b) is not met as LTD benefits do not vest or accumulate – eligible employees are eligible for LTD benefits on their first day of employment. Accordingly, other postemployment benefits shall be accounted for in accordance with ASC 450-20-25-2.

ASC 450-20-25-2 requires accrual of a liability if both of the following conditions are met:

- a. Information available before the financial statements are issued or are available to be issued indicates that it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements.
- b. The amount of the loss can be reasonably estimated.

450-20-15 (Q&A 04) — Application of ASC 450 to Postemployment Benefit Arrangements

ASC 712-10-25-5 requires that certain postemployment benefits attributable to prior service, but that do not vest or accumulate, be accounted for in accordance with ASC 450-20-25-2.

Question

How should the liability recognition principles of ASC 450-20-25-2 be applied to postemployment benefit arrangements?

Answer

NiSource™

Accounting Policy

Certain postemployment benefits are attributable to prior service but do not vest or accumulate. For example, two weeks of workers' compensation benefits may be available to company employees in the event of a disability. Additional years of service do not result in an increased workers' compensation benefit. This type of non-vesting and non-accumulating postemployment benefit plan is accounted for in accordance with ASC 450-20-25-2. **Once the event giving rise to the liability occurs (i.e., an employee is injured, entitling the employee to disability benefits), the associated stream of future cash flows is accrued.** In contrast, ASC 712-10-25-4 requires postemployment benefits that vest or accumulate to be accrued as service is performed.

Per the Q&A above, once an employee is disabled, NiSource's obligation for all future expected losses shall be accrued.

450-20-30 (Q&A 03) — Selection of an Appropriate Discount Rate

Question

What discount rate should an SEC registrant use to measure a contingent liability under ASC 450-20 that qualifies for discounting?

Answer

If a liability qualifies for discounting, ASC 835-30 does not dictate the interest rate that should be used. However, ASC 835-30-10-1 and ASC 835-30-25-13 provide the following guidance: The objective of the guidance in this Subtopic is to approximate the rate for a note that would have resulted if an independent borrower and an independent lender had negotiated a similar transaction under comparable terms and conditions with the option to pay the cash price upon purchase or to give a note for the amount of the purchase that bears the prevailing rate of interest to maturity. . . .

The selection of a rate may be affected by many considerations. For instance, where applicable, the choice of a rate may be influenced by the following:

- a. An approximation of the prevailing market rates for the source of credit that would provide a market for sale or assignment of the note
- b. The prime or higher rate for notes that are discounted with banks, giving due weight to the credit standing of the maker
- c. Published market rates for similar-quality bonds
- d. Current rates for debentures with substantially identical terms and risks that are traded in open markets
- e. The current rate charged by investors for first or second mortgage loans on similar property.

SEC Staff Accounting Bulletin Topic 5.Y, "Accounting and Disclosures Relating to Loss Contingencies," states that the discount "rate used to discount the cash payments should be the rate that will produce an amount at which the . . . liability could be settled in an arm's-length transaction with a third party. . . . **[T]he discount rate used to discount the cash payments should not exceed the interest rate on monetary assets that are essentially risk free and have maturities comparable to that of the . . . liability"** (footnote omitted). Discount rates based on the registrant's incremental cost of capital, incremental borrowing rate, or investment portfolio yields are not appropriate. In most cases, it will be difficult for an SEC registrant to justify a discount rate higher than the risk-free rate because market transactions are rarely available. This guidance should be applied by SEC registrants in their selection of an appropriate discount rate for all contingent liabilities.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

NiSource™ Accounting Policy

To the extent nonretirement postemployment benefit costs are recoverable through an approved rate order, such costs may be deferred as a regulatory asset. As regulatory treatment for benefit costs varies by company / jurisdiction, such determinations will be the responsibility of the legal / regulatory departments of the impacted company.

V. NISOURCE APPLICATION

LTD benefits come in the form of salary continuation to disabled employees (typically 50% of pre-disability salary). Payment of such LTD claims is shared by NICI and third-party insurers. Reserves for such benefits are accounted for on NICI's financial statements and are not within the scope of this policy.

This policy relates to NiSource's obligation to provide medical, dental and life insurance benefits ("benefits") to employees qualifying for long-term disability. Employees are eligible for benefits on the first day of employment. An employee must have coverage through the NiSource benefits program prior to being on long-term disability in order to receive benefits. Once on long-term disability, the individual is eligible for benefits until age 65.

Once a year, NiSource re-evaluates the accrual for the employer portion of long-term disability premiums. This is done using a listing of individuals currently on long-term disability (as of October 31st), and estimating a current and non-current liability for premiums to be paid. In order to determine the amount of the liability, four assumptions are used; the average length of time an individual is on long-term disability ("LTD term"), health care trend (i.e. inflation rate), a discount rate and the average employer costs of the next year's premiums. The LTD term is computed by querying PeopleSoft for all individuals who have ever been on long-term disability, calculating the length of time each individual was on long-term disability and determining an average. This information is obtained from Human Resources. The health care trend is obtained from the prior year-end actuarial report from Aon Hewitt for NiSource's postretirement medical plans. The US Treasury rate (the proxy used for the risk-free rate) most recently published by the Federal Reserve is used for the discount rate. An overall average cost is calculated using the next year's premiums (obtained from HR benefits via Aon Hewitt) for each person currently on long-term disability. An average cost is calculated for both medical and dental coverage.

Once the assumptions above have been determined, a count of individuals by company and by age on long-term disability is summarized. For each company, the number of LTD beneficiaries is multiplied by the average cost (adjusted for expected inflation trends) for each year on average an individual is on long-term disability and then discounted using a risk-free interest rate.

The updated current and non-current liability is compared to the prior year liability balances and an adjustment is recorded by the NiSource subsidiaries. The expense is recorded throughout the year as benefits are paid out and the liability is only adjusted once a year. In practice, this is reasonable as the adjustments are generally immaterial and the subsidiaries at any point have an average 12 months recorded to the current liability and a non-current liability of estimated benefits to be paid over average length of time an individual is on long-term disability.

VI. AUTHORITY AND RESPONSIBILITY

Responsibility – NiSource Benefits Department is responsible for providing a listing of individuals currently on long-term disability as well as premium amounts for the next year. This information is provided by the third-party benefit administrator, Aon Hewitt, and then reviewed by NiSource Benefits Department prior to information being received by Accounting Research. Accounting Research is responsible for using data provided by NiSource Benefits Department to calculate the current and non-current liability to be recorded by the NiSource subsidiaries.

Reviewer – Lead Analyst – Accounting Research calculates the current and non-current liability using the steps documented above.



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Accounting Policy

Approver – Manager of Accounting Research reviews the calculation and distributes to the subsidiaries through a Controller’s Letter.



Accounting Policy

Issue date: 9/28/2010 — Revised March 2015

Prepared by: Nick Bly

Approved by: Tim Bucci

Reference No. 001

Subject: Accounting for Workers Compensation Incurred But Not Reported (IBNR) Claims

I. INTRODUCTION

This policy provides guidelines in determining accounting treatment for the IBNR accrual for workers compensation.

II. SCOPE

Policy is applicable to NiSource Insurance Corporation, Inc. (NICI). The other subsidiary companies do not record an accrual. Subsequent to July 1, 2004, all NiSource companies began paying a premium to NICI for Workers Compensation and do not record an IBNR accrual. The IBNR accrual will only be on NICI's books. Claims relating to an injury prior to July 1, 2004 are immaterial to the financial statements and are expensed as incurred.

III. GAAP GUIDANCE

ASC 450-20 states the treatment of loss contingencies where the underlying causal event has occurred before the balance-sheet date depends on two determinations:

An estimated loss from a loss contingency shall be accrued by a charge to income if both of the following conditions are met:

- a. Information available before the financial statements are issued or are available to be issued indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements. Date of the financial statements means the end of the most recent accounting period for which financial statements are being presented. It is implicit in this condition that it must be probable that one or more future events will occur confirming the fact of the loss.
- b. The amount of loss can be reasonably estimated.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

No regulatory impact.

V. NISOURCE APPLICATION

Expenses related to workers' compensation claims are both probable and estimable based on historical claims data and current trends. Therefore, since NiSource is self-insured for workers' compensation claims in Indiana and Ohio, and insured through large deductible insurance policies in all other states, NiSource books an accrual for incurred but not reported (IBNR) claims in order to record expense in the appropriate period.

NICI tracks claims data by way of a Risk Management Information System (Riskconnect); data is entered via data feeds from the Third Party Plan Administrator. Claims data is provided to an actuary firm that determines the appropriate IBNR accrual based on historical claims data and future estimates.

The IBNR accrual is adjusted yearly, typically a few months prior to year end. The accrual is recorded to account 361100253 'Outstanding Loss Reserves & Loss Claims'. Account 361100253 is comprised of two components, IBNR and specific claims. As additional specific claims are identified throughout the year, the IBNR accrual is decreased as claims incurred but not reported have been reported and are therefore specifically identified. The total reserve balance will not decrease as the adjustment from IBNR to a specific reserve is just a reclassification. The IBNR increases each month based on the actuarial estimate of total claims to be incurred but not reported during the year (i.e. the passage of time results in more incurred but not yet reported claims). The total 'Outstanding Loss Reserves & Loss Claims' will increase if the monthly IBNR accrual exceeds the claims paid during the month, and vice versa.

VI. AUTHORITY AND RESPONSIBILITY

Corporate Insurance is responsible for setting an appropriate IBNR accrual for workers compensation based on the actuarial study.

VII. APPENDICES

N/A



Accounting Policy Guide

Issue date: 12/31/10

Prepared by: Mike Casey/Jeff Eing

Updated: Nick Drew 3/11/15

Approved by:

Reference No.

Subject: Legal Reserve Guidance

I. INTRODUCTION

This document provides guidelines and procedures for the accrual (estimation) of liabilities related to future legal obligations including pay outs for injuries and damages.

II. SCOPE

This policy applies to all NiSource subsidiaries.

III. GAAP GUIDANCE

ASC 450-20 states the treatment of loss contingencies where the underlying causal event has occurred before the balance-sheet date depends on two determinations:

An estimated loss from a loss contingency shall be accrued by a charge to income if both of the following conditions are met:

- a. Information available before the financial statements are issued or are available to be issued indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements. Date of the financial statements means the end of the most recent accounting period for which financial statements are being presented. It is implicit in this condition that it must be probable that one or more future events will occur confirming the fact of the loss.
- b. The amount of loss can be reasonably estimated.

Assessing Probability of Incurrence of a Loss

The conditions in the preceding paragraph are not intended to be so rigid that they require virtual certainty before a loss is accrued. Instead, the condition in (a) in the preceding paragraph is intended to prescribe accrual of losses that relate to future periods.

Assessing Whether a Loss Is Reasonably Estimable

The condition is intended to prevent accrual in the financial statements of amounts so uncertain as to impair the integrity of those statements.

That requirement shall not delay accrual of a loss until only a single amount can be reasonably estimated. To the contrary, when the condition is met and information available indicates that the estimated amount of loss is within a range of amounts, it follows that some amount of loss has occurred and can be reasonably estimated.

If a loss cannot be accrued in the period when it is probable that an asset had been impaired or a liability had been incurred because the amount of loss cannot be reasonably estimated, the loss shall be charged to the income of the period in which the loss can be reasonably estimated and shall not be charged retroactively to an earlier period. All estimated losses for loss contingencies shall be charged to income rather than charging some to income and others to retained earnings as prior period adjustments.

Disclosure

Disclosure of the nature of an accrual made and in some circumstances the amount accrued, may be necessary for the financial statements not to be misleading. Terminology used shall be descriptive of



Accounting Policy Guide

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Approved by:

Reference No.

Subject: Legal Reserve Guidance

the nature of the accrual, such as estimated liability or liability of an estimated amount. The term reserve shall not be used for an accrual made for external disclosures, that term is limited to an amount of unidentified or unsegregated assets held or retained for a specific purpose.

The disclosure in the preceding paragraph shall include both of the following:

- a. The nature of the contingency
- b. An estimate of the possible loss or range of loss or a statement that such an estimate cannot be made.

Disclosure of a loss, or a loss contingency, arising after the date of an entity's financial statements but before those financial statements are issued may be necessary to keep the financial statements from being misleading if an accrual is not required.

IV. REGULATORY CONSIDERATIONS (ASC 980)

No regulatory impact.

V. NISOURCE APPLICATION

NiSource recognizes a contingent liability when it is probable that a legal liability has been incurred and the amount of loss can reasonably be estimated. Accounting for contingencies require significant management judgment regarding the estimated probabilities and ranges of exposure to a potential liability. Estimates of the loss and associated probability are made based on the current facts available, including, but not limited to, present laws and regulations. Managements assessment of the contingent liability could change as a result of future events or as more information becomes available.

At a minimum, each quarter legal cases, including cases of injuries and damages, are discussed related to insured and uninsured claims with the Chief Accounting Officer, segment controllers and legal counsel familiar with the cases involved. The appropriate reserve is determined in the meeting for new and previously identified cases based on a discussion of the facts. New reserve amounts and adjustments are recorded quarterly to the contingent liability as necessary. Confidential notes documenting this meeting are on-file in the Controller's office.

Accounting receives from the Corporate Insurance section the NiSource Inc. Controller Summary Report which identifies for each insured claim the company P&L exposure (limited to the self insured retention amount). The reserve amounts are also evaluated on a quarterly basis and adjustments are made to the contingent liability for new or previously identified cases as necessary.

A reserve for legal issues will only be recorded when a loss is evaluated as probable, the amount can be reasonably estimated, and the underlying event occurred prior to the balance sheet date. At the time the estimate is determined, operating expense is charged and legal reserve liability is credited. In the event a legal reserve is for a discontinue operation the expense will follow discontinued operations accounting. Any insurance reimbursement, for which receipt is probable, is recorded as a receivable for the amount in excess of the self insured retention amount.

The Controller Summary Report contains sensitive information and distribution shall be limited to members of the legal department, the Corporate Controller and accounting personnel designated by the Controller.

DISCLOSURES:



Accounting Policy Guide

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Prepared by: Mike Casey/Jeff Eing

Updated: Nick Drew 3/11/15

Approved by:

Reference No.

Subject: Legal Reserve Guidance

If a loss is probable and can be reasonably estimated the nature and in some circumstances the amount accrued must be disclosed if it is deemed material. In addition, the Company discloses potentially material losses that are not accrued because they are not estimable at the time of the loss and the reasons why they were not estimable. NiSource discloses all material contingent legal liabilities in the annual 10-K filing with the SEC. The legal reserve is disclosed as a current or noncurrent liability, as appropriate and included in the Notes to Consolidated Financial Statements.

VI. AUTHORITY AND RESPONSIBILITY

NiSource Legal/Corporate Insurance department is responsible for monitoring and assessing the impact of legal proceedings/insurance claims and communicating the information to the Segment Controller's.

The Segment Controllers are responsible for accruing legal obligations quarterly on the financial statements.

The Financial Reporting Department is responsible for drafting the disclosures required for Legal Liabilities. All of the above is done under the guidance of the Chief Accounting Officer.

VII. APPENDICES

N/A



Issue Date: April 3, 2012 — Revised
March 2015
Preparer: Nick Drew
Approver: Dave Hasson

I. INTRODUCTION

This policy provides guidelines related to the proper accounting for insurance-related reserves.

II. SCOPE

This policy applies to all insurance-related reserves handled by NICI.

III. GAAP GUIDANCE

Recognition and Measurement of Claims Liabilities

ASC 450-20-25-2 requires accrual of a liability if both of the following conditions are met:

1. Information available before the financial statements are issued or are available to be issued indicates that it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements.
2. The amount of the loss can be reasonably estimated.

ASC 450-20 also states if some amount within a range of loss appears at the time to be a better estimate than any other amount within the range, that amount shall be accrued. When no amount within the range is a better estimate than any other amount, however, the minimum amount in the range shall be accrued

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

To the extent insurance reserves are recoverable through an approved rate order, such losses may be deferred as regulatory asset. As regulatory treatment for losses varies by company / jurisdiction, such determinations will be the responsibility of the legal / regulatory departments of the impacted company.

V. NISOURCE APPLICATION

NiSource purchases insurance for various types of coverage including, but not limited to, property, general liability, auto liability, workers compensation, life and long-term disability. Insurance policies are purchased by NiSource affiliates from third party insurance companies. NiSource Insurance Corporation, Inc. (NICI) is a wholly owned subsidiary of NiSource, commonly referred to as a captive insurance company. Its primary purpose is to insure NiSource risk exposures and limit NiSource's total exposure to loss.

Claims are generally reported to NiSource via the NiSource Corporate Insurance claims center. NiSource Corporate Insurance works with the NiSource business units, third party claims administrators and /or insurance adjusters to compile details of the incident and develop estimates of the cost necessary to satisfy the claim. Information flows from third party administrator data systems into the RiskConnect (property, general liability, auto liability, workers compensation) or Prudential (life and long-term disability) databases by either the third party administrator or Corporate Insurance. Third party claims administrators have authority to approve reserves and changes to reserves up to \$25,000. Reserves and changes to reserves above that amount must be approved by NiSource Corporate Insurance.

Annually at October 31st, NICI provides a data dump from their claims systems (Prudential and RiskConnect), and provides it to Milliman, an actuarial firm who applies the known data and uses historical experience and actuarial assumptions to develop a reserve estimate for the year. This estimate includes both case (i.e. known) reserves and IBNR reserves.

Once finalized, the Milliman study is forwarded to NICI's captive manager, Strategic Risk Solutions ("SRS"), who is responsible for the stand-alone accounting function for NICI. SRS records the journal entry necessary to bring NICI's reserve balance in line with the Milliman study. A true up to the Milliman report is recorded at December 31 each year to account for any changes since October 31.

NiSourceTM

Accounting Policy

Monthly, new reports from Prudential and RiskConnect are retrieved by SRS to appropriately classify balances between case reserves, IBNR reserves, and paid reserves. These reports are current for that month's claims activity. Once the accounting for the month is complete, SRS will forward a download of the NICI trial balance to the Accounting Research group for inclusion in the NiSource consolidated financial statements. This upload must occur by workday 5 of the monthly close.

VI. AUTHORITY AND RESPONSIBILITY

Responsibility – Accounting Research is responsible for ensuring the NICI financial files are obtained from SRS and uploaded to HFM in a timely manner for month-end close. The upload process consists of various steps to ensure accuracy, including: tying the uploaded file back to the file received from SRS to ensure consistency, confirmation from SRS that the uploaded balance sheet and income statement agree to SRS's records, and a quarterly reasonableness check of the recorded balances at NICI and the NiSource subsidiaries. Once all checks have been completed, the file is submitted for approval to the Manager of Consolidation Accounting. The Manager of Consolidation Accounting reviews the confirmation from SRS that the uploaded file agrees to the source file provided by SRS, and then promotes the NICI financial statements within HFM where it is consolidated into the NiSource financial statements.

Reviewer – Lead Analyst – Accounting Research reviews the file received from SRS for reasonableness prior to submitting the file into HFM.

Approver – Manager of Consolidation Accounting approves the NICI monthly upload by promoting NIC022 in HFM.

VII. APPENDICES

1. NiSource Insurance Corporation, Inc. – Procedures Manual



NICI Insurance
Company Procedures

NiSource Insurance Corporation, Inc.

Procedures Manual

Prepared By:
Strategic Risk Solutions

Procedures Manual

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Procedures Manual

1 BACKGROUND

Following are detailed operating procedures for NiSource Insurance Company, Inc. (NICI), a Utah domiciled pure captive insurance company which insures risks of NiSource, Inc. (NiSource), its subsidiaries, affiliates and employees.

Strategic Risk Solutions (SRS) manages NICI and provides consultative and analytical services. McGriff, Seibels & Williams (MSW) and AON are the retail brokers and risk management consultants for NICI.

The objective of this document is to provide a detailed explanation of the NICI operation and establish appropriate procedures and controls.

1.1 Business Purpose

NICI is a wholly owned insurance subsidiary of NiSource. NICI was licensed as a pure captive insurance company on June 23, 1996 and began underwriting operations as of July 1, 1996. Effective January 1, 2009, NICI re-domiciled from Bermuda to Utah and consolidated all of its operation within the Utah pure captive structure. Its primary purpose is to insure NiSource risk exposures.

1.2 Mission Statement

1. To insure and underwrite areas of risks critical to and in support of the long-term strategy of NiSource.
2. To arrange “stop-loss” protection for NiSource, to avoid exposing NiSource to unlimited losses.
3. To provide a mechanism to share and distribute risks among the subsidiaries of NiSource, thereby saving substantial premium dollars by retaining risk in NICI rather than purchasing commercial insurance.
4. To exert greater control over the claims management process.
5. To provide budgetary stability of annual premiums to subsidiaries, thereby reducing volatility.
6. To provide flexibility in structuring risk-financing programs to support NiSource’s emerging business needs in the construction environment.
7. To improve management information and control by identifying risk exposures and by developing a formal financial reporting mechanism.

Procedures Manual

8. To control funds that will ultimately be used to pay losses.
9. To provide alternative risk transfer options to support NiSource's financial goals.

1.3 Meeting Minute Policy

SRS will develop meeting minutes for all meetings involving material policy decisions impacting the NICI operations. The NICI meeting minutes will be posted on the NICI extranet in a separate meeting minute file.



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2 NICI ORGANIZATIONAL STRUCTURE AND THIRD PARTY

PROVIDERS

2.1 Parent

NiSource, Inc.
200 Civic Center Drive
Columbus, OH 43215
Contact: Dean Bruno
Tel: 219-682-6104
Contact: Kimberly Cowan
Tel: 219-647-6174

2.2 Insurance Brokers

McGriff, Seibels & Williams
2211 7th Avenue South
Birmingham, AL35233
Contact: Scott Sink, Hilton Berger
Tel: 800-476-2211

Aon Risk Services Southwest, Inc
5555 San Felipe, Suite 1500
Houston, TX 77056
Contact: Kurt M. Tentinger, Joe Klein
Tel: 832-476-6946

RK Harrison Insurance Brokers Limited
One Whittington Avenue
London
EC3V 1LE
United Kingdom
Contact: Angus Pearson
Tel: +44 20 7426 5253

2.3 Captive Manager

Strategic Risk Solutions (West), Inc.
5450 E. High St., Suite 300
Phoenix, AZ 85054
Contacts: Michael O'Malley, Andrew Marson, Trung Khuu
Tel: 781-672-3453 - 480-682-4983

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2.4 Law Firm

Kirton & McConkie
60 E. South Temple, Ste. 1800
Salt Lake City, Utah 84111
Contact: Lorin Barker
Tel: 801-321-4843

2.5 Audit Firm

Deloitte & Touche LLP
City Place I
185 Asylum Street
Hartford, CT 06103-3402
Contact: Julie Unsal
Tel: 860-725-3000

2.6 Investment Manager

McDonnell Investment Management, LLC
Mark J. Giura
1515 W. 22nd St., 11th Floor
Oak Brook, Il. 60523
Tel: 630- 684-8612

2.7 Actuarial Firm

P&C Lines

Milliman
289 Edgewater Drive
Wakefield, MA 01880-6215
Contact: Tony Burke, *FCAS, MAAA*
Tel: 781- 213-6263

Life and LTD

Milliman
80 Lambertson Road
Windsor, CT 06095-2126
Contact: Kathleen E. Ely, *FSA, MAAA*
Tel: 860- 687- 0123

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2.8 Bank – All operating and custodial accounts

Bank: KeyBank NA Utah

ABA #: 124000737

Account Name: NiSource Insurance Corporation, Inc.

Account no.: 449681014097

Ref: Premium Cession

Contact: Tony F. Martin

Tel: 802-660-4477

2.9 Current Policy Issuing Carrier – Property & Casualty

AEGIS Insurance Services, Inc.

1 Meadowlands Plaza

East Rutherford, NJ 07073

Contacts: Kirk Salogiannis

Tel: 201-508-2600

Tel: 201-508-1451

2.10 Current Policy Issuing Carrier - Benefits

Prudential Insurance Company

CEA Division

80 Livingston Avenue

Roseland, NJ 07068

Contacts: William Scholz

Tel: 973-548-6332

2.11 Expired Policy Carrier – Property & Casualty

Liberty

Liberty Mutual

Contacts: Mark Nanigian

Tel: 617-357-9500 ext. 45219

2.12 Expired Policy Carrier - Benefits

Wausau

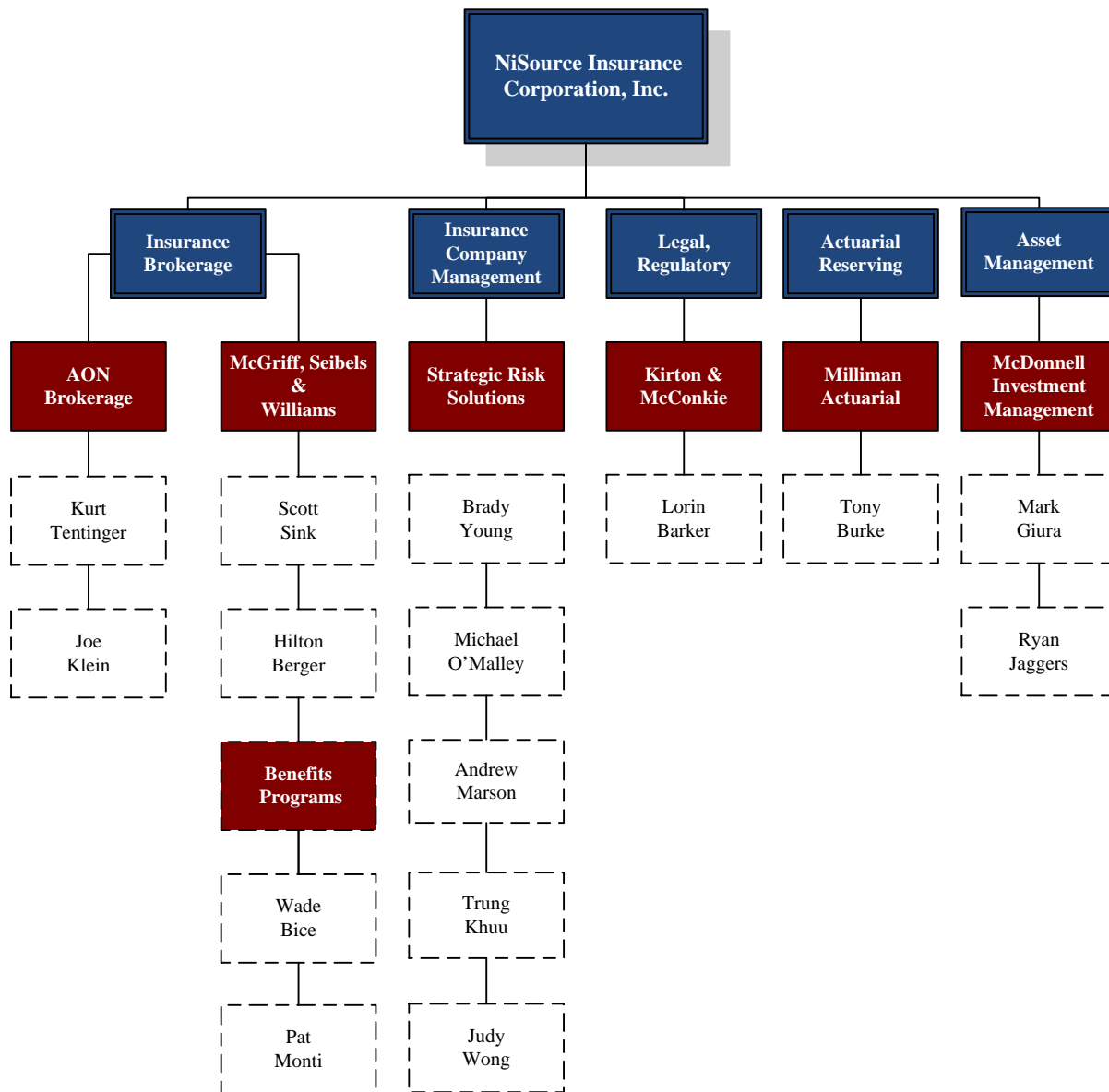
Liberty Mutual

Contacts: Mark Nanigian

Tel: 617-357-9500 ext. 45219

Procedures Manual

2.13 Service Provider Chart



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2.14 Directors & Officers

Directors

David J. Vajda – NiSource, Inc.
Jon D. Veurink – NiSource, Inc.
Dean G. Bruno – NiSource, Inc.
Kathryn A. Westover – Independent Director
Lorin C. Barker – Resident Director – Kirkon & McConkie

Officers

Title

Individual

President, Treasurer	David J. Vajda
Vice President and Chief Accounting Officer	Jon D. Veurink
Vice President	Dean G. Bruno
Secretary	Lorin C. Barker
Assistant Secretary	Gary W. Pottorff
Assistant Treasurer	Kimberly A. Cowan
Assistant Treasurer	Andrew S. Marson



3 UNDERWRITING, POLICY AND REINSURANCE AGREEMENT

DOCUMENTATION

3.1 Underwriting

Prior to the renewal dates for each program (as noted on the master policy list):

- A Broker submission is sent to the markets;
- MSW/AON communicate the results from the broker submission with NiSource and SRS and provide assistance in the form of a survey of the current commercial market pricing of similar risks.
- NiSource selects the structure and resulting NICI involvement.
- NICI actuaries analyze the risk and determine loss projection for policy period.
- NiSource Risk Management, SRS and the actuaries review and discuss output from the actuarial report.
- Actuarial pricing of NICI layers along with expense assessment;
- SRS develops premium by coverage line based upon the final renewal terms, actuarial loss projection and allocated expenses.
- SRS prepares the term sheet within two business days from the time the premium is finalized.

3.2 Policy and Reinsurance Agreement Documentation

- Premium term sheets are issued by SRS to evidence premium data as it relates to NICI see Appendix A.
- Any endorsement or adjustment made to these policy premiums will be recorded on a premium term sheet.
- SRS will forward a copy of the term sheet to David Vajda, Dean Bruno and Kim Cowan for review and approval.
- SRS/MSW/AON will maintain a record of all term sheets produced.
- Term sheets are provided to the insuring carriers to support the funds due NICI under the reinsurance agreements.

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The policy and reinsurance documentation for the Property & Casualty Exposures:

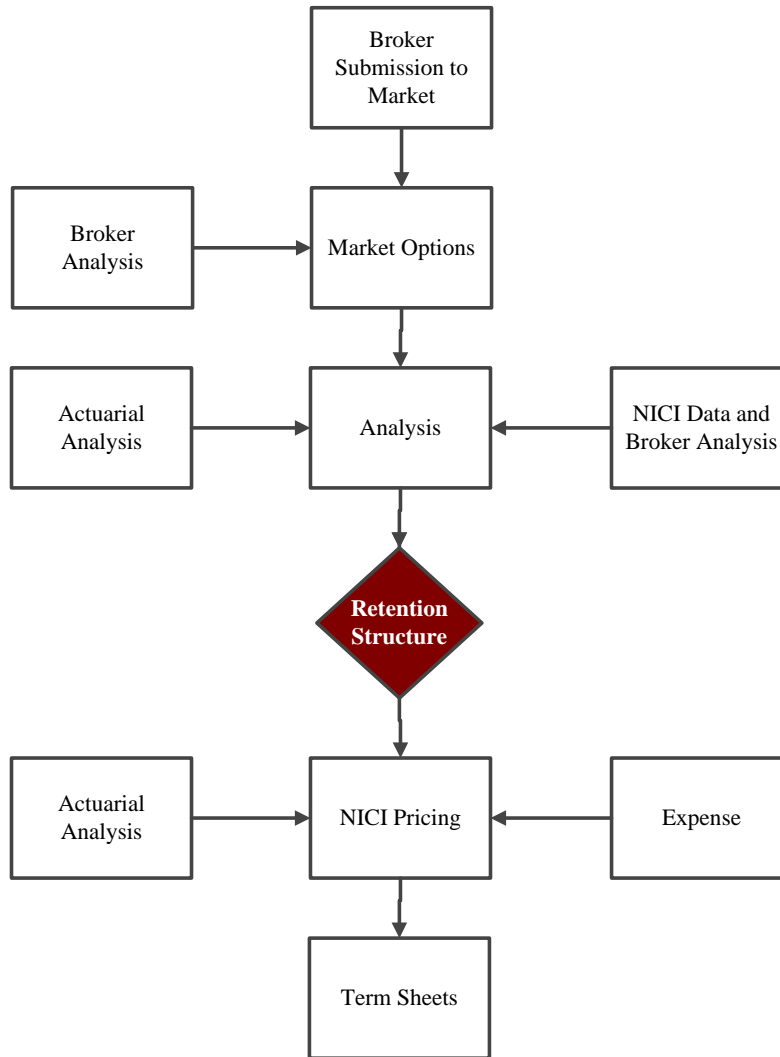
Coverage	Documentation
All Property & Casualty Coverage Lines	<ol style="list-style-type: none">1. Coverage Binder issued from AEGIS to NiSource2. AEGIS issues an Insurance Policy between AEGIS and NiSource3. Reinsurance Agreement issued between AEGIS and NICI
	<ul style="list-style-type: none">• AEGIS will generate policy premium invoices and send to NiSource with payment instructions.• NiSource will pay premiums directly to AEGIS.• AEGIS cedes premium into NICI's security trust account based upon the terms of the reinsurance agreements.• During the year, MSW, AON, NiSource and SRS will confer regarding any changes or additions to coverage.• SRS ensures that the required documents are properly executed.

The policy and reinsurance documentation for the Benefits Exposures:

Coverage	Documentation
All Benefit Lines	<ol style="list-style-type: none">1. Coverage Binder issued from Prudential to NiSource2. Prudential issues an Insurance Policy between Prudential and NiSource3. Prudential and NICI enter into a Reinsurance Agreement
	<ul style="list-style-type: none">• Prudential will generate policy premium invoices and send to NiSource with payment instructions.• NiSource will pay premiums directly to Prudential.• Prudential cedes premium into NICI's security trust account based upon the terms of the reinsurance agreements.• SRS ensures that the required documents are properly executed.

All documents are posted onto the NICI Extranet site.

Procedures Manual



3.3 Premium Payments

1. SRS prepares and sends premium term sheet to NiSource.
2. AEGIS/Prudential issues invoice, which is sent to NiSource.
3. NiSource wires payment to AEGIS/Prudential.
4. AEGIS/Prudential wires premium payment to NICI.
5. NICI notifies NiSource upon receipt of funds.

Procedures Manual

3.4 Bank Receiving Funds on Behalf of NICI

Bank: KeyBank NA Utah
 400 South
 410 East 400 South
 Salt Lake City, UT 84111
 Contact: Larry Cook
 Tel: 214-915-9602

3.5

ABA No: 124000737
 Account No: 449681014097
 Instructions: NiSource Insurance Corporation, Inc.

Active Coverage Programs

Coverage	Policy Period	Per Occurrence	Excess of	Aggregate Risk
Workers Compensation	7/1/12-13	\$1,000,000	\$0	\$10,000,000
Automobile & General Liability	7/1/12-13	\$1,500,000	\$500,000	\$7,000,000
Automobile & General Liability	7/1/12-13	\$475,000	\$25,000	\$8,000,000
All-Risk Property	7/1/12-13	\$3,000,000, \$2,000,000	Various deductibles based on exposure	\$6,000,000
Owners Controlled Insurance Program	7/1/11-12/31/15	\$250,000	\$0	\$7,500,000
Long-Term Disability	1/1/11-12	50% Quota-Share -	\$0	125% of Expected

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		Expected		
Group Term Life	1/1/11-12	75% Quota- Share - Expected	\$0	125% of Expected



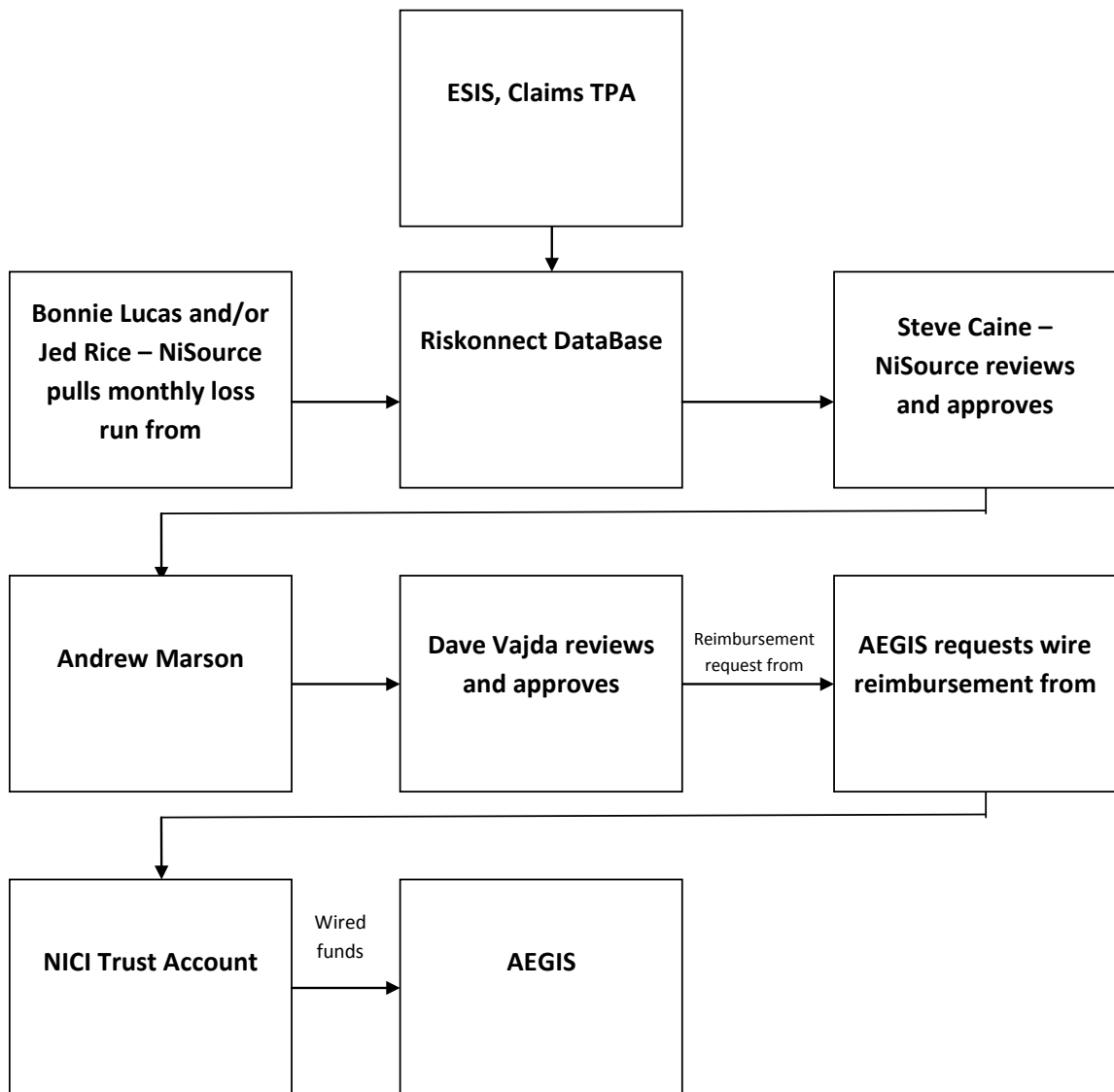
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4 CLAIMS PROCESS

4.1 Claim Reporting

Claims are reported to NICI on a monthly basis. ESIS coordinates reserve development for all property and casualty coverage lines including OCIP while Prudential coordinates reserve development for all employee benefits coverage lines.

4.2 Claim Payments



A detailed claims reimbursement process is attached as Appendix B.

Procedures Manual

4.3 Claim Expenses within NiSource Self-Insured Retention

NICI is responsible for expenses related to claims exceeding insured's self-insured retention as described on the coverage term sheet and reinsurance agreement.

4.4 Bank Receiving Funds on Behalf of AEGIS

Bank: Bank of America
1850 Gateway Blvd,
Concord CA
SWIFT: BOFAUS3N
ABA No: 111000012
Account No: 3751030575
Instructions: Associated Electric & Gas Insurance
Services Limited



Procedures Manual

5 BANKING

5.1 Bank Reconciliation

The cash balances are on a trade date basis based upon the data supplied by McDonnell on the 3rd business day each month. Balances per Key Bank statement are on a settlement date basis only and differences between the 2 accounts are pending trades, pending paydowns and pending coupon payments at the month end.

Cash reports are received from Tim Cook at McDonnell.

Email - cookt@mcdmgmt.com

5.2 Corporate Account

SRS produces a cash report monthly from the bank statement. Monthly, SRS provides a copy of the bank reconciliation and bank statement to NiSource Accounting.

5.3 Disbursement Authority

Authorized Signatories – Key Bank Custodial/Trust:

The signing authority on the Company's Custodial Account – Unrestricted held at Key Bank (formerly at Comerica) is provided below:

On a monthly basis SRS prepares a letter that details all invoices to be paid that month. A copy of this letter together with all the supporting invoices is sent for approval by two of the following persons:

David J. Vajda
Dean G. Bruno
Kimberly A. Cowan

Once authorization is obtained a scanned copy of the letter is e-mailed back to SRS who then forwards this to Betty Morris at Key Bank [Betty M Morris@KeyBank.com](mailto:Betty_M_Morris@KeyBank.com) who prepares and distributes the checks as directed. Copies of checks are e-mailed to SRS once completed and signed. SRS posts these to the NICI SharePoint site.

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The signing authority on the four restricted trust accounts (AEGIS, Prudential, Liberty and Wausau) at Key Bank (formerly at Deutsche Bank and JPMorgan) resides within those organizations and NiSource does not have authority over these funds as agreed in the terms of the security trust agreements.

All disbursements not covered under contracts are reviewed and approved by Dave Vajda or Dean Bruno prior to payment.

Procedures for wire transfers:

No wire or telephone transfer transactions are performed by SRS without the express written consent of Dean Bruno and a second signatory.

5.4 Bank Statements

Copies of the McDonnell statements are accessible to authorized individuals online at:

<https://webreport.mcdonnellinvestments.com/login.asp>

Copies of the Key Bank statements are accessible to authorized individuals online at:

<https://onlinea.keybank.com/klk/index.jsp>



6 INVESTMENT POLICY

6.1 Purpose

This Investment Policy for NiSource Insurance Corporation, Inc, (the "Company") defines the investment objectives and guidelines for the Company. The Company is licensed as a pure captive insurance company by the Utah Insurance Department ("UID"). As a pure captive insurance company, the Company intends to invest its general assets (which includes its minimum unimpaired capital and surplus).

This Investment Policy is intended to comply with all legal and regulatory requirements imposed by the UID regarding the investment and disposition of the assets of the Company as a pure captive insurance company.

6.2 Statement of Investment Objectives

These Guidelines have been established to ensure that the primary investment objective is to obtain a favorable return on investments through a diversified portfolio of high-quality, income producing assets; emphasizing principal protection, liquidity and income in accordance with the insurance regulations of all pertinent domiciles.

In order to recognize the evolutionary nature of the markets, the Guidelines will be submitted to the Board of Directors for review and approval each time the "Investment of Funds" resolution is presented to the Corporation's Board. Further, any exception to these Guidelines will be approved by the President in advance of any such exceptional transaction.

6.3 Authority

The officers of NiSource Insurance Corporation Limited ("the Corporation") receive authorization from the Corporation's Board of Directors to execute any and all instruments and agreements relating to the acquisition of securities in accordance with these Investment Guidelines (the "Guidelines"). The investment portfolio is under the direction of the Treasurer. However, the Treasurer may designate one or more outside investment managers, herein referred to as "investment manager" as having the authority to approve transactions undertaken in accordance with these Guidelines.

Further, the Treasurer may authorize custodians, brokers and dealers approved by the Corporation's Board of Directors for the execution of investment transactions to accept investment instructions from the designated investment manager, so long as such instructions are in accordance with these Guidelines. A monthly report will be prepared and forwarded to the President detailing investment activity during that month.

Procedures Manual

6.4 Custody

The Corporation may maintain custody accounts with financial institutions approved by the Board of Directors. All securities will be delivered to or accounted for by one of these institutions.

6.5 Permitted Investments

Sectors	Weightings
US Treasuries and Agencies	0 – 100%
Mortgage-Backed Securities	50% Max
Asset-Backed Securities	25% Max
Corporate Debt Securities	50% Max
Municipal Debt Securities	0 – 100%
144-a Private Placements	20% Max
Repurchase Agreements (rated A or higher)	0 – 100%
Commercial Paper (rated A1/P1 with an A long term rating)	0 – 100%
Money Market Funds (AA rated)	0 – 100%

Investment Restrictions

- Maximum weighted average duration of the portfolio should not exceed 4 years.
- All separate portfolios shall be combined when determining minimum and maximum percentages set in these guidelines
- A minimum of 70% of the fixed income assets must have a maturity no longer than 10 years. For mortgage-backed (residential and commercial) and asset-backed securities, maturity will be measured by average life rather than the stated final maturity. A mortgage or asset-backed security may have an average life no longer than 10 years.
- The portfolio shall invest in investment grade securities only.
- The weighted average credit rating of the portfolio must be rated A or higher by either Moody’s or Standard & Poor’s or some other Nationally Recognized Statistical Rating Organization (NRSRO).
- Securities must be rated Baa2/BBB or higher by at least two of the three NRSROs. If only two of the three agencies rate the security, the lower rating is used to determine its eligibility. If only one of the three agencies rates a security, the rating must be Baa2/BBB or higher.
- Securities downgraded to an ineligible status will warrant an email notification stating the issue will be liquidated within 30 days unless otherwise notified
- Maximum exposure to securities rated within the BBB bucket by both Moody’s and Standard & Poor’s is limited to 20% of the portfolio.

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- The maximum investment in any one issue other than US Treasury and Agencies is limited to no more than 2.5% of the portfolio.
- At no time shall the combined position(s) represent more than 5% of the total outstanding debt of any single issuer, with the exception of direct obligations of the US Treasury and US Agencies.

6.6 Benchmark and Performance Guideline

The total return on the fixed income portfolio should exceed the total return of the Barclays Capital Intermediate Government Credit Index.

6.7 Asset Sales Resulting in a Loss

All assets sales resulting in a loss will be preapproved by any one of the following persons:

David J. Vajda
Dean Bruno
Kimberly A. Cowan

Asset manager will provide written support for each sales recommendation.

6.8 Minimal Capital & Solvency

The Company will maintain such unimpaired minimum capital and surplus as may be required by UID. Such capital and surplus shall be in the form of cash and/or letter of credit, a cash equivalent or other investment permitted by UID. The Company will maintain such unimpaired capital and surplus at all times in such permitted investments.

6.9 Updates

The investment policy is reviewed annually as part of the annual meeting.

6.10 Recording Investment Transactions

The investment balances are on a trade date basis based upon the data supplied by McDonnell on the 3rd business day each month.

Investment reports are received from Tim Cook at McDonnell.

Email - cookt@mcdmgmt.com

Procedures Manual

Copies of the McDonnell investment statements are accessible to authorized individuals online at:

<https://webreport.mcdonnellinvestments.com/login.asp>

All investment transactions are summarized by SRS and journal entries are produced and posted to the Peachtree general ledger on a monthly basis.



Procedures Manual

7 FINANCIAL & LOSS REPORTING

7.1 Write-Offs

No amounts such as old, disputed or possibly erroneous items will be written-off in the general ledger without prior, written consent of one of the following persons:

David J. Vajda
Dean Bruno
Kimberly A. Cowan

7.2 Financial Statements

The financial statements are produced monthly by SRS and submitted by the fifth working day of the following month to:

NiSource Group

David J. Vajda
Jon D. Veurink
Dean G. Bruno
Kimberly A. Cowan
Ron Plantz
Steve Gallas
Angie Mills
A Zientara
Nick Bly

Strategic Risk Solutions

1. Michael C. O'Malley
2. Ann Wick

The financials include the following:

1. Balance Sheet
2. Statement of Operations
3. Loss Reserve Summary
4. Expense Schedule

Procedures Manual

The supporting schedules include the following:

1. Schedule of Cash and Investments
2. Schedule of Premium Receivable
3. Schedule of Deferred Acquisition Costs
4. Prepaid Expenses
5. Accrued Expenses
6. Capital and Surplus
7. Underwriting Income
8. Schedule of Premium Written, Earned and Unearned
9. Investment Income
10. Tax Calculation

7.3 Financial Statement review

The financial statements are reviewed monthly by management of NiSource and an e-mail acknowledging review should be sent to SRS on a timely basis.

The review is performed by persons holding the position of Director.

Financial statements are reviewed in detail and approved at each of the board meetings which occur at least semiannually

The audited financial statements prepared by Deloitte are reviewed by the board prior to their issuance and approved at the annual board meeting.

7.4 Federal Income Tax

SRS prepares federal income tax calculations and collaborates with NiSource's tax department for financial projections.

NICI's tax provision is calculated as 35% the corporate effective rate, for gross income.

7.5 Loss Scorecard

SRS prepares a monthly loss scorecard which compares actual loss performance by coverage line to the original loss projection while also analyzing cause of loss, where appropriate.

Procedures Manual

7.6 Non-Routine Transactions

Any non-routine transactions such as new policies, changes in service providers, or any other business plan changes are brought to the attention of the board as and when they arise and approval is obtained at the semiannual board meeting where required.

Minutes of any calls are prepared to document the communication of such events to management.

7.7 Investments Valuation

The market value of investments used in the monthly management accounts are based on the McDonnell statements since they provide the level of detail required.

Since Key Bank have a SAS 70 / SSAE 16 report performed each year we will rely upon the findings of the trustee / independent auditor with respect to the testing on Market Value Valuation.

Should any deficiencies be noted surrounding the valuation testing then additional procedures shall be performed by SRS to validate the values being used by McDonnell.

The total portfolio balance of McDonnell is compared to the Key Bank statements,. Although small differences are noted these are due to different valuation sources. Typically these differences will not exceed \$20,000 which based on a total portfolio of \$90m is 0.02% and is therefore considered to be immaterial.

7.8 Level 1, 2 and 3 Investment Transfers

Given the restrictions set out in the investment policy, transfers between levels 1, 2 and 3 are highly unlikely. The basis used for the categorization is as follows:

Level 1 — Observable inputs that reflect quoted prices for identical assets or liabilities in active markets that the Company has the ability to access at the measurement date. Level 1 securities include highly liquid U.S. Treasury securities, money market funds, certain mortgage backed securities, and exchange traded equity and derivative securities.

Level 2 — Observable inputs, other than quoted prices included in Level 1, for the asset or liability or prices for similar assets and liabilities. Most debt securities are model priced by vendors using observable inputs and are classified within Level 2.

Level 3 — Valuations that are derived from techniques in which one or more of the significant inputs are unobservable (including assumptions about risk). Level 3 securities

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include less liquid securities such as highly structured and/or lower quality asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS), including ABS backed by sub-prime loans, and private placement debt and equity securities. Because Level 3 fair values, by their nature, contain unobservable market inputs as there is no observable market for these assets and liabilities, considerable judgment is used to determine the ASC 820 Level 3 fair values. Level 3 fair values represent the Company's best estimate of an amount that could be realized in a current market exchange absent actual market exchanges.

7.9 Other Than Temporary Impairment (“OTTI”)

- OTTI is a technical accounting term used to reflect a certain type of loss – or *impairment*.
- OTTI indicates an assumption of a very significant likelihood that the full value of an asset will not be recovered.
- Accounting rules require that OTTI be recorded as write-downs on the income statement.

SRS reviews the investment portfolio at the year end and identifies potential impairment which is discussed with management and their investment advisers.

7.10 Amortization of expenses

Any expenses less than \$10,000 are expensed in the period in which they are incurred; items over \$10,000 are amortized over the period to which they relate.

7.11 Premium Deficiency Calculation

SRS completes a premium deficiency calculation for each program underwritten and provide details for budget projections and audit review.



8 REGULATORY COMPLIANCE

8.1 Regulatory

NICI operates in accordance with Pure Captive Insurance Company rules as defined in the Utah Captive Insurance Companies Act. The Department's contact information is:

Utah Insurance Department
State Office Building, Suite 3100
Salt Lake City, UT 84114-6901
Office: 801.537.9047
Fax: 801.538.3829

Key Contacts:

Ross C. Elliott, FLMI
Captive Insurance Director
Utah Insurance Department
State Office Building, Suite 3100
Salt Lake City, UT 84114-6901
Office: 801.537.9047
Fax: 801.538.3829

8.2 Business Plan

The captive is licensed as a pure captive insurance company and conducts business in accordance with a plan of operations approved by the Utah Insurance Department in 2009.

Any significant changes for the captive (such as new lines of business, significant change in limits and/or premiums, change in fronting insurers or reinsurers) require prior approval from the State of Utah in the form of filing of a change in the business plan.

8.3 Organizational and State Examinations

The Director has the authority, per Utah Captive Insurance Companies Act, to perform an organizational examination of the books and records before or soon after an applicant is licensed.

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8.4 Board Meeting

Captives are required to hold an annual board meeting with quorum physically present in the state of Utah.

8.5 Annual Report

Captives are required to file the following annual reports with Utah Insurance Department (“UID”) by March 1st:

- Captive Insurance Company Annual Statement Form.” Per R590-238-4(3).
- “Statement of Economic Benefit to the State of Utah” Form. Per R590-238-21(4).
- “Statement of Actuarial Opinion.” Per R590-238-3(4).

The first two reports are prepared by SRS, signed by two executive officers of the captive and notarized. The Statement of Actuarial Opinion is issued by the appointed actuary.

8.6 Filing of the Parent Annual Report

In Utah captives are required to file the parent company’s financial statements when available.

8.7 Annual Fee and Premium Tax return for Captive Insurer

By June 30 of each year, NICI is required to pay a license renewal fee. Utah invoices each captive and sends the invoice to SRS on behalf of NICI. SRS will process the payment in compliance with the treasury requirements. The annual renewal fee is \$5,250.00

8.8 Annual Audit

NICI is required to have an annual audit under GAAP. The audit process requires the CPA to review the actuarial study and opinion submitted with the annual report. The annual audit is due to be filed by June 30th. SRS coordinates with NiSource in regard to the year-end corporate filing deadlines, and schedule the actuary study and audit accordingly.

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The auditors and actuaries have to be approved by the Utah Director. Deloitte was selected as the NICI auditor. Milliman was selected as the NICI actuary. Both firms are approved by the state of Utah.

8.9 Capital Requirements

NICI's minimum statutory capital is \$250,000. NICI maintains the statutory capital in cash. Utah will evaluate the capital position based on the audited financials of the captive. SRS is required to report to the department any shortfalls in the minimum capital position of NICI.



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9 APPENDIX A: ACTIVE PROGRAM TERM SHEETS

NiSource Insurance Corporation, Inc.
60 E. South Temple, Ste. 1800
Salt Lake City, Utah 84111
Tel: 480-682-4983

2012-13 Corporate Indemnity-WC Term Sheet

This term sheet was developed to an overview of coverage provided by NiSource Insurance Corporation, Inc. ("NICI). Please review policy documents for a detailed coverage summary.

Date: July 1, 2012

Insured: NiSource Inc.
801 E. 86th Ave.
Merrillville, IN 46410

Insurer: Associated Electric & Gas Insurance Services Limited

Reinsurer: NiSource Insurance Corporation, Inc.

Policy Number: Y0160B1A12

Policy Period: 12 months incepting at July 1, 2012 at 12:01 AM per Policy

Coverage: Excess Indemnity related to Workers Compensation

Coverage Trigger: Occurrence

Policy Occurrence Limit: \$1,000,000 per occurrence

Excess of: \$0 per occurrence

Policy Aggregate Limit: \$10,000,000

Form: AEGIS Policy Form

Currency: US Dollars

Gross Premium: \$6,594,356

AEGIS Fronting Fee: \$50,000

Net Premium: \$6,544,356

Terms and Conditions: 1. Follow primary policy forms

Procedures Manual

NiSource Insurance Corporation, Inc.
60 E. South Temple, Ste. 1800
Salt Lake City, Utah 84111
Tel: 480-682-4983

2012-13 AL-GL Term Sheet

This term sheet is for coverage provided under the reinsurance contract described below. Please call Michael O'Malley at 781-672-3453 with any questions or concerns. Thank you.

Date: July 1, 2012

Insured: NiSource Inc.
801 E. 86th Ave.
Merrillville, IN 46410

Insurer: Associated Electric & Gas Insurance Services Limited

Reinsurer: NiSource Insurance Corporation, Inc.

Policy Number: XL5128401P/XP5125701P

Policy Period: 12 months incepting at July 1, 2012 at 12:01 AM per Policy

Coverage: Excess Liability Coverage for Automobile and General Liability

Coverage Trigger: Claims First Made

Retroactive Date: March 1, 1986 at 12:01 AM Standard Time at the Insured Address

Policy Occurrence Limit: \$1,500,000 per occurrence

Excess of: \$500,000 per occurrence

Policy Aggregate Limit: \$7,000,000

Form/Currency: AEGIS Policy Form/US Dollars

Reinsurance Premium: \$3,943,553

Fronting Cost: Included in Excess Pricing

Net Reinsurance Premium: \$3,943,553

NiSource Insurance Corporation, Inc.

Procedures Manual

60 E. South Temple, Ste. 1800
Salt Lake City, Utah 84111
Tel: 480-682-4983

2012-13 AL-GL SIR Buy Down Term Sheet

This term sheet was developed to an overview of coverage provided by NiSource Insurance Corporation Inc. ("NICI"). Please review policy documents for a detailed coverage summary.

Date:	July 1, 2012
Insured:	NiSource Inc. 801 E. 86th Ave. Merrillville, IN 46410
Insurer:	Associated Electric & Gas Insurance Services Limited
Reinsurer:	NiSource Insurance Corporation, Inc.
Policy Number:	Y0160C1A12
Policy Period:	12 months incepting at July 1, 2012 at 12:01 AM per Policy
Coverage:	Excess Liability Coverage for Automobile and General Liability
Coverage Trigger:	Claims First Made
Retroactive Date:	March 1, 1986 at 12:01 AM Standard Time at the Insured Address
Policy Occurrence Limit:	\$475,000
Excess of:	\$25,000 per occurrence
Policy Aggregate Limit:	\$8,000,000
Form/Currency:	AEGIS Policy Form/US Dollar
Insurance Premium:	\$6,806,143
AEGIS Fronting Fee:	\$50,000
NICL Net Premium:	\$6,756,143
Terms and Conditions:	1. Follow primary policy forms

NiSource Insurance Corporation, Inc.
60 E. South Temple, Ste. 1800
Salt Lake City, Utah 84111

2012-13 Onshore Property Term Sheet

This term sheet was developed to an overview of coverage provided by NiSource Insurance Corporation Inc. ("NICI"). Please review policy documents for a detailed coverage summary.

Date:	July 1, 2012
Insured:	NiSource Inc.
Insurer:	Associated Electric & Gas Insurance Services Limited
Reinsurer:	NiSource Insurance Corporation, Inc.
Policy Number:	Y0160A1A12
Policy Period:	12 months incepting at July 1, 2012 at 12:01 AM per Policy
Coverage:	All-Risk Onshore Property
Coverage Trigger:	Occurrence
Policy Occurrence Limit:	\$3,000,000 per occurrence for Gas/AOP, \$2,000,000 per occurrence for Electric, \$3,000,000 for Named Windstorm, \$3,500,000 as respects Hardy Storage LLC location in West Virginia
Excess of:	USD\$1,000,000 any one occurrence Gas/AOP, except USD\$3,000,000 any one occurrence as respects NIPSCO Electric Generating Stations and Substations, except USD\$2,500,000 any one occurrence in respect of Named Windstorm USD\$500,000 as respects Hardy Storage LLC location in West Virginia
Policy Aggregate Limit:	\$6,000,000
Form:	AEGIS Policy Form to mirror Excess Program
Currency:	US Dollars
Gross Premium:	\$4,341,784
AEGIS Fronting Fee:	\$50,000
Net Premium:	\$4,291,784
Terms and Conditions:	1. Follow primary policy forms

Procedures Manual

NiSource Insurance Corporation, Inc.
60 E. South Temple, Ste. 1800
Salt Lake City, Utah 84111
Tel: 480-682-4983

2011-15 Owners Controlled Insurance Program

This term sheet was developed to an overview of coverage provided by NiSource Insurance Corporation Inc. ("NICI"). Please review policy documents for a detailed coverage summary.

Date:	July 8, 2011
Insured:	9.1.1 NiSource Inc. 801 E. 86 th Ave. Merrillville, IN 46410
Insurer:	Associated Electric & Gas Insurance Services Limited
Reinsurer:	NiSource Insurance Corporation, Inc.
Policy Number:	Y0160D1A11
Policy Period:	54 months incepting at July 8, 2011 at 12:01 a.m. per Policy
Exposure Schedule:	July 8, 2011 – July 1, 2012 – 25% July 1, 2012 – July 1, 2013 – 25% July 1, 2012 – July 1, 2014 – 25% July 1, 2014 – July 1, 2015 – 20% July 1, 2015 – December 31, 2015 – 5%
Coverage:	General Liability and Workers Compensation
Coverage Trigger:	Occurrence Coverage
Policy Occurrence Limit:	\$250,000
Excess of:	\$0
Policy Aggregate Limit:	\$7,500,000
Form/Currency:	ACE General Liability and Workers Compensation
Insurance Premium:	\$5,190,000
AEIS Fronting Fee:	\$90,000 over 5 installments
NICL Net Premium	\$5,100,000

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Premium Installment Schedule: July 8, 2011 – July 1, 2012 – \$1,298,000
July 1, 2012 – July 1, 2013 – \$1,298,000
July 1, 2012 – July 1, 2014 – \$1,298,000
July 1, 2014 – July 1, 2015 – \$1,038,000
July 1, 2015 – December 31, 2015 – \$258,000

Terms and Conditions:

1. Follow primary policy forms
2. Program will have an annual audit to compare with exposure schedule provided

Procedures Manual

NiSource Insurance Corporation, Inc.
60 E. South Temple, Ste. 1800
Salt Lake City, Utah 84111
Tel: 802-860-1958

Term Sheet-Group Life

This term sheet was developed to an overview of coverage provided by NiSource Insurance Corporation Inc. ("NICI"). Please review policy documents for a detailed coverage summary.

Date:	January 01, 2011
Insured:	NiSource, Inc.
Insurer:	Prudential Insurance Company
Reinsurer:	NiSource Insurance Corporation, Inc.
Policy Number:	TBD
Policy Period:	January 01, 2011 – January 01, 2012
Coverage:	Group Life
Coverage Trigger:	Occurrence
NICI Participation:	75% quota share participation
NICI Aggregate:	125% of Expected Loss based on Rate per Volume
Currency:	US Dollars
Policy Premium:	\$5,610,826
MSW Fee:	\$100,000
SRS Fee:	\$50,000
Prudential Premium:	\$5,460,826
Premium Tax:	\$148,988
Administration Expense:	\$232,085
Claim Administration:	\$30,848
Risk Charges:	\$181,765
Ceding Allowance:	\$345,762
Net Retained By Prudential:	\$939,338.94
Prudential Risk Premium (25%):	\$1,130,344.26
NiSource Risk Premium (75%):	\$3,391,032.79
Policy Provisions:	Follow Form

Procedures Manual

NiSource Insurance Corporation, Inc.
60 E. South Temple, Ste. 1800
Salt Lake City, Utah 84111
Tel: 802-860-1958

Term Sheet-Group LTD

This term sheet was developed to an overview of coverage provided by NiSource Insurance Corporation Inc. ("NICI"). Please review policy documents for a detailed coverage summary.

Date:	January 01, 2011
Insured:	NiSource, Inc.
Insurer:	Prudential Insurance Company
Reinsurer:	NiSource Insurance Corporation, Inc.
Policy Number:	TBD
Policy Period:	January 01, 2011 – January 01, 2012
Coverage:	Group Long-Term Disability
Coverage Trigger:	Occurrence
NICI Participation:	50% quota share participation
NICI Aggregate:	125% of Expected Loss based on Rate per Volume
Currency:	US Dollars
Policy Premium:	\$4,091,866
MSW Fee:	\$150,000
SRS Fee:	\$50,000
Prudential Premium:	\$3,891,866
Premium Tax:	\$73,556
Administration Expense:	\$110,918
Claim Administration:	\$175,134
Risk Charges:	\$58,378
Ceding Allowance:	\$233,123
Net Retained By Prudential:	\$651,109
Prudential Risk Premium:	\$1,620,378.41
NiSource Risk Premium:	\$1,620,378.41
Policy Provisions:	Follow Form

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10 APPENDIX B: DETAILED CLAIM REIMBURSEMENT PROCESS

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11 APPENDIX C: DETAILED GENERAL LEDGER DESCRIPTIONS



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: John Siegle

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 10.1

Subject: Charitable Contributions

I. INTRODUCTION

This policy provides guidelines in recording charitable contributions.

II. SCOPE

This policy applies to all NiSource business units.

III. GAAP GUIDANCE

ASC 720-25-25-1 through ASC 720-25-25-2

Contributions made shall be recognized as expenses in the period made and as decreases of assets or increases of liabilities depending on the form of the benefits given. For example, gifts of items from inventory held for sale are recognized as decreases of inventory and contribution expenses, and unconditional promises to give cash are recognized as payables and contribution expenses. For guidance on conditional promises to give and determining whether a promise is conditional or unconditional, see paragraphs 958-605-25-11 through 25-15 and paragraph 958-605-25-33. See paragraphs 958-605-55-45 through 55-48 for an example that illustrates a donor's accounting for an unconditional promise.

If the fair value of an asset transferred differs from its carrying amount, a gain or loss shall be recognized on the disposition of the asset (see paragraphs 845-10-30-1 through 30-2).

ASC 720-25-30-1 through ASC 720-25-30-2

Contributions made shall be measured at the fair values of the assets given or, if made in the form of a settlement or cancellation of a donee's liabilities, at the fair value of the liabilities cancelled.

Unconditional promises to give that are expected to be paid in less than one year may be measured at net settlement value because that amount, although not equivalent to the present value of estimated future cash flows, results in a reasonable estimate of fair value.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Not applicable.

V. NISOURCE APPLICATION

If a nonmonetary asset is contributed, the amount of the donation should be recorded as an expense at the fair value of the donated asset. If a difference exists between the fair value of the asset and its book value, a gain or loss should be recognized. The expense should be recorded to Other Expense/Donations in the Other Income (Deductions) section on the Income Statement and is not reflected as a component of Operating Expense. See Example below.

Example: Land that costs \$50,000 with a fair market value of \$70,000 is being donated the entry is:

Debit-Contribution Expense (Donations)	70,000	
Credit-Land		50,000
Credit-Gain on disposal of asset		20,000

Example:

If a monetary donation of \$30,000 is made the entry is:

Debit-Contribution Expense (Donations)	30,000	
Credit-Payable		30,000



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: John Siegle

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 10.1

Subject: Charitable Contributions

VI. AUTHORITY AND RESPONSIBILITY

The Segment Controller where the donation is made is responsible for ensuring the contribution as gain/loss associated with the contribution is recorded appropriately.

VII. APPENDICES

Not applicable.



Accounting Policy Guide

Issue date: 03/30/2010

Revised date: 03/17/2015

Prepared by: Doug Loudermilk

Approved by: BU Controllers

Reference No.

Subject: Insurance Proceeds-Reimbursables

I. INTRODUCTION

This document provides guidelines and procedures for asset recognition for insured losses.

II. SCOPE

This policy applies to all NiSource subsidiaries.

III. GAAP GUIDANCE

According to ASC 450-30-25 (Q&A 09), ASC 410-30 addresses the accounting for environmental liabilities. With respect to the impact of potential recoveries from insurance companies, ASC 410-30-35-8 through 35-9 states "an asset relating to a potential claim for recovery shall be recognized only when realization of the claim for recovery is deemed probable."

While this guidance is specific to environmental liabilities, the recognition and measurement principles of ASC 410-30 are relevant to the accounting for other losses that may be recoverable through insurance. A company that incurs a loss due to impairment of an asset or incurrence of a liability, and expects to recover all or a portion of that loss through an insurance claim, should record an asset for the amount considered probable of recovery from the insurance claim (not to exceed the amount of the total losses incurred).

Concluding that a potential insurance recovery is probable involves significant judgment and should be based on all relevant facts and circumstances. ASC 410-30-25 discusses recognition criteria that must be evaluated including, but not limited to, probability that a liability has been incurred, ability to reasonably estimate the liability, benchmarks, and capitalization of environmental treatment costs. ACS 410-30-30 discusses measurement criteria that must be evaluated such as allocation of liability among potential responsible parties, costs to be included in remediation liability, and probable recoveries.

ASC 410-30-30-19 states a probable recovery shall be measured at its undiscounted amount if the liability is not discounted and the timing of recovery is dependent on timing of payment of the liability.

IV. NISOURCE APPLICATION

Insurance receivables for loss contingencies are recorded based upon recovery being probable. The insurance deductible related to the loss contingency is excluded from the asset recognition entries that are recorded. The deductible is applied on a case by case basis using significant judgment based upon the relevant facts and circumstances. For scenarios where a gain contingency exists, such as business interruption claims, the gain should not be recognized until the entity has either received the proceeds or an acknowledgment from the insurance carrier of coverage and the related amounts are not subject to refund or offset by the insurance carrier.

V. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Not applicable.



Accounting Policy Guide

Issue date: 03/30/2010

Revised date: 03/17/2015

Prepared by: Doug Loudermilk

Approved by: BU Controllers

Reference No.

Subject: Insurance Proceeds-Reimbursables

VI. AUTHORITY AND RESPONSIBILITY

NiSource Accounting is responsible for informing the Chief Accounting Officer that a potential loss contingency has been incurred.

The Chief Financial Officer conveys the pertinent information to the Risk Management Committee to analyze and determine if a potential insurance recovery is probable.

The Risk Management Committee communicates with the Insurance group to determine if an insurance recovery is probable.

NiSource Accounting and the Insurance group track the expenditures incurred related to the loss contingency and records general ledger entries based upon the deductible that exists for the loss contingency.

NiSource Accounting finalizes the costs and communicates loss contingency information to the Risk Management Committee.

The Insurance group files the final loss contingency with the insurance company and monitors the status of the insurance claim through recovery.

VII. APPENDICES

Not applicable.



Accounting Policy

Issue date: Revised March 2015

Prepared by: Jim Leslie

Approved by:

Reference No.

Subject: Accounts Payable

I. INTRODUCTION

This policy provides guidelines for accounts payable.

II. SCOPE

This policy applies to all NiSource companies and includes general guidelines related to recognition, measurement, extinguishment, and presentation of accounts payables.

III. GAAP GUIDANCE

Recognition and Measurement of Accounts Payable

Accounts payable are balances owed to others for goods or services that are purchased on an open account. Accounts payable arise because of the lag time between the receipt of services or the acquisition of title for goods received and the payment of them.

Extinguishment of Accounts Payable

ASC405-20-40 provides guidance on determining whether and when an entity should remove an item from the financial statements. For example, the entity would derecognize an asset because it no longer has rights to the asset or it would derecognize a liability because it no longer has any obligation. Paragraph 405-20-40-1 states:

“A debtor shall derecognize a liability if and only if it has been extinguished. A liability has been extinguished if either of the following conditions is met:

a. The debtor pays the creditor and is relieved of its obligation for the liability. Paying the creditor includes the following:

1. Delivery of cash
2. Delivery of other financial assets
3. Delivery of goods or services
4. Reacquisition by the debtor of its outstanding debt securities whether the securities are cancelled or held as so-called treasury bonds

b. The debtor is legally released from being the primary obligor under the liability, either judicially or by the creditor.”

Presentation of Accounts Payable

ASC-210-45-6 states “current liabilities include estimated or accrued amounts that are expected to be required to cover expenditures within the year”.

IV. REGULATORY CONSIDERATIONS

Not applicable.

V. NISOURCE APPLICATION

In accordance with the GAAP guidance referenced above, NiSource records a liability for all goods and services that are invoiced. The liability must be recorded at face value reported on the invoice plus or minus an interest, premium, or discount. NiSource has established general guidelines for internal control purposes in order to reduce the risk of fraud, misstatement of financial information, theft, duplicate payments, etc. See **Appendix A** for these general guidelines. The account payable is extinguished upon payment of cash to the respective vendor. In the event that a payable is settled by a non-cash payment, consultation with the consolidation accounting team is required.

NiSource also estimates and records an accrual for goods that are received and services that are rendered but not invoiced. These accruals are reversed the following month. See **Appendix D** for accrual thresholds by company. Note, NGT&S issues purchase orders for some special equipment for which there is no right of return. Because there is no right of return, any unfulfilled purchase orders for such special equipment are accrued at period end.

Payables for goods or services due within one year will not be discounted and will be presented as current. Payables for goods or services due subsequent to one year will be discounted and will be presented as non-current.

VI. AUTHORITY AND RESPONSIBILITY

The Accounting group is responsible for determining the classification of assets and liabilities on the balance sheet under the authority of the Segment controller.

The Financial Reporting group is responsible for presentation and disclosure in the financial statements. Presentation and disclosure in the financial statements is reviewed and approved by the Chief Accounting Officer.

VII. APPENDICES

See **Appendix A** for general accounts payable processing information for payments processed through Catalyst. See **Appendix B** for an example of quarterly communications to notify employees of the accounts payable close schedule. This communication is sent by email and posted on our intranet site approximately two weeks before the quarter close. See **Appendix C** for close schedule for all payments processed through an interface and/or feed (other than Catalyst). See **Appendix D** for accrual thresholds by charge type (inventory, operations/maintenance and plant) by company.

APPENDIX A



transaction services

accounts payable

GENERAL GUIDELINES

The following guidelines apply across all NiSource affiliates ¹⁾. These are the minimum guidelines that should be followed – there may be more restrictive guidelines that relate specifically to your affiliate.

Please keep in mind that Accounts Payable processes payments for almost every NiSource affiliate ¹⁾. When inquiring about a payables transaction, please indicate which NiSource affiliate you are inquiring about.

Please always include a contact name and phone number whenever you send anything to Accounts Payable.

Please keep in mind that all general guidelines are for internal control purposes in order to reduce the risk of fraud, misstatement of financial information, theft, duplicate payments, etc.

¹⁾ accounts payable does not process the payables for:

Northern Indiana Fuel and Light (NIFL)
Kokomo Gas
Lake Erie Land

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Request for Payment:

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In order for Accounts Payable to process a request for payment, the request must include at minimum ²⁾:

1. Vendor Name
2. Remit to address
3. Description of charges
4. Complete and valid classifications

5. Dollar amount to be paid
6. Approving signature(s)
 - name and title must also appear legibly (typed, printed, stamped, etc.) along with the approving signature
 - original signature must be in (blue or black) ink , stamped signature or facsimiles are not acceptable
 - original signature must be at least first initial and full last name
 - signature must be on either the original invoice or the request for payment form, or on the expense statement form
7. **Phone number of requestor**
8. Appropriate backup

²⁾ additional information may be required depending on type of payment request and Affiliate.

Not Acceptable:
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Accounts Payable will not pay from the following:

- statements
- packing lists
- acknowledgments
- shipping notices
- quotes
- order forms
- work orders
- sales order confirmations
- bill of ladings

If an exception is being requested, you must contact an Accounts Payable Lead or above to authorize the payment. Please visit the accounts payable website for contact information.

Account Classifications:
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All requests for payments must include complete and valid account classifications (including job order number for NiSource Corporate Services). Account classifications should be validated before sending requests for payments to Accounts Payable. Invalid or incomplete coding **will** delay the processing of the payment. It is the responsibility of the employee submitting the request for payment to properly code all expenditures. If you are unsure of a valid account classification, please contact your affiliate's accounting department. Please visit the accounts payable website for contact information.

Approvals:
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All requests for payments must have an original signature and the name and full title must be clearly indicated on the face of the invoice or on the appropriate section on the request for payment form or expense statement. Signature must include at least the first initial and full last name. Please be sure to obtain signatures at the proper approval levels. Approval levels vary by affiliate, please be aware of the approval level for your affiliate. Please contact your affiliates' accounting department for questions on

proper approval levels.

Before any payment is released, all authorizing signatures must be an original and must be in either blue or black ink. In order to maintain proper internal controls, stamped signatures or facsimiles are not acceptable.

Original Invoices are Requested:

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Paying from copies and faxes from vendors increases the possibility of duplicate payments. We understand that this has to occur on occasion, but please use original invoice whenever possible.

When using a copy instead of an original, the words "Pass As Original Invoice" should also be clearly written on the copy at the top on the front page.

Invoices and Supporting Documentation:

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Accounts payable currently images nearly all documentation. Therefore, please use either blue or black ink on all hand written information. Also, for invoices and supporting documentation that are less than 5.5" x 7.5" (approximately 2/3rd's the size of a regular 8.5" x 11" sheet of paper), please tape to a plain white 8.5" x 11" piece of paper to aid in imaging. Small items are more likely to become detached and lost. Also, please staple together each request with backup instead of using paper clips.

Employee Expense Reimbursements for Travel and Entertainment:

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Please turn in all Employee Expense Statements on the appropriate form with all supporting documentation. Please use either blue or black ink on all hand written information. Also, for invoices and supporting documentation that are less than 5.5" x 7.5" (approximately 2/3rd's the size of a regular 8.5" x 11" sheet of paper), please tape to a plain white 8.5" x 11" piece of paper to aid in imaging. Small items are more likely to become detached and lost. Also, please staple together each request with backup instead of using paper clips.

Expenses should be recorded in a timely manner. All expenses should be recorded in the proper accounting period. Therefore, please submit an expense statement either per month or per business trip. It is the responsibility of the approver to insure that all expenses are properly recorded in the appropriate accounting period.

Reimbursements for expense statements are normally processed within three business days of receiving in accounts payable, provided the expenses are timely and all appropriate and valid classifications and backup are attached. If classifications are not valid or the expense statement covers multiple months/trips, the expense statement is subject to audit and the processing of your expense statement will be delayed.

One Invoice per Request for Payment Form:

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Please attach only one (1) invoice per request for payment. Various problems result from trying to pay multiple invoices on one request form. Each accounts payable system checks for duplicate payments based on invoice number. Researching payment history is usually based on individual invoice number. The system will include multiple invoices on the same check (unless specifically requested otherwise),

but it cannot be entered into the accounts payable system(s) that way.

Processing an Invoice:

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Once accounts payable has received a request for payment or expense statement, please allow at least five business days for accounts payable to process the payment. If information is incomplete (i.e. invalid classification, missing authorization signature, illegible signature, etc.) the processing time **will** be delayed.

When addressing mail or inquiries to accounts payable, please include the company name or number. For example, if you are a NiSource Corporate Service employee please address the mail as “A/P – NCS” or “A/P - Co 12”. If you work for Columbia of Ohio, reference “COH” or “Co 34”, etc.

NOTE: NIPSCO (Co 59) employees should forward all accounts payable correspondence to accounts payable in Merrillville. All other companies, excluding Kokomo, NIFL, and Lake Erie Land, should send accounts payable correspondence to Columbus.

Faxing to Accounts Payable a Request for Payment:

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Accounts Payable will not process a request for payment that is sent into the accounts payable department via fax. This has led to duplicate payments and a breach of internal control procedures. If it is absolutely necessary to have a payment made immediately, please overnight the original request with all appropriate signatures, classifications, and backup to the attention of the appropriate Accounts Payable Lead. Please note on the request for payment form that you are requesting immediate payment and the reason the payment is needed so quickly. Please contact the appropriate Accounts Payable Lead with questions. Visit the accounts payable website for contact information.

Stop Payment on a Check:

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Please allow at least thirty (30) days from the check date before requesting a stop payment. Please contact the appropriate Accounts Payable Lead with questions. Visit the accounts payable website for contact information.

Returning a Check to be Voided:

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For checks returned from vendors that need to be voided, please forward to accounts payable as soon as possible. Please deface the check by printing “VOID” on the face of the check. Staple the check to the back of a Cancel Payment Request form, fill out the form and forward to Accounts Payable.

CALL CENTER ONLY – Customer Refunds that are returned – do not deface the check. Fill out the Accounts Payable Investigation form, attach the check to the form, and forward to Accounts Payable.

Please visit the Accounts Payable website for the appropriate forms.

Accounts Payable Website:

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Please visit the accounts payable website for contact information. The accounts payable website is

located on the NiSource OnSite intranet site under Transaction Services. Once you have clicked on Transaction Services, please choose “Accounts Payable” which is located under “Finance” in the “departments”.

APPENDIX B

Accounts Payable Q1 2010 closing schedules

Posted: 03-15-2010 at 02:30 Eastern Time

Details for payment requests for all Columbia Distribution Companies except for NIPSCO, NIFL and Kokomo

Accounts Payable (AP) is asking that all payment requests be uploaded into Catalyst or mailed to reach College Station by close of business **Tues., March 23***.

Payment requests received after this date will be processed. However, adequate time to process and resolve issues is required. Therefore, invoices and expense statements should be expedited to reach College Station by March 23 to help ensure processing in March's business. **Approvals should be completed in Catalyst no later than noon Eastern Time, Wed., March 31.**

Details for NIPSCO, NIFL and Kokomo:

Accounts Payable is asking that all approved and coded payment requests be received by Accounts Payable by **Thurs., March 25***. Payment requests received after this date will be processed but your cooperation is requested in allowing Accounts Payable adequate time to process and resolve issues

Requests must have all proper account classifications, approving signatures, appropriate backup, etc.

Details for employee expenses for companies utilizing ERS:

All Employee Expense Statements on ERS must be **entered and approved** by noon Eastern Time, **Weds., March 31**. ERS Employee Expense Statements that are approved after that time may not be included for March's business.

**This excludes payments processed through an interface and/or feed (other than Catalyst) into Accounts Payable. The due dates for those items remain the same as any other month.*

APPENDIX C

Accounts Payable would like to remind everyone of the last dates in 2009 for feeds into the Accounts Payable systems.

The dates below reflect the last day that entries into the feed/interface will have the expense posted to 2009 business. Please note, in many cases, the feed/interface is actually pulled into (processed in) accounts payable a day or two later (depending on the system). These dates are based on automatic system processing;

Feed/Interface	Affiliate	Dead-Line
Gas Purchases	CDC	Dec 18 (user defined)
Lease	CDC	Dec 23 (user defined)
Telecom	All Companies	Dec 29
Work Management	CDC	Dec 29
McJunkin/Mutual	CDC	Dec 29
Retail Services	PeopleSoft	Dec 30
Wires/Flow Throughs*	CDC	Dec 29
Customer Refunds	Bay State	Dec 29
PCR	CDC	Dec 29
EDI	CDC	Dec 29
EDI	PeopleSoft	Dec 30

(not processed by accounts payable on last business day of year - December 31st - and 1st business day of the new year - January 1)

P-Card	ALL	Dec 30
Construction	Bay State	Dec 30
Mechanized	CDC	Dec 29
Wire Transfers*	CDC	Dec 29
	NIPSCO	Dec 29
	PeopleSoft	Dec 29

Items processed in the various interface systems after Dec 29th MAY not make it into Accounts Payable in December 2009 business.

* all information pertaining to wires and flow throughs must be received in accounts payable by the dates listed above

If you have any questions, please contact the SourceNet Help Desk:
 1-877-357-3911 Opt 2 Opt 2

APPENDIX D

The threshold to record an accrual for goods received or services rendered but not invoiced is company specific. See accrual thresholds by company below:

	Threshold by Charge Type	
	Capital	O&M
NGD *	\$ 10,000	\$ 10,000
NGT&S	\$ 50,000	\$ 25,000
NIE		
NIPSCO **	\$ 10,000	\$ 10,000
NIFL	N/A ***	N/A ***
Kokomo	N/A ***	N/A ***
NiSource Corp Services	\$ 25,000	\$ 25,000

* Use of threshold applies to unapproved invoices in Catalyst. NGD also accrues for any items, regardless of amount, booked on the first two days of the subsequent month that have a business date of the month

** Due to the high volume of low dollar transactions, generation accrues for 100% of goods and services rendered but not invoiced

*** 100% of goods received and services rendered but not invoiced are accrued



Accounting Policy

Issue date: March 31, 2010 — Revised March 2015

Prepared by: Matt Currie

Approved by: BU Controllers

Reference No. 10.2

Subject: Retirement and Reacquisition of Debt

I. INTRODUCTION

This policy provides guidelines on the retirement and reacquisition of debt.

II. SCOPE

This policy applies to all NiSource business units that carry external and internal debt.

III. GAAP GUIDANCE

ASC 405-20-40-1

A debtor shall derecognize a liability if and only if it has been extinguished. A liability has been extinguished if either of the following conditions is met:

1. The debtor pays the creditor and is relieved of its obligation for the liability. Paying the creditor includes the following:
 - a. Delivery of cash
 - b. Delivery of other financial assets
 - c. Delivery of goods or services
 - d. Reacquisition by the debtor of its outstanding debt securities
2. The debtor is legally released from being the primary obligor under the liability, either judicially or by the creditor.

ASC 470-50-40-2

A difference between the reacquisition price and the net carrying amount of the extinguished debt shall be recognized currently in income of the period of extinguishment as losses or gains and identified as a separate item. Gains and losses shall not be amortized to future periods.

ASC 470-50-40-6

An exchange of debt instruments with substantially different terms is a debt extinguishment and shall be accounted for in accordance with paragraph 405-20-40-1 as seen above. A debtor could achieve the same economic effect as an exchange of a debt instrument by making a substantial modification of terms of an existing debt instrument. Accordingly, a substantial modification of terms shall be accounted for like an extinguishment.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

ASC 980-470-40-1 through ASC 980-470-40-3

ASC requires recognition in income of a gain or loss on an early extinguishment of debt in the period in which the debt is extinguished. For rate-making purposes, the difference between the entity's net carrying amount of the extinguished debt and the reacquisition price may be amortized as interest expense over some future period.

If the debt is reacquired for an amount in excess of the entity's net carrying amount, the regulator's decision to increase future rates by amortizing the difference for rate-making purposes provides reasonable assurance of the existence of an asset. Accordingly, the regulated entity shall capitalize the excess cost and amortize it the over period during which it will be allowed for rate-making purposes.



Accounting Policy

Issue date: March 31, 2010 — Revised March 2015

Prepared by: Matt Currie

Approved by: BU Controllers

Reference No. 10.2

Subject: Retirement and Reacquisition of Debt

If the debt is reacquired for an amount that is less than the entity's net carrying amount, the regulator's decision to reduce future rates by amortizing the difference for rate-making purposes imposes a liability in the regulated entity. Accordingly, the entity would record the difference as a liability and amortize it over the period during which permitted rates will be reduced.

V. NISOURCE APPLICATION

Example

A Bond with a face value of \$800,000 is issued and due in 20 years. Bond issue costs total \$16,000 with a discount of \$24,000. Eight years after the issue, the entire amount is called at 101% of the issue price. The gain/loss on extinguishment is calculated as follows:

Reacquisition Price ($\$800,000 * 1.01$)		\$808,000.00
Net carrying value		
Face Value	\$800,000.00	
Unamortized Discount ($\$24,000 * 12/20$)	\$ (14,400.00)	
Unamortized Fees ($\$16,000 * 12/20$)	\$ (9,600.00)	\$776,000.00
Loss on Extinguishment		\$ 32,000.00

	Debit	Credit
Bonds Payable	\$800,000.00	
Loss on Extinguishment of Debt	\$ 32,000.00	
Unamortized Discount on Bonds		\$ 14,400.00
Unamortized Fees on Bonds		\$ 9,600.00
Cash		\$808,000.00

VI. AUTHORITY AND RESPONSIBILITY

Responsibility for the decision to retire or reacquire debt lies with the treasury department. Responsibility to properly record the retirement and reacquisition of debt lies with the Segment Controller of the company owning the debt.

VII. APPENDICES

Not applicable.



Accounting Policy

Issue date: March 31, 2010 — Revised March 2015

Prepared by: Jason Pfeiffer

Approved by: BU Controllers

Reference No. 10.4

Subject: Debt Issuance Costs

I. INTRODUCTION

This policy provides guidelines related to Debt Issuance Costs.

II. SCOPE

This policy applies to all NiSource business units that carry external and internal debt.

III. GAAP GUIDANCE

ASC 835-30-35-2 requires that debt discount be accreted to and premiums be amortized in interest expense over the life of the related debt. The debt discount, premiums and issuance costs should be amortized/accreted from the date of issuance to the earliest redemption date.

Additional guidance – Deloitte Q and A 02, 03 and 04 for ASC 835

Q&A 02 Accounting for Debt Discounts and Issuance Costs on Puttable Debt. It states that the debt issuance costs may be accounted for in the same manner as debt discount. The issuance costs and debt discount will be accreted to the earliest put date. This will ensure that the carrying amount of the debt is equal to the redemption amount at the earliest redemption date.

Q&A 03 Accounting for Debt Premiums on Traditional Callable and Puttable Debt. Premium debt should be amortized over the contractual life of the debt. It is not appropriate to recognize the premium debt as a reduction of interest expense from the date of issuance to the earliest redemption date since that would be analogous to recognizing a gain contingency.

Q&A 04 Accounting for Debt Discounts and Issuance Costs on Callable debt. The company should accrete the debt discount and issuance costs over the contractual term of the callable debt. Debt discounts and issuance costs generally are accreted over the contractual term to maturity of the related debt with limited exceptions. One exception to requirement is on puttable debt with a discount.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Regulated companies may have external debt as well. The NiSource application will be the same for regulated and non regulated companies. The regulated companies are able to recoup the premiums, discounts and fees in their rate cases.

V. NISOURCE APPLICATION

All debt discounts and issuance costs should be accreted over the life of the contract, unless the debt is puttable. The entry does not change for puttable debt, however, it would be accreted to the put date.

Entry for Discount and fees

Dr Interest Expense (Amt. Debt Disc and Exp)
Cr Unamortized Discount on LT debt

Entry for Premium and fees

Dr Unamortized Premium on LT Debt
Cr Amortization of Premium on Debt
Dr Interest Expense (Amt. Debt Disc and Exp)
Cr Unamortized Discount on LT debt



Accounting Policy

Issue date: March 31, 2010 — Revised March 2015

Prepared by: Jason Pfeiffer

Approved by: BU Controllers

Reference No. 10.4

Subject: Debt Issuance Costs

VI. AUTHORITY AND RESPONSIBILITY

The authority and responsibility to record the debt and associated issuance costs, premiums and discounts correctly resides with the segment controller of the company incurring the debt.

VII. APPENDICES

Not applicable.



Accounting Policy

Issue date: March 31, 2010 — Revised March 2015

Prepared by: Greg Easton

Approved by: BU Controllers

Reference No. 10.5

Subject: Debt/Accrued Interest

I. INTRODUCTION

This policy provides guidelines on recording the Accrued Interest on Debt.

II. SCOPE

This policy applies to all NiSource business units that carry external and/or internal debt.

III. GAAP GUIDANCE

ASC 835-25-6

A note issued solely for cash equal to its face amount is presumed to earn the stated rate of interest.

APB 21, paragraph 6

The total amount of interest during the entire period of a cash loan is generally measured by the difference between the actual amount of cash received by the borrower and the total amount agreed to be repaid to the lender.

Accrued Interest is a term used to describe an accrual accounting method when interest that is either payable or receivable has been recognized, but not yet paid or received. Accrued interest occurs as a result of the difference in timing of cash flows and the measurement of these cash flows. It is also the interest that has accumulated on a financial instrument since the last interest payment up to, but not including, the settlement date.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Not applicable.

V. NISOURCE APPLICATION

Accounting personnel at NiSource business units record the amount of accrued interest based on the external and internal debt information received from the Treasury department. Accrued interest is calculated by Treasury in accordance with the actual debt agreements. Two calculations currently used include: 1. Multiplying the face amount of the note by the stated interest rate to determine the yearly interest, then multiply that by thirty days divided by three hundred sixty days or 2. Multiplying the face amount of the note times the stated interest rate and multiply that by the number of days in the month divided by three hundred sixty five days. The interest is recorded as a debit to interest expense and a credit to interest payable.

VI. AUTHORITY AND RESPONSIBILITY

Treasury department is responsible for providing debt information and the associated interest to accounting.

The segment controller is responsible for accurately recording accrued interest on debt provided by Treasury.

APPENDICES

Not applicable.



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Jennifer Carr/Matt Harris

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 11.1

Subject: Earnings Per Share

I. INTRODUCTION

This policy provides guidelines for computing, presenting, and disclosing earnings (loss) per share (EPS), both basic and diluted.

II. SCOPE

This policy applies to the parent company, NiSource, and any subsidiary that issues common stock.

III. GAAP GUIDANCE

According to ASC 260-10-15-2, presentation of earnings per share (EPS) is required for “all entities that have issued common stock or potential common stock (that is, securities such as options, warrants, convertible securities, or contingent stock agreements) if those securities trade in a public market.” It does not require presentation of EPS “in statements of wholly owned subsidiaries.”

ASC 260-10-45 provides guidance pertaining to presentation of basic and diluted EPS. It requires that:

- Entities (excluding those with simple capital structures) shall present basic and diluted per-share amounts for income from continuing operations and for net income on the face of the income statement with equal prominence.
- Entities that report a discontinued operation or an extraordinary item in a period shall present basic and diluted per-share amounts for those line items either on the face of the income statement or in the notes to the financial statements.
- The terms *basic EPS* and *diluted EPS* are used to identify EPS data to be presented and are not required to be captions used in the income statement. There are no explicit requirements for the terms to be used in the presentation of basic and diluted EPS.
- Per share-amounts not required to be presented by this Subtopic that an entity chooses to disclose shall be computed in accordance with this Subtopic and disclosed only in the notes to financial statements; it shall be noted whether the per-share amounts are pre-tax or net of tax.
- Prohibits reporting cash flow per share. (260-10-45-6)
- EPS data shall be presented for all periods for which an income statement or summary of earnings is presented. If diluted EPS data are reported for at least one period, they shall be reported for all periods presented, even if they are the same amounts as the basic EPS.

ASC 260-10-45-10 governs the computation of basic EPS. It states that “basic EPS shall be computed by dividing **income available to common stockholders** (the numerator) by the **weighted-average number of common shares outstanding** (the denominator) during the period. Shares issued during the period and shares reacquired during the period shall be weighted for the portion of the period that they were outstanding.”

Income available to common stockholders is calculated by subtracting dividends declared in the period on preferred stock and dividends accumulated on cumulative preferred stock from **income from continuing operations** and also from **net income**. If a net loss exists the dividends on preferred stock will increase the loss. Preferred dividends that are cumulative only if earned shall be deducted only to the extent that they are earned.

The **weighted-average number of common shares outstanding** (the denominator) in the basis EPS calculation shall include common shares outstanding and contingently issuable shares, if appropriate. “Contingently issuable shares should be included in basic EPS only when there is no circumstance under which those shares would not be issued and basic EPS should not be restated for changed circumstances.”

ASC 260-10-45-16 governs the computation of **diluted EPS**. It states that “the computation of diluted EPS is similar to the computation of basic EPS except that the denominator is increased to include the



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Jennifer Carr/Matt Harris

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 11.1

Subject: Earnings Per Share

number of additional common shares that would have been outstanding if the dilutive potential of common shares had been issued. In addition, in computing the dilutive effect of convertible securities, the numerator is adjusted to add back any convertible preferred dividends and the after-tax amount of interest recognized in the period associated with any convertible debt. The numerator also is adjusted for any other changes in income or loss that would result from the assumed conversion of those potential common shares, such as profit-sharing expenses.”

Potential anti-dilution also must be taken into consideration when computing diluted EPS. In accordance with ASC 260-10-45-20 the “control number” for determining whether the impact of potential common shares in the diluted EPS calculation is anti-dilutive is income from continuing operations. As such, if a loss from continuing operations exists the diluted and basic EPS calculations are identical. The basic and diluted EPS calculations are also the same if income from continuing operations is present but the preferred dividend adjustment results in a loss from continuing operations. Finally, certain convertible or contingent securities may have an anti-dilutive impact on the calculation of diluted EPS. These contingent shares are excluded from the calculation of diluted EPS. Note that in determining whether certain convertible or contingent securities are anti-dilutive and therefore excluded from the calculation of diluted EPS, each issue or series of issues of potential common shares shall be considered for inclusion in the calculation of diluted EPS in sequence from the most dilutive to the least dilutive.

The **weighted average of common shares outstanding** computation for both the basic and diluted EPS is “an arithmetical mean average of shares outstanding and assumed to be outstanding for EPS computations. The most precise average would be the sum of the shares determined on a daily basis divided by the number of days in the period. Less-precise averaging methods may be used, however, as long as they produce reasonable results.

According to ASC 260-10-50-1, “for each period for which an income statement is presented, an entity shall disclose all of the following:

- A reconciliation of the numerators and the denominators of the basic and diluted per-share computations for income from continuing operations. The reconciliation shall include the individual income and share amount effects of all securities that affect EPS. An entity is encouraged to refer to pertinent information about securities included in the EPS computations that is provided elsewhere in the financial statements as prescribed by Subtopic 505-10.
- The effect that has been given to preferred dividends in arriving at income available to common stockholders in computing basic EPS.
- Securities (including those issuable pursuant to contingent stock agreements) that could potentially dilute basic EPS in the future that were not included in the computation of diluted EPS because to do so would have been antidilutive for the period(s) presented. Full disclosure of the terms and conditions of these securities is required even if a **security** is not included in diluted EPS in the current period.”

Per ASC 260-10-50-2, “for the latest period for which an income statement is presented, an entity shall provide a description of any transaction that occurs after the end of the most recent period but before the financial statements are issued or are available to be used that would have changed materially the number of common shares or potential common shares outstanding at the end of the period if the transaction had occurred before the end of the period. Examples of those transactions include the issuance or acquisition of common shares, the issuance of warrants, options, or convertible securities, the resolution of a contingency pursuant to a contingent stock agreement, and the conversion or exercise of potential common shares outstanding at the end of the period into common shares.”

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

ASC 980 applies to the extent that it impacts revenue recognition and O&M expenditures.



Accounting Policy

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Jennifer Carr/Matt Harris

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 11.1

Subject: Earnings Per Share

V. NISOURCE APPLICATION

NiSource will calculate **basic EPS** as follows:

$$\frac{\text{Income from Continuing Operations} + \text{Gain/(Loss) on Discontinued Operations (net of tax)}}{\text{Weighted-Avg. Common Shares Outstanding}} \quad \frac{\text{Gain/(Loss) on Discontinued Operations (net of tax)}}{\text{Weighted-Avg. Common Shares Outstanding}}$$

NiSource calculates the weighted-average shares outstanding as a daily average of shares outstanding.

NiSource has various long-term incentive compensation plans, such as nonqualified stock options, shares contingently issuable under employee stock plans, and shares restricted under employee stock plans that have a dilutive effect on EPS (i.e. increase common shares outstanding). As a result, NiSource must also calculate **diluted EPS** as follows:

$$\frac{\text{Income from Continuing Operations}}{\text{Diluted Average Common Shares}} + \frac{\text{Gain/(Loss) on Discontinued Operations (net of tax)}}{\text{Diluted Average Common Shares}}$$

The weighted-average of diluted shares outstanding represents a daily average of diluted shares outstanding.

If a loss from continuing operations is present or a loss from continuing operations exists subsequent to the preferred dividends adjustment made in conjunction with the above calculation then the calculations of basic and diluted EPS will be identical. Additionally, any issuance of potential common shares with an anti-dilutive impact on the diluted EPS calculation shall be excluded from the calculation. Issuances of potential common shares are considered for inclusion in the diluted EPS calculation in sequence from most dilutive to least dilutive.

Both Basic and Diluted EPS are to be presented on the face of the income statement for both continuing and discontinued operations for all periods reported on the income statement. Per share information for extraordinary items will also be disclosed on the face of the income statement.

NiSource also will include a reconciliation of the numerators and the denominators of the basic and diluted per-share computations for income from continuing operations in the Notes to the Consolidated Financial Statements. The reconciliation shall include the individual income and share amount effects of all securities that affect EPS.

VI. AUTHORITY AND RESPONSIBILITY

Consolidation Accounting is responsible for computing EPS based on information provided by Treasury.

The Director of Consolidation Accounting reviews and approves the basic and diluted EPS computations.

Financial Reporting is responsible for presentation and disclosure in the financial statements.

Final presentation in the financial statements is reviewed and approved by the Chief Accounting Officer.

VII. APPENDICES

Not applicable.



Accounting Policy Guide

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Doug Loudermilk

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 11.2

Subject: Dividends and Distributions Paid

I. INTRODUCTION

This policy provides guidelines and procedures for payment of dividends by NiSource and its subsidiaries.

II. SCOPE

This policy applies to all NiSource business units.

III. GAAP GUIDANCE

ASC 505-10-25-2

All of the following shall be excluded from the determination of net income or the results of operations under all circumstances:

- a. Adjustments or charges or credits resulting from transactions in the entity's own capital stock
- b. Transfers to and from accounts properly designated as appropriated retained earnings (see paragraph [505-10-45-3](#) for what is meant by properly designated as appropriated retained earnings)
- c. Adjustments made pursuant to a quasi-reorganization shall be excluded from the determination of net income or the results of operations.

ASC 505-10-45-3 through ASC 505-10-45-4

An appropriation of retained earnings is permitted, provided that it is shown within the shareholders' equity section of the balance sheet and is clearly identified as an appropriation of retained earnings.

Costs or losses shall not be charged to an appropriation of retained earnings, and no part of the appropriation shall be transferred to income.

IV. NISOURCE APPLICATION

External Dividends

Holders of shares of NiSource common stock are entitled to receive dividends when, and if declared by the Board of Directors out of legally available funds. The policy of the Board of Directors has been to declare cash dividends on a quarterly basis payable on or about the 20th day of February, May, August and November. NiSource Accounting accrues the cost of the dividend on the date of declaration based upon an estimate of shares outstanding as of the record date. NiSource Shareholder Services disburses the dividend payment to its agent. The agent distributes the dividend to stockholders that are entitled to the dividend based upon owning shares on the record date. On or shortly after the date of payment, NiSource Accounting trues-up the account from the estimate that was recorded. It should be noted that the external dividend payment to shareholders is not dependent upon an internal dividend payment from subsidiaries to NiSource.

The agent performs their services for a fee and related expenses. The cost is charged to expense by NiSource through the contract billing from NiSource Corporate Services.

Internal Dividends

NiSource uses the equity method of accounting related to investments in subsidiary companies. Based upon its working capital needs, NiSource will have its subsidiary companies declare dividends payable to its parent company based upon subsidiary board of directors' meetings or unanimous written consent of the sole directors of each subsidiary company. If the subsidiary has a parent company other than NiSource, it is responsible for distributing the dividend to NiSource.



Accounting Policy Guide

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Doug Loudermilk

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 11.2

Subject: Dividends and Distributions Paid

The treatment of dividends paid to employees related to Phantom shares, contingent units, etc. is addressed in the stock-based compensation accounting policy.

V. REGULATORY CONSIDERATIONS (ASC 980)

NiSource and its subsidiaries participate in a cash management program whereby cash in excess of the daily needs, are concentrated, consolidated, or otherwise made available for use by all companies participating in the money pool. Such programs concentrate affiliate cash assets in joint accounts for the purpose of providing financial flexibility and lowering the cost of borrowing.

It should be noted that FERC-regulated entities are required to describe the significant events or transactions causing the balance sheet capitalization to be less than 30 percent, the extent to which the FERC-regulated entity has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through such cash management program(s), and plan to regain 30 percent capitalization.

VI. AUTHORITY AND RESPONSIBILITY

The NiSource Chief Financial Officer and NiSource Treasurer will recommend the payment of a dividend to the Financing Committee of the Board of Directors. Upon approval by the Committee, it will recommend approval by the full Board of Directors.

The Corporate Secretary will report dividends approved by the Board of Directors to Corporation Communications to issue a press release and notification of the dividend declaration to the New York Stock Exchange.

The Corporate Treasury group will work with Segment Controllers to determine each business unit's funds that are legally available for dividends.

The Corporate Treasury group will work with Segment Controllers to determine the cash balances that each business unit will have available for dividend declaration and payment.

The Segment Controllers and CFOs review the dividend payment recommendations and approve the amounts that have been allocated to each business unit.

The Treasurer will notify the Corporate Secretary of dividends approved for payment. The Corporate Secretary will prepare the appropriate resolutions for consideration by each Board of Directors. Once approved by the Board, the dividend resolutions will be provided to Treasury and Segment Controllers.

Each business unit will transfer funds for the dividend payment on the authorized date from the money pool.

The Corporate Treasury group will disburse cash to the paying agent with sufficient time for the common stock cash dividend to be paid on the authorized date.

VII. APPENDICES

Not applicable.



Accounting Policy

Issue date: March 31, 2010 — Revised March 2015

Prepared by: Kristin Harmon

Approved by: BU Controllers

Reference No. 11.4

Subject: Treasury Stock

I. INTRODUCTION

This policy provides guidelines related to Treasury Stock.

II. SCOPE

This policy applies to NiSource, Inc.

III. GAAP GUIDANCE

ASC 505-30-05-2 through ASC 505-30-05-3

Repurchased common stock is referred to as **treasury stock** or treasury shares. Entities may pay more or less for the repurchased shares than the stated fair value or the original purchase price.

ASC 505-30-25-1 through ASC 505-30-25-9

Treasury stock can have differences in amounts that result in different accounting requirements. Two situations that result in different treasury stock amounts are as follows:

1. An entity repurchases its own outstanding common stock for an amount that differs from the price obtainable in open market transactions. In this case, some portion of the amount being paid presumably represents a payment for stated or unstated rights or privileges that shall be given separate accounting recognition. See ASC 505-30-30-3 for the measurement requirements for such a transaction.

An accelerated share repurchase program allows for the repurchase of a targeted number of shares with the final repurchase price determined by an average market price over a fixed period of time. For an example, see ASC 505-30-55-1.

2. An entity resells previously repurchased common stock for an amount that differs from the repurchase amount paid. This transaction type relates to the capital of the corporation and does not give rise to corporate profits or losses. This difference between the repurchase and resale price of the common stock should be allocated to the different components within stockholders' equity as required by ASC 505-30-30-5 through 30-10.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Not applicable.

V. NISOURCE APPLICATION

The Treasury Stock account is debited for the cost of the shares acquired and upon reissuance of the shares is credited for this same cost. The price received for the stock when it was originally issued does not affect the entries to record the acquisition and reissuance of treasury stock. Treasury stock is deducted from total paid-in capital and retained earnings in the statement of stockholders' equity. See examples below:

Example: NiSource acquires 10,000 shares of its common stock at \$11 per share. The entry is:

Debit – Treasury Stock	110,000	
Credit – Cash		110,000



Accounting Policy

Issue date: March 31, 2010 — Revised March 2015

Prepared by: Kristin Harmon

Approved by: BU Controllers

Reference No. 11.4

Subject: Treasury Stock

Example: NiSource sells treasury stock at the price equal to cost. The entry is:

Debit – Cash	110,000	
Credit – Treasury Stock		110,000

Generally, if treasury stock is sold, equity will increase. If treasury stock is acquired, equity will decrease.

Example: NiSource sells 1,000 shares of treasury stock previously acquired at \$11 per share for \$15 per share. The entry is as follows:

Debit – Cash	15,000	
Credit – Treasury Stock		11,000
Credit – Paid-in Capital from Treasury Stock		4,000

Example: NiSource sells 1,000 shares of treasury stock previously acquired at \$11 per share for \$8 per share. The entry is:

Debit – Cash	8,000	
Debit – Paid-in Capital from Treasury Stock	3,000	
Credit – Treasury Stock		11,000

VI. AUTHORITY AND RESPONSIBILITY

The journal entries related to the accounting for treasury stock are determined by Consolidation Accounting who provides the entries to the Corporate Segment Controller. The corporate accounting segment controller is responsible for recording all activity related to treasury stock.

VII. APPENDICES

Not applicable.



Accounting Policy

Issue date: 9/30/10

Prepared by: Matt Harris

Approved by: Segment Controllers

Updated: Nick Drew 3/11/15

Reference No.

Subject: Equity Issuance Costs

I. INTRODUCTION

This policy provides guidelines for accounting for equity issuance costs.

II. SCOPE

Equity issuance costs are recorded at corporate and as such this policy applies to NiSource's Corporate business unit.

III. GAAP GUIDANCE

SAB Topic 5.A, Expenses of an Offering

ASC 340-10-S99-1

Specific incremental costs directly attributable to a proposed or actual offering of equity securities may properly be deferred and charged against the gross proceeds of the offering. However, management salaries or other general and administrative expenses may not be allocated as costs of the offering and deferred costs of an aborted offering may not be deferred and charged against proceeds of a subsequent offering. A short postponement (up to 90 days) does not represent an aborted offering.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Not applicable.

V. NISOURCE APPLICATION

NiSource will record equity issuance costs in accordance with the above guidance as a reduction of gross proceeds received in the transaction. The offset to the reduction in proceeds due to the costs of an equity issuance is recorded as a debit to additional paid in capital.

Offering costs incurred in advance of the offering shall be deferred in a current asset until the funds from the offering are received, at which point this asset will be reduced with the offset recorded to additional paid-in capital.

Costs associated with an aborted equity offering may not be deferred and are charged to expense upon the equity offering being abandoned.

Costs associated in a forward equity transaction are generally recorded in equity when the shares are physically settled (i.e. when the shares are exchanged for cash). However, if the transaction is cash or net-share settled (i.e. the Company decides to not finish the transaction as planned and thus only has costs to the banks and underwriters), the equity costs are then expensed as no equity shares are issued.

VI. AUTHORITY AND RESPONSIBILITY

NiSource Corporate Accounting is responsible for recording entries related to an equity issuance.

VII. APPENDICES

Not applicable.



Accounting Policy Guide

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Albert Romero

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 12.1

Subject: Parent Company Tax Savings and Loss Company Tax Allocations

I. INTRODUCTION

This policy applies to NiSource and all of its subsidiaries (NiSource Group) and provides guidance on consolidated tax allocations for federal and state income tax liabilities, and specifically, tax benefits from parent company tax losses. The policy is governed by the Tax Sharing Agreement (TSA) dated September 30, 2002 and applies to all members of the NiSource Group.

II. SCOPE

NiSource will estimate and assess to members of the NiSource Group their share of the quarterly estimated tax payments to be made on the projected consolidated income tax liability. The tax is paid quarterly and with the extension, if necessary, and is reconciled to the actual tax liability when the consolidated returns are filed. The tax liability is calculated on a stand alone basis and is adjusted for consolidated tax benefits discussed below.

NiSource Inc. (Co. 58) is a tax loss member company mainly as a result of the indebtedness incurred to finance the acquisition of CEG, and other expenses to comply with fiduciary duties. The taxable loss generated by Co. 58 provides a tax benefit which cannot be paid to Co. 58 under the terms of the TSA.

In addition, the TSA provides that the tax benefit associated with interest on CEG acquisition indebtedness be allocated to NiFinance. Co 58's remaining tax losses and resulting tax benefits, "parent company tax savings", are allocated to subsidiaries with tax liabilities.

III. GAAP GUIDANCE

Subtopics ASC 740-30-27 & 28 address Allocation of Consolidated Tax Expense to Separate Financial Statements of Members. Subtopic 740-10-30-27 does not require a single allocation method.

However, the method adopted must be systematic, rational, and consistent with the broad principles established by the subtopic. The stand alone/pro rata approach used by the TSA is a method that is systematic, rational, and consistent with the broad principles established by ASC 740-30-27.

IV. REGULATORY CONSIDERATIONS (ASC 980)

Not applicable to accounting for parent company or loss company tax savings but Regulatory Departments should be consulted during rate filing preparations.

V. NISOURCE APPLICATION

NiSource shall allocate the parent company tax savings to all subsidiaries with a tax liability. The allocation of parent company tax savings is calculated by multiplying the parent company tax savings by a fraction, the numerator of which is the subsidiaries stand alone tax liability and the denominator of which is the sum of all subsidiaries' stand alone tax liability. This method is utilized when allocating the quarterly estimate, the extension estimate, and the final tax liability after the consolidated returns are filed.

As stated above, NiSource Group members are assessed consolidated estimated taxes based on their stand alone tax liability or tax benefit adjusted for any allocated parent company tax savings. The quarterly estimated tax will be paid by or refunded to the members and the quarterly estimated payments will be reconciled to the actual assessment when the consolidated return is filed.



Accounting Policy Guide

Issue date: January 22, 2010 — Revised March 2015

Prepared by: Albert Romero

Approved by: Segment Controllers and Chief Accounting Officer

Reference No. 12.1

Subject: Parent Company Tax Savings and Loss Company Tax Allocations

Sample accounting entries used to record Parent Company Tax Savings are as follows (see attached Final 2007 Federal Income Tax allocation Column (6)):

NL G/L

Accrued Taxes	236	(11,939,727)
Investment in Subsidiary	123	11,939,727

To record parent company tax savings allocated to operating companies

Operating Company G/L (BSG example)

Additional Paid in Capital	211	(419,262)
Accrued Taxes	236	419,262

To record parent company tax savings allocated to BSG. All companies allocated a parent company tax savings will record this entry.

VI. AUTHORITY AND RESPONSIBILITY

The Vice President, Corporate Tax of NiSource Corporate Services or such other official assigned will have the authority and responsibility to approve the quarterly/annual intercompany tax allocation as spelled out in the Tax sharing Agreement.

VII. APPENDICES

Appendix I - Intercompany Income Tax Allocation Agreement dated September 30, 2002 and 2007
Appendix II - Final Consolidated Income Tax Liability Allocation

September 30, 2002

NISOURCE INC. AND SUBSIDIARY COMPANIES**INTERCOMPANY INCOME TAX ALLOCATION AGREEMENT**

WHEREAS, NiSource Inc., a corporation organized under the laws of the State of Delaware ("NiSource") and a registered holding company under the Public Utility Holding Company Act of 1935 ("Act"), together with its subsidiary companies, direct and indirect, listed as parties hereto, comprise the members of the NiSource consolidated group which will join annually in the filing of a consolidated Federal income tax return, and it is now the intention of NiSource and its subsidiaries, direct and indirect, (hereinafter collectively referred to as the "NiSource Group"), to enter into an agreement for the allocation of current federal income taxes; and

WHEREAS, certain members of the NiSource Group will join annually in the filing of certain consolidated state income tax returns (to the extent permitted or required under applicable state income tax laws), and it is now the intention of the NiSource Group to enter into an agreement for the allocation of current state income taxes; and

WHEREAS, by order dated September 12, 2002, the Securities and Exchange Commission has authorized NiSource and its subsidiaries to enter into this agreement as of January 1, 2001 and to allocate consolidated income taxes in the manner herein provided; and

NOW, THEREFORE, each member ("Member") of the NiSource Group does hereby covenant and agree with one another that the current consolidated income tax liabilities of the NiSource Group shall be allocated as follows:

Definitions and Interpretation

Section 1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided, the following terms shall have the following respective meanings:

"Acquisition Indebtedness" means indebtedness incurred by NiSource or NiSource Finance Corp. ("Finance") to finance the acquisition (including related costs) by NiSource of all of the issued and outstanding stock of Columbia Energy Group and any renewals or extensions thereof. Acquisition Indebtedness also includes indebtedness incurred by NiSource or Finance for the purpose of refinancing the indebtedness relating

to the acquisition (including related costs) of all of the issued and outstanding stock of Columbia Energy Group.

“Code” means the Internal Revenue Code of 1986, as amended.

“Consolidated Group” means NiSource and all of its subsidiaries which, from time to time, may be included in any (i) federal income tax return filed by NiSource in accordance with sections 1501 and 1502 of the Code or (ii) Other Return.

“Consolidated Return” means any consolidated federal income tax return or Other Return filed by NiSource whether before or after the date hereof, which includes one or more Members of the NiSource Group in a consolidated, combined or unitary group of which NiSource is the common parent.

“Consolidated Return Year” means any period during which NiSource files a consolidated federal income tax return or Other Return that includes one or more Members of the NiSource Group in a consolidated, combined or unitary group of which NiSource is a common parent.

“Consolidated Taxable Income” is the taxable income of the Consolidated Group as computed for federal or state income tax purposes.

“Consolidated Tax Liability” means, with reference to any taxable period, the consolidated, combined or unitary tax liability (including any interest, additions to tax and penalties) of the Consolidated Group for such taxable period (including the consolidated federal income tax liability and other consolidated, combined or unitary liability for Other Taxes).

“Corporate Taxable Income” means the income or loss of an associate company for a tax year computed as though such company had filed a separate return on the same basis as used in the Consolidated Return, except that dividend income from associate companies shall be disregarded, and other intercompany transactions eliminated in the Consolidated Return shall be given appropriate effect.

“Designated Official” means the Vice President, Corporate Tax of NiSource Corporate Services Company or such other official assigned the responsibilities of Vice President, Corporate Tax of NiSource Corporate Services Company.

“Other Return” means any consolidated, combined or unitary return of Other Taxes filed by NiSource or another Member of the NiSource Group, whether before or after the date hereof, which covers the operations of one or more Members of the NiSource Group.

“Other Taxes” means any taxes (including any interest and penalties) payable by NiSource or another Member of the NiSource Group to the government of any state, municipal or other political subdivision, including all agencies and instrumentalities of such government.

“Person” means any individual, partnership, firm, corporation, limited liability company, joint stock company, unincorporated association, joint venture, trust or other entity or enterprise, or any government or political subdivision or agency, department or instrumentality thereof.

“Regulations” means the Treasury Regulations promulgated under the Code.

“Separate Return Tax” means the tax on the Corporate Taxable Income of a corporation which is a Member computed for purposes of this Agreement as though such company were not a Member of a consolidated group.

Section 1.2 References. Etc. The words “*hereof*”, “*herein*” and “*hereunder*” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined herein in the singular shall have the same meanings in the plural and *vice versa*. All References herein to any Person includes such Person’s successors and assigns. All references herein to Articles and Sections shall, unless the context requires a different construction, be deemed to be references to the Articles and Sections of this Agreement. For purposes of this Agreement, Finance will not be treated as a Member of the NiSource Group and all items of income, deduction, loss, credit or any other tax attribute of Finance shall be treated as an item of income, deduction, loss, credit or tax attribute of NiSource. In this Agreement, unless a clear contrary intention appears the word “*including*” (and with correlative meaning “*include*”) means “*including but not limited to*”.

Preparation and Filing of Tax Returns: Allocation of Taxes

Section 2.1 Federal Returns.

(a) A U.S. consolidated federal income tax return shall be prepared and filed by NiSource for each taxable year in respect of which this Agreement is in effect and for which the Consolidated Group is required or permitted to file a consolidated federal income tax return. NiSource and all its subsidiaries shall execute and file such consents, elections and other documents that may be required or appropriate for the proper filing of such returns.

(b) (i) The Consolidated Group will elect, on a timely basis, in accordance with Code Section 1552(b) and Section 1.1552-1(c)(2) of the Regulations to allocate its consolidated tax liability (other than alternative minimum tax (“AMT”) and its related credits) among its Members under the method described in Sections 1.1502-33(d)(3) and 1.1552-1(a)(2) commencing with the consolidated taxable year ended December 31, 2001. The fixed percentage to be used for purposes of Regulations section 1.1502-33(d)(3)(i) is 100%. The general effect of such method is to first allocate the consolidated tax liability among the Members of the Consolidated Group on the basis of the percentage of the total consolidated tax which the tax of such Member (other than AMT and its related credits) if computed on a separate return basis would bear to the total amount of the taxes (other than AMT and its related credits) for all Members of the group so computed. Then such method allocates an additional amount (the “Tax Benefit Amount”) to each Member up to, but not greater than, the excess, if any, of its

Separate Return Tax liability (other than AMT and its related credits) over the amount allocated to such Member in the previous sentence. The total of the Tax Benefit Amounts allocated to Members shall result in payments to, and an increase in the earnings and profits of, the Members who had items of deduction, loss or credits to which such Tax Benefit Amount is attributable. This election is intended to comply with Rule 45(c)(5) under the Act, as modified by Section 2(d) below.

(ii) The allocation of the alternative minimum tax liability incurred by the NiSource Group and the resulting minimum tax credit shall be allocated in the manner set forth in Proposed and Temporary Treasury Regulation Sections 1.1502-55. This method generally allocates (i) any AMT paid by the NiSource Group based on the relative separate adjusted AMT of each Member and (ii) the minimum tax credit (AMTC) on the basis of the AMT previously assigned to such Member and assuming that AMTC is utilized on a "first in/first out" methodology, and that to the extent that AMTC arising in one year is not fully utilized, such AMTC is utilized proportionately by the Members previously assigned AMT for that year.

(c) Each Member's allocable share of the consolidated income tax liability as determined in Section 2.1(b) hereby shall be used in both (i) the determination of each Member's earnings and profits and (ii) determining the amounts to be paid (as provided in Section 3.4 of this Agreement) by Members to NiSource with respect to each Member's share of the Consolidated Group's Tax liability and payments from NiSource to Members with respect to the use of a Member's tax attributes.

(d) (i) The aggregate of all amounts paid by Members of the Consolidated Group (the "Paying Members") as a result of the excess of each Members' Separate Return Tax liability (as determined under Section 1.1552-1(a)(2)(ii) of the Regulations) over the amount allocated to such Member as its share of the Consolidated Tax Liability under Code Section 1552 (i.e., the Tax Benefit Amount) shall be paid by NiSource to the other Members (the "Loss Members") which had tax deductions, losses and credits to which such payments by the Paying Members are attributable. The apportionment of such payments among Loss Members shall be in a manner that reflects the Consolidated Group's absorption of such tax attributes in the manner described in Section 2.1(e) below. The payments to the Loss Members for their tax attributes shall be pursuant to a consistent method which reasonably reflects such items of loss or credit (such consistency and reasonableness to be determined by the Designated Official).

(ii) Notwithstanding the provisions of section 2.1(d)(i), the Tax Benefit Amount allocated to NiSource and paid to NiSource as a result of its being a Loss Member shall be limited to its Tax Benefit Amount determined without regard to this section 2.1(b)(ii) multiplied by a fraction, the numerator of which is NiSource's interest deduction attributable to Acquisition Indebtedness, and the denominator of which is the sum of all of NiSource's deductions. The portion of NiSource's Tax Benefit Amount which cannot be allocated and paid to NiSource due to the operation of this Section shall be reallocated to Paying Members of the Consolidated Group other than NiSource in accordance with the principles contained in section 2.1(b)(i).

(e) In apportioning the payments to Loss Members for the Tax Benefit Amount pursuant to Section 2.1(d) hereof:

(i) any consolidated net operating loss ("NOL") shall be allocated among the group Members pursuant to Regulation's Section 1.1502-21(b). To the extent the consolidated NOL is carried back, any Member's individually allocable NOL shall be deemed carried back and utilized in proportion to the amount that the Member's NOL bears to the consolidated NOL. Analogous principles shall apply in the case of NOL carryforwards;

(ii) with respect to each type of credit used to offset all or a portion of the Consolidated Tax Liability otherwise payable, such credit shall be allocated among the Members by crediting to each Member an amount of credit which that Member would have available to utilize on a separate return basis in a manner consistent with the method set forth in Section 2.1(e)(i) above.

(iii) the cost of any credit recapture which results in the payment of tax shall be specifically allocated to the Member whose credit is recaptured determined in a manner consistent with the provisions of Section 2.1(e)(i) above.

(f) The allocation of tax shall be subject to further adjustment from time to time on account of the payment of additional tax or the receipt of a refund attributable to either the filing of an amended return or on account of the results of an audit conducted by the Internal Revenue Service or other relevant taxing authority.

Section 2.2 Other Taxes. (a) NiSource will prepare and file (or cause to be prepared and filed) all returns of Other Taxes which are required to be filed with respect to the operations of NiSource and its subsidiaries. In the event any taxing authority requires or permits that a combined, consolidated or unitary return be filed for Other Taxes, which return includes both NiSource and a subsidiary, NiSource may elect to file such return and shall have the right to require any Member to be included in such return. NiSource will advise each of its subsidiaries included in each Other Return and each governmental office in which any Other Return is filed. Other Taxes shall be allocated among the NiSource Group in a manner that is consistent with the method set forth in Article 2 hereof. Furthermore, amounts due to NiSource or from NiSource, with respect to Other Taxes, shall be determined in a manner consistent with Sections 2.1(b) and 2.1(d).

(b) Each Member of the NiSource Group that does not file an Other Return together with any other Member of the NiSource Group shall be solely responsible and obligated to pay the tax liability with respect to such return from its own funds. Such returns shall be prepared and filed by NiSource or the Member filing the Other Return.

(c) If any Member of the NiSource Group is required to file a combined, consolidated or unitary return for Other Taxes with another Member of the NiSource Group, but not with NiSource (an "Other Taxes Subgroup"), then NiSource shall have the rights, powers and

obligations to file such tax returns and apportion among and, collect and remit from, the applicable Members such Other Taxes as the rights, powers and obligations given to NiSource under this Agreement with respect to the Consolidated Tax Liability. Such returns shall be prepared and filed by NiSource. If the right to file a combined, consolidated or unitary return for Other Taxes is optional, then NiSource shall decide which of its subsidiaries should, to the extent permitted by law, join in filing of such return.

Section 2.3 Member Tax Information. The Members of the Consolidated Group shall submit the tax information requested by the Designated Official of NiSource in the manner and by the date requested, in order to enable the Designated Official to calculate the amounts payable by the Members pursuant to Article 3 hereof.

Responsibility for Tax; Intercompany Payments

Section 3.1 Responsibility. Assuming the Members of the Consolidated Group have fulfilled their obligations pursuant to this Article III, then NiSource will be solely responsible for, and will indemnify and hold each Member of the Consolidated Group harmless with respect to, the payment of: (a) the Consolidated Tax Liability for each taxable period for which, as determined under Section 2.1 hereof, NiSource filed a Consolidated Return or should have been filed; and (b) any and all Other Taxes due or payable with respect to any Other Return which is filed by NiSource or should have been filed.

Section 3.2 Federal Tax Payments. (a) With respect to each Consolidated Return Year, the Designated Official of NiSource shall estimate and assess or pay to Members of the Consolidated Group their share of estimated tax payments to be made on a projected consolidated federal income tax return for each year. In making this determination, NiSource shall elect a method for determining estimated tax and each Member shall follow that method; provided, however, under no circumstances shall a Loss Member be paid any amount described in Section 2.1(d) until a date after which NiSource has filed the Consolidated Return for such Consolidated Return Year. Such Members will pay, to NiSource or be paid by NiSource, such estimates not later than the 15th day of the 4th, 6th, 9th and 12th months of such Consolidated Return Year. With respect to any extension payment, the Designated Official of NiSource shall estimate and assess or pay to Members of the Consolidated Group their share of such extension payment. The difference between (1) a Member's estimated tax payments used for computation of the quarterly estimated payments plus their extension payments and (2) such Member's actual Tax Liability for any Consolidated Return Year as determined under Section 2.1(b) hereof, shall be paid to NiSource or by NiSource within sixty (60) days after the filing of the consolidated federal income tax return.

(b) NiSource shall have sole authority, to the exclusion of all other Members of the Consolidated Group, to agree to any adjustment proposed by the Internal Revenue Service or any other taxing authority with respect to items of income, deductions or credits, as well as interest or penalties, attributable to any Member of the Consolidated Group during any Consolidated Return Year in which such Member was a Member of the Consolidated

Group notwithstanding that such adjustment may increase the amounts payable by Members of the Consolidated Group under this Section 3.2 or Section 3.3 hereof. In the event of any adjustment to the Consolidated Tax Liability relating to items of income, deductions or credit, as well as interest or penalties, attributable to any Member of the Consolidated Group by reason of an amended return, claim for refund or audit by the Internal Revenue Service or any other taxing authority, the liability of all other Members of the Consolidated Group under paragraphs (a) of this Section 3.2 or Section 3.3 hereof shall be redetermined to give effect to such adjustment as if such adjustment had been made as a part of the original computation of such liability, and payment from a Member to NiSource or by NiSource to a Member, as the case may be, shall be promptly made after any payments are made to the Internal Revenue Service or any other taxing authority, refunds received or final determination of the matter in the case of contested proceedings. In such event, any payments between the parties shall bear interest at the then prevailing rate or rates on deficiencies assessed by the Internal Revenue Service or any other relevant taxing authority, during the period from the due date of the Consolidated Return (determined without regard to extensions of time for the filing thereof) for the Consolidated Return Year to which the adjustments were made to the date of payment.

Section 3.3 Other Tax Payments. Payments by a Member with respect to Other Taxes and required estimates thereof for which any other Member has joint and several liability shall be calculated and made by or to such Member in the same manner as that provided in Section 3.2. The principles set forth in Section 3.2 governing the determination and adjustment of payments as well as the method of payment to or from such Member with respect to federal income taxes shall be equally applicable in determining and adjusting the amount of and due date of payments to be made to or from such subsidiary with respect to Other Taxes and estimates thereof. Each Member shall pay, directly to the appropriate taxing authority, all taxes for which such Member is liable and for which no other Member has joint or several liability.

Section 3.4 Payment Mechanics. (a) Any payments to be made by a subsidiary of NiSource pursuant to Section 2.1, 2.2, 3.2 or 3.3 hereof shall be made by such subsidiary to NiSource by either promptly crediting as an offset against amounts owed to such Member by NiSource or to the extent no amounts are owed to such Member by NiSource, by cash payments to NiSource. To the extent any payments are to be made to a subsidiary with respect to the use of such subsidiary's tax attributes by the Consolidated Group pursuant to Section 2.1, 2.2, 3.2 or 3.3 hereof, NiSource shall make such payment to such subsidiary by either promptly crediting as an offset against amounts owned by such Member to NiSource, or to the extent no amounts are owed to NiSource by such Member, by cash payments to the Member.

(b) Tax payments by NiSource with respect to any Consolidated Tax Liability shall be paid by NiSource and shall be debited to the Member of the Consolidated Group for their respective shares of such Consolidated Tax Liability as determined pursuant to Article II hereof. Tax Refunds received by NiSource with respect to any Consolidated Tax Liability, shall be paid by NiSource to the Member of the Consolidated Group entitled to such Tax Refund, as determined.

(c) NiSource shall be responsible for maintaining the books and records reflecting the intercompany accounts reflecting the amounts owned, collected and paid with respect to Taxes pursuant to this Agreement.

(d) NiSource may delegate to other Members of the Consolidated Group responsibilities for the collection and disbursement of monies as required under this Agreement as well as responsibilities for maintaining books and records as required under this Agreement.

Section 3.5 Administration. The provisions of this Agreement shall be administered by the Designated Official of NiSource. The interpretations of this Agreement by the Designated Official of NiSource shall be conclusive.

ARTICLE IV.

Miscellaneous Provisions

Section 4.1 Effect. The provisions hereof shall fix the rights and obligations of the parties as to the matters covered hereby whether or not such are followed for federal income tax or other purposes by the Consolidated Group, including the computation of earnings and profits for federal income tax purposes.

Section 4.2 Effective Date and Termination of Affiliation. This Agreement shall be effective with respect to all taxable years ending on or after January 1, 2001, in which any subsidiary of NiSource is a Member of the Consolidated Group for any portion of the tax year. In the event that a party to this Agreement ceases to be a Member of the Consolidated Group, the rights and obligations of such party and each other party to this Agreement shall survive, but only with respect to taxable years including or ending before the date such party ceases to be a Member of the Consolidated Group.

Section 4.3 Notices. Any and all notices, requests or other communications hereunder shall be given in writing (a) if to NiSource to Attention: Vice President, Tax, Facsimile Number: 219-647-6177 and (b) if to any other person, at such other address as shall be furnished by such person by like notice to the other parties.

Section 4.4 Expenses. Each party hereto shall pay its own expenses incident to this Agreement and the transactions contemplated hereby, including all legal and accounting fees and disbursements.

Section 4.5 Benefit and Burden. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors.

Section 4.6 Amendments and Waiver. No amendment, modification, change or cancellation of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person against whom that waiver is sought to be enforced. The failure of any party at any time to insist upon strict performance of any condition, promise, agreement or understanding set forth herein shall not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same or any other condition, promise, agreement or understanding at a future time.

Section 4.7 Assignments. Neither this Agreement nor any right, interest or obligation hereunder may be assigned by any party hereto and any attempt to do so shall be null and void.

Section 4.8 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

Section 4.9 Entire Agreement. **THIS AGREEMENT SETS FORTH ALL OF THE PROMISES, AGREEMENTS, CONDITIONS, UNDERSTANDINGS, WARRANTIES AND REPRESENTATIONS AMONG THE PARTIES WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED HEREBY, AND SUPERSEDES ALL PRIOR AGREEMENTS, ARRANGEMENTS AND UNDERSTANDINGS BETWEEN THE PARTIES HERETO, WHETHER WRITTEN, ORAL OR OTHERWISE. THERE ARE NO PROMISES, AGREEMENTS, CONDITIONS, UNDERSTANDINGS, WARRANTIES OR REPRESENTATIONS, ORAL OR WRITTEN, EXPRESS OR IMPLIED, AMONG THE PARTIES EXCEPT AS SET FORTH HEREIN.**

Section 4.10 Applicable Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF INDIANA.**

Section 4.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and together which shall constitute one instrument. The parties hereto specifically recognize that from time to time other corporations may become Members of the Consolidated Group and hereby agree that such new Members may become Members to this Agreement by executing a copy of this Agreement and it will be effective as if all the Members had re-signed.

Section 4.12 Attorneys' Fees. If any Member or former Member hereto commences an action against another party to enforce any of the terms, covenants, conditions or provisions of this Agreement, or because of a default by a party under this Agreement, the prevailing party in any such action shall be entitled to recover its costs, expenses and losses, including attorneys' fees, incurred in connection with the prosecution or defense of such action from the losing party.

Section 4.13 No Third Party Rights. Nothing in this Agreement shall be deemed to create any right in any creditor or other person or entity not a party hereto and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party.

Section 4.14 Further Documents. The parties agree to execute any and all documents, and to perform any and all other acts, reasonably necessary to accomplish the purposes of this Agreement.

Section 4.15 Headings and Captions. The headings and captions contained in this Agreement are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof if any question of intent should arise.

Section 4.16 Departing Members

(a) In the event that any Member of the NiSource Group at any time leaves the NiSource Group and, under any applicable statutory provision or regulation, that Member is assigned and deemed to take with it all or a portion of any of the tax attributes of the NiSource Group (including but not limited to NOL, credit carry forwards, and AMTC carry forwards), then to the extent that the amount of tax attributes so assigned differs from the amount of such attributes previously allocated to such Member under this agreement, the departing Member shall appropriately settle with the NiSource Group. Such settlement shall consist of payment (1) on a dollar for dollar basis for all differences in credits, and, (2) in the case of NOL differences (or other differences related to other deductions), in a dollar amount computed by reference to the amount of NOL multiplied by the applicable tax rate relating to such NOL. The settlement payment shall be paid to NiSource within sixty days after the Member leaves the NiSource Group. The settlement amounts shall be allocated among the remaining Members of the NiSource Group in proportion to the relative level of attributes possessed by each Member and the attributes of each Member shall be adjusted accordingly.

(b) Upon the departure of any Member from the NiSource Group, such Member shall allocate its items of income, deduction, loss and credit between the period that it was a Member of the NiSource Group and the period thereafter based upon a closing of the books methodology allowed under Treasury Regulation Section 1.1502-76(b)(2). The difference between (1) its prior estimated taxes or payments of Tax Benefit and (2) the amount of taxes due or payments of Tax Benefit due to that Member, shall be appropriately settled on the day such Member leaves the NiSource Group or on an alternative date mutually agreeable in writing to the NiSource Group and the departing Member.

EXECUTED as of the date and year first above written.

By: /s/ J. W. Grossman
Printed Name: Jeffrey W. Grossman
Title: Vice President and Controller
NiSource Inc.

By: /s/ J. W. Grossman
Printed Name: Jeffrey W. Grossman
Title: Vice President
[List of companies attached as Exhibit A]

By: /s/ J. W. Grossman
Printed Name: Jeffrey W. Grossman
Title: President
Columbia Insurance Corporation, Ltd.

By: /s/ H. Phillip Conrad
Printed Name: H. Phillip Conrad
Title: President
Northern Indiana Trading Company, Inc.

EXHIBIT A

Bay State Gas Company

Bay State GPE, Inc.

Northern Utilities, Inc.

Columbia Energy Group

Columbia Atlantic Trading Corporation

Columbia Energy Group Capital Corporation

TriStar Gas Technologies, Inc.

Columbia Energy Resources, Inc.

Alamco-Delaware, Inc.

Columbia Natural Resources, Inc.

Columbia Natural Resources Canada, Ltd.

Hawg Hauling and Disposal, Inc.

Columbia Energy Services Corporation

Columbia Energy Marketing Corporation

Columbia Energy Power Marketing Corporation

Columbia Energy Retail Corporation

Columbia Accounts Receivable Corporation

Columbia Gas of Kentucky, Inc.

Columbia Gas of Maryland, Inc.

Columbia Gas of Ohio, Inc.

Columbia Gas of Pennsylvania, Inc.

Columbia Gas of Virginia, Inc.

Columbia Gas Transmission Corporation

Columbia Gulf Transmission Company

Columbia Network Services Corporation

CNS Microwave, Inc.

Columbia Petroleum Corporation

Columbia Pipeline Corporation

Columbia Deep Water Services Company

Columbia Remainder Corporation

Columbia Electric Binghamton General Corporation

Columbia Electric Binghamton Limited Corporation

Columbia Electric Haverstraw Corporation

Columbia Service Partners, Inc.

Columbia Assurance Agency, Inc.

Columbia Service Partners of Virginia, Inc.

Columbia Transmission Communications Corporation

EnergyUSA, Inc. (IN)

EnergyUSA, Inc. (MA)

EnergySPE, Inc.

EnergyUSA (Connecticut), Inc.

EnergyUSA Engineering, Inc.

EnergyUSA Mechanical, Inc.

EnergyUSA Commercial Energy Services, Inc.

EnergyUSA Retail, Inc.

EnergyUSA-TPC Corp.

EnergyUSA-Appalachian Corp.

NI Energy Services Transportation, Inc.

NI Fuel Company, Inc.

NI-TEX, Inc.

NI-TEX Gas Services, Inc.

IWC Resources Corporation

Harbour Water Corporation

Indianapolis Water Company

Irishman's Run Acquisition Corporation

IWC Morgan Water Corporation

Lawrence Water Company, Inc.

Liberty Water Corporation

The Darlington Water Works Company

Kokomo Gas and Fuel Company

NI Energy Services, Inc.

Crossroads Pipeline Company

NESI Power Marketing, Inc.

NiSource Capital Markets, Inc.

NiSource Corporate Services Company (DE)

NiSource Development Company, Inc.

Cardinal Property Management, Inc.

JOF Transportation Company

Lake Erie Land Company

SCC Services, Inc.

NDC Douglas Properties, Inc.

South Works Power Company

NiSource Energy Technologies, Inc.

NiSource Finance Corp.

NiSource Pipeline Group, Inc.

Granite State Gas Transmission, Inc.

Bay State Energy Enterprises, Inc.

Northern Indiana Fuel and Light Company, Inc.

Northern Indiana Public Service Company

Primary Energy, Inc.

Cokenergy, Inc.

Harbor Coal Company

Lakeside Energy Corporation

North Lake Energy Corporation

Portside Energy Corporation

Whiting Clean Energy, Inc.

10/21/2009

FEDERAL
 NISOURCE INC. AND SUBSIDIARIES
 2007 FINAL CONSOLIDATED INCOME TAX LIABILITY
 Schedule A

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Company Name	Federal Tax ID	Taxable Income	Corporate Eliminations	Acquisition Indebtedness	Total Consolidated Taxable Income	Federal Tax rate 35.00%	NISOURCE Tax Savings Allocation	Total Regular Tax
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
NISOURCE INC. (DE)	35-2108964	(237,545,006)	-	(203,437,501)	(43,107,505)	(15,099,727)	1,939,727	8,870,749
Bay State Gas Company	04-3442787	28,542,888	-	-	28,542,888	8,290,011	(419,202)	2,521,686
Bay State GPE, Inc.	04-3475039	7,545,343	-	-	7,545,343	2,247,568	(119,184)	2,247,568
Northern Utilities, Inc.	04-2687009	6,421,975	-	-	6,421,975	(13,086)	-	(13,086)
Columbia Energy Group	13-1594908	6,421,975	-	-	6,421,975	(13,086)	-	(13,086)
Columbia Atlantic Trading Corporation	61-0122560	(37,337)	-	-	(37,337)	(7,892,207)	(63,896)	(7,892,207)
Columbia Energy Services Corporation	61-0573109	(22,549,162)	-	-	(22,549,162)	1,658,981	-	1,775,065
Columbia Gas of Kentucky, Inc.	55-0139565	5,363,129	(61,811)	-	5,301,318	1,581,881	(852)	18,029
Central Kentucky Transmission	20-1712388	53,946	-	-	53,946	15,881	-	15,881
Columbia Gas of Maryland, Inc.	31-0673650	4,106,915	(7,295)	-	4,099,620	1,434,867	(64,756)	1,370,111
Columbia Gas of Ohio, Inc.	31-082141	112,073,196	(7,295)	-	112,065,901	39,483,113	(1,781,989)	37,701,224
Columbia of Ohio Receivables Corp.	300,877	300,877	-	-	300,877	105,342	(4,754)	100,588
Columbia Gas of Pennsylvania, Inc.	25-1100252	15,081,250	304,242	-	15,385,492	5,377,935	(242,703)	5,135,232
Columbia Gas of Virginia, Inc.	54-0342310	1,701,914	(590,422)	-	1,111,492	382,522	(17,715)	374,807
Columbia Gas Transmission Corporation	31-0802435	222,756,313	-	-	222,756,313	77,964,710	(3,516,679)	74,448,031
Columbia Harty	20-2693546	1,746,872	-	-	1,746,872	611,408	(27,993)	583,412
Columbia Gulf Transmission Company	74-1921143	42,706,890	-	-	42,706,890	14,947,412	(674,593)	14,272,829
Columbia Insurance Corporation LTD.	54-1846993	(467,374)	-	-	(467,374)	(163,681)	-	(163,681)
CNS Microwave, Inc.	55-0753507	593,987	-	-	593,987	207,895	(8,382)	199,513
Columbia Deep Water Services Company	54-1878331	12,709	-	-	12,709	4,448	(201)	4,247
Columbia Remainder Corporation	31-1768090	(4,134,882)	-	-	(4,134,882)	(1,447,237)	-	(1,447,237)
EnergyUSA Inc. (RI)	35-2107344	(2,272,801)	-	-	(2,272,801)	(795,480)	-	(795,480)
EnergyUSA Inc. (MA)	64-3286560	35,943	-	-	35,943	12,580	(569)	12,012
EnergyUSA Commercial Energy Services, Inc.	35-2108065	8,248	-	-	8,248	2,890	(130)	2,766
EnergyUSA-TPC Corp.	35-2116535	5,363,763	-	-	5,363,763	1,887,817	(85,198)	1,802,619
NI Energy Services: Transportation, Inc.	35-2057424	17,081	-	-	17,081	5,878	(270)	5,708
NI Energy Services Corp.	35-1668865	(2,237,595)	-	-	(2,237,595)	(783,169)	-	(783,169)
Darlington Water Works	35-0260331	-	-	-	-	-	-	-
Harbour Water Corp.	35-1458468	-	-	-	-	-	-	-
Indianapolis Water Company	35-0414230	(500,929)	-	-	(500,929)	(175,325)	-	(175,325)
Irishman's Run Acquisition Corp.	35-2091741	-	-	-	-	-	-	-
INCO Morgan Water Corp.	35-2083342	-	-	-	-	-	-	-
Lawrence Water	35-2082417	-	-	-	-	-	-	-
Liberty Water Corp.	35-1905179	-	-	-	-	-	-	-
Kokomo Gas and Fuel Company	35-0449232	3,690,727	-	-	3,690,727	1,291,764	(66,297)	1,233,467
Crossroads Pipeline Company	35-1885801	(3,385,241)	-	-	(3,385,241)	(1,174,334)	-	(1,174,334)
NISOURCE Capital Markets, Inc.	35-1762940	(2,369,142)	-	-	(2,369,142)	(829,200)	-	(829,200)
NISOURCE Corporate Services Company	13-1598081	8,507,914	-	-	8,507,914	2,877,770	-	2,877,770
NISOURCE Development Company, Inc.	35-1740489	(11,539,854)	-	-	(11,539,854)	(4,038,952)	-	(4,038,952)
Cardinal Property Management, Inc.	35-1815414	20,986	-	-	20,986	7,348	(332)	7,017
JOF Transportation Company	35-1787646	2,052,407	-	-	2,052,407	718,342	(32,419)	685,923
Lake Erie Land Company	35-1798438	(1,673,419)	-	-	(1,673,419)	(685,697)	-	(685,697)
SCC Services, Inc.	35-1848416	1	-	-	1	364,987	-	364,987
NDC Douglas Properties, Inc.	35-1953485	(1,042,819)	-	-	(1,042,819)	-	-	-
Process and Control Technology Corp	66-0271339	-	-	-	-	-	-	-
South Works Power Company	35-2078418	(1,654,334)	-	-	(1,654,334)	(579,017)	-	(579,017)
NISOURCE Energy Technologies, Inc.	35-2123828	(969,695)	-	-	(969,695)	(71,540,489)	-	(71,540,489)
NISOURCE Finance Corp.	35-2105469	29,048	-	-	29,048	10,167	(459)	9,708
Granite State Gas Transmission, Inc.	02-0241630	2,226,523	35,106	(203,437,501)	2,058,126	781,570	(35,724)	755,846
Northern Indiana Fuel and Light Company, Inc.	35-0840183	1,279,845	-	-	1,279,845	447,946	(20,216)	427,730
Northern Indiana Trading Company	35-1732956	1,279,845	-	-	1,279,845	447,946	(20,216)	427,730
Northern Indiana Public Service Company	35-0552950	293,365,916	-	-	293,365,916	102,695,036	(4,634,216)	98,060,822
NIPSCO Accounts Receivable	20-0445079	6,745,066	-	-	6,745,066	2,380,773	(106,546)	2,284,230
Primary Energy, Inc.	35-1974450	(66,987,933)	1,186,931	-	(65,801,002)	(23,030,701)	-	(23,030,701)
Whiting Clean Energy	75-0733505	-	-	-	-	-	-	-
Whiting Clean Energy, Inc.	35-2061279	-	-	-	-	-	-	-
NISOURCE Retail Services, Inc.	05-1713246	(52,348)	-	-	(52,348)	(18,322)	-	(18,322)
Total		405,393,782	1,621,459		408,015,241	142,803,534		142,803,534



Accounting Policy Guide

Issue date: 3/31/10 — Revised March 2015

Prepared by: John O'Brien

Approved by: Paul Newman & BU Controllers

Reference No. 000

Subject: Uncertain Tax Positions

I. INTRODUCTION

This policy provides guidelines for the accounting for Uncertain Tax Positions.

II. SCOPE

This policy applies to all NiSource business units.

III. GAAP GUIDANCE

ASC 740-10-25 "Recognition"

ASC 740-10-30 "Initial Measurement"

ASC 740-10-35 "Subsequent Measurement"

ASC 740-10-40 "Derecognition"

ASC 740-10-45-11,12 "Other Presentation Matters – Unrecognized Tax Benefits"

ASC 740-10-50-15 "Unrecognized Tax Benefit Disclosures"

ASC 740-10-50-19 "Interest and Penalty Recognition Policies"

ASC 740-10-55 "Implementation Guidance and Illustrations"

IV. NISOURCE APPLICATION

A tax position is a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. If less than 100% of the amount claimed, or to be claimed, in the tax return is expected to be sustained, the position represents an Uncertain Tax Position.

NiSource will evaluate its uncertain tax positions in accordance with the requirements and guidance in the Subtopics of ASC 740 listed above as follows:

- Uncertain tax positions must meet a more-likely-than-not threshold (more than 50%) that the position will be sustained upon examination before any tax benefit related to the tax position is recognized in the financial statements.
- Once the more-likely-than-not recognition threshold is met, the tax benefit that is reflected in the financial statements is measured as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon settlement with a taxing authority that has full knowledge of all relevant information.
- Tax benefits from uncertain tax positions that satisfy the more-likely-than-not recognition threshold shall be measured and documented using a cumulative probability table. I
- In applying the Recognition and Measurement standards described above, the Company will document the Unit-of-Account used in making such determinations.
- Subsequent to initial recognition and measurement, each uncertain tax position shall be evaluated quarterly for subsequent re-measurement or derecognition.
- NiSource shall make the disclosures required by ASC 740-10-50-15 in its annual report to the SEC on Form 10-K.

NiSource has several control measures to ensure proper documentation and measurement of Uncertain Tax Positions on a quarterly basis:

- Audit Schedule FF-MTQ is completed on a quarterly basis to document current quarter activity of any recurring or originating Uncertain Tax Positions.



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Subject: Uncertain Tax Positions

- Audit Schedule FF-UTP is completed on a quarterly basis documenting tax, interest and penalties that accrue in the quarter for Uncertain Tax Position by company. The amount is recorded in such quarter.
- In identifying the Unit-of-Account to measure the potential of any uncertainty around tax positions, the company must make a determination on a case-by-case or position-by-position basis. In determining the appropriateness of the unit of account, tax management is involved in the decision taking all laws and other factors into account regarding the item of income or deduction.
- A tax officer attests to the Chief Financial Officer that Uncertain Tax Position have been reviewed for the quarter and that recognition, de-recognition, measurement and UTP account balances are based upon the facts, circumstances, and information available at the reporting date.
- Third party review of the federal tax return is completed, upon the discretion of Chief Financial Officer, to have an external view of potential uncertain positions in filed returns.
- The analysis of Uncertain Tax Positions is provided to external auditors on a quarterly basis.

V. REGULATORY CONSIDERATIONS (FAS 71 IMPACT)

Accounting for Uncertain Tax Positions should not be reflected on FERC accounting statements, per May 25, 2007 accounting guidance issued by the FERC.

VI. AUTHORITY AND RESPONSIBILITY

The Vice President of Tax reviews and attests to Chief Financial Officer the balances of uncertain tax positions.

VII. APPENDICES

Not applicable.



Accounting Policy Guide

Issue date: 3/31/2010 — Revised March 2015

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Approved by: Paul J. Newman & BU Controllers

Reference No.

Subject: Tax Gross-up on Contributions in Aid of Construction

I. INTRODUCTION

This policy provides guidelines on the accounting for and tax treatment of contributions in aid of construction and the tax gross-up thereon.

II. SCOPE

This policy applies to all NiSource business units receiving nonrefundable donations or contributions in cash or properties from individuals, governmental agencies or others for construction or property-addition purposes.

III. GAAP GUIDANCE

Not applicable.

IV. NISOURCE APPLICATION

Reimbursements received for the relocation of existing facilities or the construction of new facilities is considered a contribution in aid of construction (CIAC) which may or may not be subject to income tax. Contributions that are received as a prerequisite or an inducement to providing service by the utility are generally taxable while contributions received for projects clearly benefitting the public as a whole (i.e. government required relocation projects) are generally not taxable (see Notice 87-82, 1987-2 CB 389 (Appendix A) and Internal Revenue Code (IRC) Section 118(b).)

The amendment of IRC Section 118(b) by the Tax Reform Act of 1986 requires that taxable CIAC's be included in taxable income in the year received and is effective for contributions received after December 31, 1986. Because of the repeal of the income exclusion for CIAC, taxable contributions from customers may require a gross-up for the payment of income taxes, depending upon each jurisdiction's regulatory policy.

Where a tax gross-up is required, it is calculated by applying an income tax gross-up factor to the gross amount of the CIAC reduced by the present value of future tax depreciation deductions. The tax gross-up factor is calculated under the following formula (Combined Marginal Federal and State Income Tax Rate/(1-Combined Marginal Federal and State Income Tax Rate) (see attached example in Appendix B).

Accounting entries for the receipt of the CIAC and related tax gross-up are as follows:

CIAC = \$100,000

Tax Gross-up = \$33,494

Dr. Cash	133,494	
Cr. Plant		100,000
Cr. Other Income		33,494

In cases where it is difficult to determine whether a CIAC is taxable or nontaxable, such as for certain gas and electric interconnections and meters where the contributor is not a customer of the NiSource company receiving the CIAC, the New Business/Sales Team should consider requiring a tax gross-up or a tax indemnity, should the IRS subsequently determine on audit that the contribution is taxable.



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V. REGULATORY CONSIDERATIONS

Columbia Gas of Virginia and Bay State Gas are required to charge a tax gross-up on all taxable contributions. Columbia Gas of Kentucky, Columbia Gas of Maryland, Columbia Gas of Pennsylvania, Columbia Gas of Ohio, NIFL and Kokomo Gas do not charge a tax gross-up, but are permitted to include the deferred tax asset (reduction in deferred tax liability) in rate base (or as a reduction to zero cost capital), so they earn a return on the tax cost of the CIAC until the CIAC is 100% depreciated on the company's income tax return. For NIPSCO, the FERC regulated portion of the business is required to charge a tax gross-up on taxable CIAC's, while the non-FERC portion of the business would not charge a tax gross-up.

VI. AUTHORITY AND RESPONSIBILITY

The New Business Team or Sales Team is responsible for classifying the contributions as either taxable or nontaxable based on directions from the Tax Department. They are also responsible for determining the amount of the contribution and the tax gross-up when required and using the correct account classifications.

VII. APPENDICES

Appendix A – IRS Notice 87-82, 1987-2 CB 389 – Regulated Public Utilities—Contributions in Aid of Construction After Tax Reform

Appendix B – Sample Tax Gross-up Calculation.

Appendix C – Tax Gross-up Rates by Company



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Appendix A

Notice 87-82, 1987-2 CB 389, IRC Sec(s). 118

Headnote:

Notice 87-82, 1987-2 CB 389

Reference(s): [Code Sec. 118](#);

Full Text:

Regulated Public Utilities--Contributions in Aid of Construction After Tax Reform

This notice provides guidance with respect to the treatment of contributions in aid of construction after enactment of section 824 of the Tax Reform Act of 1986 (the "Act"), Pub.L. No. 99-514 [1986-3 (Vol. 1) 291].

I. Background

Section 118(b) of the Internal Revenue Code of 1954 (the "1954 Code") provided a special rule for contributions in aid of construction received by regulated public utilities ("utilities") providing certain services. Under this rule, contributions in aid of construction were treated as contributions to capital and were therefore excluded from gross income under section 118(a). Section 824 of the Act changed the treatment of amounts received as contributions in aid of construction after December 31, 1986, in taxable years ending after such date. New section 118(b) of the Internal Revenue Code of 1986 (the "1986 Code") expressly provides that contributions in aid of construction and other contributions made by a customer or potential customer (collectively, "CIACs") are not contributions to capital and thus are not excluded from gross income under section 118. Accordingly, such amounts are required to be included in gross income under section 61.

II. Relocation of Utility Facilities

The Internal Revenue Service has received numerous inquiries regarding the Federal income tax treatment under the 1986 Code of fees and other amounts received by utilities for relocating utility facilities ("relocation fees"). Frequently, utilities are required to relocate utility facilities in order to accommodate a public right-of-way. For example, a utility line may have to be relocated in order to allow for the construction or improvement of a public highway. Similarly, overhead utility lines may be placed underground under a governmental program undertaken for reasons of community esthetics and public safety. In such cases, the utility typically receives, directly or indirectly, a relocation fee in reimbursement for the costs of relocating the utility facilities.

The legislative history to section 824 of the Act indicates that Congress viewed the receipt by utilities of CIACs as a prepayment for future services that the utilities would provide to their customers. H.R. Rep. No. 99-426, 99th Cong., 1st Sess. 643-45 (1985) ("House Report"). Congress viewed the exclusion of these amounts from income as inappropriate and accordingly, required that a utility report as an item of gross income the value of any property, including money, that it receives to provide, or encourage...the provision of, services to or for the benefit



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of the person transferring the property. A utility is considered as having received property to encourage the provision of services if the receipt of the property is a prerequisite to the provision of services, if the receipt of the property results in the provision of services earlier than would be the case had the property not been received, or if the receipt of the property otherwise causes the transferor to be favored in any way.

House Report at 644.

The legislative history to the Act also indicates that a

person transferring the property will be considered as having been benefitted [from such transfer] if he is the person who will receive the [utility] services, an owner of the property that will receive the services, a former owner of the property that will receive the services, or if he derives any benefit from the property that will receive the services. Thus, a builder who transfers property to a utility in order to obtain services for a house that he was paid to build will be considered as having benefitted from the provision of the services...despite the fact that the builder may never have had an ownership interest in the property and may make the transfer to the utility after the house has been completed and accepted.

House Report at 644-45.

In contrast, the legislative history to the Act provides that the repeal of section 118(b) of the 1954 Code does not affect transfers of property which are not made in connection with the provision of services, including situations where "it is clearly shown that the benefit of the public as a whole was the primary motivating factor in the transfers." *Id.*

Based on the foregoing, the Federal income tax treatment of many types of relocation fees has not been affected by section 824 of the Act. If, for example, it can be shown that a particular payment received by a utility does not reasonably relate to the provision of services by such utility to or for the benefit of the person making the payment but rather relates to the benefit of the public at large, then the payment is **<Page 390>** not treated as a CIAC under section 118(b) of the 1986 Code. For example, relocation payments received by a utility under a government program for placing utility lines underground shall not be treated as CIACs where such relocation is undertaken for purposes of community esthetics and public safety and not for the direct benefit of particular customers of the utility in their capacity as customers. *See Brown Shoe Co. v. Commissioner*, 339 U.S. 583 (1950) (payments made by certain community groups as an inducement to location or expansion of taxpayer's factory were held to be contributions to taxpayer's capital because the payments were made to benefit the community at large, and not for services). Similar principles apply where the utility is being reimbursed for the costs of relocating utility lines to accommodate the construction or expansion of a highway and not for the provision of utility services.

Moreover, taxpayers failing to meet the criteria for exclusion of relocation fees under section 118(a) may treat such fees under the provisions of section 1031 or 1033 if the conditions of the respective section are otherwise met.

In other cases, however, relocation fees are treated as CIACs and included in gross income because they relate to the provision of services by the utility to or for the benefit of the person making the payment. Assume, for example, that a customer of a utility moves its business office to another location and is required to pay the utility a fee to relocate the utility facilities to the new office site. The utility has received the fee as a prerequisite to the provision of services to the new location, and thus the fee is a CIAC under section 118(b) and is included currently in the utility's income. In addition, assume a real estate developer pays a fee to a utility in return for



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the utility extending new underground services to a particular tract being developed. Since the payment is being made to or for the benefit of the developer and since the fee is a prerequisite to the provision of underground services to the tract, the fee is a CIAC and currently included in the utility's gross income.

Similarly, assume that a potential customer of a utility is required (either by the utility or by a governmental entity) to pay the utility for the costs of relocating utility facilities in order to obtain access to utility services for a site the customer is developing. Since the payment of the relocation fees is a prerequisite to obtaining utility services, the payment is a CIAC and is included in the utility's income, regardless of whether the particular utility facilities being relocated are related to the site the customer is developing.

Relocation fees are treated as CIACs and included in gross income if such payments relate to the provision of services by the utility, regardless of the status or identity of the customer from whom the fees are received. For example, assume a utility receives a payment relating to the relocation or extension of utility facilities to a newly constructed municipal building (*e.g.*, a public hospital, civic center, or museum) whose operations are conducted for the benefit of the community at large. Assume also that payment of the relocation fee was required in order to obtain utility services for the new building. Since the relocation fee is a prerequisite to the provision of services to the customer, the fee is a CIAC and included in gross income even though the customer is exclusively engaging in activities for the public benefit. Similarly, payments that are made to a utility as a prerequisite to the utility providing new or additional services to particular customers are treated as CIACs and included in gross income because such payments are a prerequisite to the provision of services by the utility, although a governmental entity may be making the payments in question.

III. Fair Market Value of CIACs

A utility shall include in income the amount of any cash received as a CIAC and the fair market value of all property received as a CIAC. If the property received by the utility will be used in the provision of utility services, all of the relevant facts and circumstances are taken into account in determining the fair market value of the property. Absent unusual circumstances, normally the value of such property provided to a utility is the "replacement cost" of the property, *i.e.*, the cost that another party would incur to construct property that is functionally similar to the subject property and thus could replace such subject property in the performance of the property's intended function. The fact that property received as a CIAC is not included in the utility's rate base or cost of service for regulatory accounting purposes shall not, in any manner, affect the determination of the fair market value of the property for this purpose. See Rev. Rul. 87-117, page 61, this Bulletin.

IV. Other Transactions Qualifying as CIACs

A transaction will be treated as a CIAC if such treatment is in accordance with the substance of the transaction, regardless of the form in which such transaction is conducted. For example, a sale of property to a utility at less than its fair market value (with fair market value being determined as described in the provisions of section III of this notice) will be treated as CIAC that is taxable to the utility to the extent of the bargain element in the sale. A lease of property to a utility at less than its fair market rental value will be treated in a similar manner, with the bargain element inherent in each periodic rent payment taxed to the utility at the time such payment is made.



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In addition, a transaction will be treated as a CIAC if the utility effectively obtains the burdens and benefits of ownership with respect to property, although legal title to such property is held by the customer, a governmental entity, or another person. Transactions which purportedly avoid CIAC characterization through the retention of legal title to property by a person other than a utility will be scrutinized carefully and will be treated as taxable CIACs to the utility if, in fact, the utility is, for Federal income tax purposes, the owner of the property. Factors which suggest ownership of the property by the utility include, but are not limited to, (i) whether the utility is responsible for maintaining the property; (ii) whether the utility effectively has unrestricted access to and control of the property; and (iii) whether the utility would bear legal liability with respect to a malfunction of or accident involving the property. **<Page 391>**

Similarly, any payment to a utility (whether such payment is direct or indirect) will be treated as a CIAC if such payment is made to obtain the provision of services from the utility and otherwise meets the requirements of this notice. Thus, for example, a utility will be taxed on a CIAC regardless of whether the customer engages the services of an unrelated contractor to construct the property to which the CIAC relates or whether the customer instead directly pays the CIAC to the utility with the utility itself assuming responsibility to construct the related property.

Moreover, a purported loan to a utility from a person benefitting from utility services relating to the loan (*e.g.*, a real estate developer, customer, or potential customer) will be treated as a CIAC and included in the utility's gross income if the transaction lacks the economic characteristics of a genuine loan for Federal income tax purposes. As an example, where repayment of a "loan" by a utility to the lender is contingent and the contingent loan is made to allow or to encourage the utility to provide services for the benefit of the person making the loan, the amount received by the utility will be treated as a taxable CIAC. Where a utility included the entire amount of such a "loan" in taxable income as a CIAC, repayments of such loan by the utility to the lender would normally be deductible by the utility when made.

Finally, where a genuine loan with a "below-market" interest rate is made from persons benefitting from utility services to the utility, the utility shall currently include in income as a CIAC the benefit that the utility receives from the below-market interest rate. See section 7872.

V. Normalization of CIACs

Section 168(f)(2) of the 1986 Code effectively provides that a utility is required to use a normalization method of accounting with respect to public utility property in order to use the accelerated methods of depreciation under section 168 with respect to that property. Under section 168(i)(9)(C), a utility not using a normalization method of accounting with respect to public utility property is required to use a method of depreciation and a depreciation period for such property that is the same as the method and period used by the taxpayer in computing its depreciation expense for purposes of establishing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account. Public utility property is defined in section 167(1)(3)(A) as property used predominantly in the trade or business of furnishing or selling various enumerated utility services at rates established or approved by certain governmental entities, public utility commissions, and other similar bodies. Public utility property includes property that is received as a CIAC or that is financed or acquired with the proceeds of CIACs. In any such case, the CIAC property is subject to the normalization rules of sections 167 and 168.

For regulatory accounting purposes, utilities typically disregard the receipt of CIACs on their regulated books of account and do not include CIACs or CIAC property in income, cost of service, or rate base. This method of accounting (the "noninclusion method") is equivalent to including a



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CIAC in income in the year of receipt and depreciating the related CIAC property in its entirety in the same year. Accordingly, a utility using the noninclusion method of accounting for a CIAC will be treated for purposes of the normalization rules as if it computed its regulated tax expense by depreciating the related CIAC property in its entirety in the year in which the CIAC is received. The Internal Revenue Service believes that this treatment is consistent with the noninclusion method of accounting and is necessary in order to carry out the purposes of the normalization rules.

Under the normalization rules, a utility must make adjustments to a reserve to reflect the deferral of taxes resulting from the difference between the amounts of depreciation used to determine the utility's Federal income tax liability and the amount of depreciation used to compute regulated tax expense. In the typical case, part of the utility's tax expense is deferred (*i.e.*, taxes are actually paid to the Federal government after they are taken into account under the regulatory accounting method) because property is depreciated more rapidly in determining Federal income tax liability than in computing regulated tax expense. If a utility uses the noninclusion method of accounting for CIACs, however, CIAC property is depreciated less rapidly in determining Federal income tax liability than in computing regulated tax expense, and taxes are paid before they are taken into account under the regulatory accounting method. This prepayment, or negative deferral, of tax is also subject to the normalization rules, and the utility must make adjustments to the reserve for deferred taxes to reflect the prepayment.

Under these adjustments, the amount of deferred taxes on the utility's regulated books of account is offset or decreased by the prepayment of tax resulting from the taxable receipt of the CIAC. Thus, if a taxpayer reduces rate base by the deferred taxes resulting from normalization, any prepayment to tax resulting from the normalization of CIACs will increase the rate base to which the utility's rate of return is applied. Similarly, if a taxpayer treats the deferred taxes resulting from normalization as "zero-cost" or "no-cost" capital for ratemaking purposes, any prepayment of taxes resulting from the normalization of CIACs will decrease the amount of zero-cost capital or no-cost capital for ratemaking purposes.

Further adjustments are made to the reserve for deferred taxes when the timing differences with respect to CIAC property reverse. This occurs as depreciation is taken into account in determining Federal income tax liability over the applicable recovery period prescribed under section 168. As the reversal occurs, previously paid taxes will be taken in account under the regulatory accounting method that will reduce, ultimately to zero, the amount of prepaid tax resulting from the normalization of the CIAC.

If, in its regulatory accounting for CIACs, a utility uses or changes to a method other than the noninclusion method, the normalization rules apply to timing differences determined under the regulatory accounting method used by the utility. For example, if a utility changes to a regulatory accounting method under which CIAC property is depreciated over its useful life, the deferral of tax **<Page 392>** resulting from the normalization of a CIAC taken into account under the new method would depend on the difference between the depreciation taken into account under the new method and the depreciation taken into account in determining Federal income tax liability.

VI. Normalization Rules Not Applicable to Certain CIACs

The normalization rules do not apply to a CIAC (or property related thereto) if the following conditions are satisfied:



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- (1) The CIAC is included in gross income solely by reason of the amendments to section 118(b) of the Code by section 824 of the Act;
- (2) The utility uses the noninclusion method of accounting for the CIAC;
- (3) The Federal income tax attributable to the receipt of the CIAC is not taken into account in determining cost of service for any person (other than, perhaps, the person from whom the CIAC is received, *i.e.*, the "contributor"); and
- (4) The contributor pays the utility an additional amount that is reasonably intended to indemnify or reimburse the utility for the prepayment of tax resulting from receipt of the CIAC (an "indemnification").

In the case of CIAC that satisfies these conditions (a "grossed-up" CIAC), neither the utility nor its ratepayers (other than the contributor) are affected by the prepayment of taxes that results from receipt of the CIAC. Thus, it is not necessary to normalize a grossed-up CIAC in order to carry out the purposes of the normalization rules. See section 167(1)(5). Alternatively, grossed-up CIACs may be normalized in the same manner as other CIACs. Thus, a utility may use an accelerated method of depreciation under section 168 with respect to its public utility property whether or not grossed-up CIACs are normalized by the utility. The utility's depreciable basis in the CIAC property is determined under other provisions of the Code and is independent of the existence of an indemnification. If, for example, a utility receives a total payment from a contributor of \$160 and expends \$100 in constructing the CIAC property, the utility's depreciable basis in the property is \$100. Similarly, if a utility receives a total payment from a contributor of \$100 and expends \$100 in constructing the CIAC property (with the income tax payments pertaining to the CIAC being obtained from other sources), the utility's depreciable basis in the property is also \$100.

The condition of indemnification, necessary in order for a payment to qualify as a grossed-up CIAC, is required only for the prepayment of tax that results from receipt of the CIAC. Thus, the amount of the indemnification may be determined by reducing the amount of tax attributable to the receipt of the CIAC by the present value of the tax benefits to be obtained by depreciating the CIAC property in determining the utility's Federal income tax liability. A reduction attributable to such tax benefits is not required, however, because the identity of the ultimate recipient of those benefits pertaining to the grossed-up CIAC (*i.e.*, the contributor, the utility, or the utility's ratepayers) is a matter outside the scope of the normalization rules and Federal income tax laws.

A utility may establish that an indemnification has occurred (i) by reference to a contract or agreement in which the contributor and the utility provide for such indemnification, (ii) by reference to an indemnification requirement contained in a rate order issued by a regulatory commission or in the record of a hearing or similar proceeding conducted by such a commission, or (iii) by any other reasonable method or procedure. Moreover, the Internal Revenue Service will not scrutinize the adequacy of an indemnification in any case in which the parties have attempted in good faith to indemnify or reimburse the utility for the prepayment of tax that results from receipt of the CIAC.

VII. Accounting Treatment of CIACs By Customers

Sections 1.461-1(a)(1) and (2) of the Income Tax Regulations provide that taxpayers using the cash and accrual methods of accounting, respectively, may not currently deduct the total amount of an expenditure which results in the creation of an asset having a useful life which extends substantially beyond the close of the taxable year. Instead, such taxpayers are required to



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capitalize such expenditures as assets and deduct the costs of the expenditures over the useful life of the asset in question. *See, e.g.,* Rev. Rul. 70-413, 1970-2 C.B. 103.

Any taxpayer paying a CIAC to a utility is incurring an expenditure which results in the creation of an intangible asset having a useful life extending substantially beyond the close of the taxpayer's taxable year. If a taxpayer incurs a CIAC with respect to property used in a trade or business and is required to replace the CIAC property upon its obsolescence or deterioration, the amount of such payment is capitalized and deducted on a pro rata basis over the useful life of the asset. In such a situation, the useful life of the intangible asset would correspond to the economic life (in contrast to the tax life or recovery period) of the public utility property to which the CIAC relates. *See, e.g.,* Rev. Rul. 69-229, 1969- 1 C.B. 86. In contrast, if the taxpayer incurs a CIAC with respect to property used in a trade or business and is not required to replace the CIAC property upon its obsolescence or deterioration, the intangible asset has an indeterminate economic life. In such a case, the taxpayer must capitalize the payment and is not permitted to amortize the amount of the prepaid asset. *See, e.g.,* Rev. Rul. 68-607, 1968-2 C.B. 115.

In the case of a taxpayer (*e.g.,* a real estate developer or home builder) who incurs CIACs with respect to property primarily held for sale to customers in the ordinary course of the taxpayer's business, the cost of the CIAC should be capitalized. The intangible asset should be allocated to the property held for sale to customers and deducted when such property and the related intangible asset are sold.

VIII. Transactions not Affected by this Notice

This notice does not apply to transactions which do not involve CIACs as described under section 118(b) and this notice. Thus, for example, this notice does not apply to "customer connection fees" as defined in section 118(b)(3)(A) of the 1954 Code (Such connection fees are currently included in gross income by utilities under both the 1986 and **<Page 393>** 1954 Codes). Similarly, this notice does not apply to payments made from utilities to their customers. Thus, for example, this notice does not apply to payments made to a public utility in connection with the supply of electricity to such utility by a cogenerating facility under the Public Utilities Regulatory Policy Act of 1978 ("PURPA"), Pub. L. No. 95-617. No inference is intended herein as to the treatment of such transactions.

Notice 87-82, 1987-2 CB 389, IRC Sec(s). 118

Headnote:

Notice 87-82, 1987-2 CB 389






Reference(s): [Code Sec. 118](#);

Full Text:

Regulated Public Utilities--Contributions in Aid of Construction After Tax Reform

This notice provides guidance with respect to the treatment of contributions in aid of construction after enactment of section 824 of the Tax Reform Act of 1986 (the "Act"), Pub.L. No. 99-514 [1986-3 (Vol. 1) 291].

I. Background

 Section 118(b) of the Internal Revenue Code of 1954 (the "1954 Code") provided a special rule for contributions in aid of construction received by regulated public utilities ("utilities") providing certain services. Under this rule, contributions in aid of construction were treated as contributions to capital and were therefore excluded from gross income under  section 118(a). Section 824 of the Act changed the treatment of amounts received as contributions in aid of construction after December 31, 1986, in taxable years ending after such date. New  section 118(b) of the Internal Revenue Code of 1986 (the "1986 Code") expressly provides that contributions in aid of construction and other contributions made by a customer or potential customer (collectively, "CIACs") are not contributions to capital and thus are not excluded from gross income under  section 118. Accordingly, such amounts are required to be included in gross income under  section 61.

II. Relocation of Utility Facilities

The Internal Revenue Service has received numerous inquiries regarding the Federal income tax treatment under the 1986 Code of fees and other amounts received by utilities for relocating utility facilities ("relocation fees"). Frequently, utilities are required to relocate utility facilities in order to accommodate a public right-of-way. For example, a utility line may have to be relocated in order to allow for the construction or improvement of a public highway. Similarly, overhead utility lines may be placed underground under a governmental program undertaken for reasons of community esthetics and public safety. In such cases, the utility typically receives, directly or indirectly, a relocation fee in reimbursement for the costs of relocating the utility facilities.

The legislative history to section 824 of the Act indicates that Congress viewed the receipt by utilities of CIACs as a prepayment for future services that the utilities would

provide to their customers. H.R. Rep. No. 99-426, 99th Cong., 1st Sess. 643-45 (1985) ("House Report"). Congress viewed the exclusion of these amounts from income as inappropriate and accordingly, required that a utility


report as an item of gross income the value of any property, including money, that it receives to provide, or encourage...the provision of, services to or for the benefit of the person transferring the property. A utility is considered as having received property to encourage the provision of services if the receipt of the property is a prerequisite to the provision of services, if the receipt of the property results in the provision of services earlier than would be the case had the property not been received, or if the receipt of the property otherwise causes the transferor to be favored in any way.


House Report at 644.

The legislative history to the Act also indicates that a

person transferring the property will be considered as having been benefitted [from such transfer] if he is the person who will receive the [utility] services, an owner of the property that will receive the services, a former owner of the property that will receive the services, or if he derives any benefit from the property that will receive the services. Thus, a builder who transfers property to a utility in order to obtain services for a house that he was paid to build will be considered as having benefitted from the provision of the services...despite the fact that the builder may never have had an ownership interest in the property and may make the transfer to the utility after the house has been completed and accepted.

House Report at 644-45.

In contrast, the legislative history to the Act provides that the repeal of  section 118(b) of the 1954 Code does not affect transfers of property which are not made in connection with the provision of services, including situations where "it is clearly shown that the benefit of the public as a whole was the primary motivating factor in the transfers." *Id.*

Based on the foregoing, the Federal income tax treatment of many types of relocation fees has not be affected by section 824 of the Act. If, for example, it can be shown that a particular payment received by a utility does not reasonably relate to the provision of services by such utility to or for the benefit of the person making the payment but rather relates to the benefit of the public at large, then the payment is **<Page 390>** not treated as a CIAC under  section 118(b) of the 1986 Code. For example, relocation payments received by a utility under a government program for placing utility lines underground shall not be treated as CIACs where such relocation is undertaken for purposes of community esthetics and public safety and not for the direct benefit of particular customers of the utility in their capacity as customers. *See Brown Shoe Co. v. Commissioner*, 339 U.S. 583 (1950) (payments made by certain community groups as an inducement to location or expansion of taxpayer's factory were held to be contributions to taxpayer's capital because the payments were made to benefit the community at large, and not for services). Similar principles apply where the utility is being reimbursed for the costs of relocating utility lines to accommodate the construction or expansion of a highway and not for the provision of utility services.

Moreover, taxpayers failing to meet the criteria for exclusion of relocation fees under section 118(a) may treat such fees under the provisions of section 1031 or 1033 if the conditions of the respective section are otherwise met.


In other cases, however, relocation fees are treated as CIACs and included in gross income because they relate to the provision of services by the utility to or for the benefit of the person making the payment. Assume, for example, that a customer of a utility moves its business office to another location and is required to pay the utility a fee to relocate the utility facilities to the new office site. The utility has received the fee as a prerequisite to the provision of services to the new location, and thus the fee is a CIAC under section 118(b) and is included currently in the utility's income. In addition, assume a real estate developer pays a fee to a utility in return for the utility extending new underground services to a particular tract being developed. Since the payment is being made to or for the benefit of the developer and since the fee is a prerequisite to the provision of underground services to the tract, the fee is a CIAC and currently included in the utility's gross income.

Similarly, assume that a potential customer of a utility is required (either by the utility or by a governmental entity) to pay the utility for the costs of relocating utility facilities in order to obtain access to utility services for a site the customer is developing. Since the payment of the relocation fees is a prerequisite to obtaining utility services, the payment is a CIAC and is included in the utility's income, regardless of whether the particular utility facilities being relocated are related to the site the customer is developing.


Relocation fees are treated as CIACs and included in gross income if such payments relate to the provision of services by the utility, regardless of the status or identity of the customer from whom the fees are received. For example, assume a utility receives a payment relating to the relocation or extension of utility facilities to a newly constructed municipal building (e.g., a public hospital, civic center, or museum) whose operations are conducted for the benefit of the community at large. Assume also that payment of the relocation fee was required in order to obtain utility services for the new building. Since the relocation fee is a prerequisite to the provision of services to the customer, the fee is a CIAC and included in gross income even though the customer is exclusively engaging in activities for the public benefit. Similarly, payments that are made to a utility as a prerequisite to the utility providing new or additional services to particular customers are treated as CIACs and included in gross income because such payments are a prerequisite to the provision of services by the utility, although a governmental entity may be making the payments in question.

III. Fair Market Value of CIACs

A utility shall include in income the amount of any cash received as a CIAC and the fair market value of all property received as a CIAC. If the property received by the utility will be used in the provision of utility services, all of the relevant facts and circumstances are taken into account in determining the fair market value of the property. Absent unusual circumstances, normally the value of such property provided to a utility is the "replacement cost" of the property, *i.e.*, the cost that another party would incur to construct property that is functionally similar to the subject property and thus could replace such subject property in the performance of the property's intended function. The fact that property received as a CIAC is not included in the utility's rate base or cost of service for regulatory accounting purposes shall not, in any manner, affect the

determination of the fair market value of the property for this purpose. See  Rev. Rul. 87-117, page 61, this Bulletin.


IV. Other Transactions Qualifying as CIACs

A transaction will be treated as a CIAC if such treatment is in accordance with the substance of the transaction, regardless of the form in which such transaction is conducted. For example, a sale of property to a utility at less than its fair market value (with fair market value being determined as described in the provisions of  section III of this notice) will be treated as CIAC that is taxable to the utility to the extent of the bargain element in the sale. A lease of property to a utility at less than its fair market rental value will be treated in a similar manner, with the bargain element inherent in each periodic rent payment taxed to the utility at the time such payment is made.

In addition, a transaction will be treated as a CIAC if the utility effectively obtains the burdens and benefits of ownership with respect to property, although legal title to such property is held by the customer, a governmental entity, or another person. Transactions which purportedly avoid CIAC characterization through the retention of legal title to property by a person other than a utility will be scrutinized carefully and will be treated as taxable CIACs to the utility if, in fact, the utility is, for Federal income tax purposes, the owner of the property. Factors which suggest ownership of the property by the utility include, but are not limited to, (i) whether the utility is responsible for maintaining the property; (ii) whether the utility effectively has unrestricted access to and control of the property; and (iii) whether the utility would bear legal liability with respect to a malfunction of or accident involving the property. <Page 391>

Similarly, any payment to a utility (whether such payment is direct or indirect) will be treated as a CIAC if such payment is made to obtain the provision of services from the utility and otherwise meets the requirements of this notice. Thus, for example, a utility will be taxed on a CIAC regardless of whether the customer engages the services of an unrelated contractor to construct the property to which the CIAC relates or whether the customer instead directly pays the CIAC to the utility with the utility itself assuming responsibility to construct the related property.

Moreover, a purported loan to a utility from a person benefitting from utility services relating to the loan (*e.g.*, a real estate developer, customer, or potential customer) will be treated as a CIAC and included in the utility's gross income if the transaction lacks the economic characteristics of a genuine loan for Federal income tax purposes. As an example, where repayment of a "loan" by a utility to the lender is contingent and the contingent loan is made to allow or to encourage the utility to provide services for the benefit of the person making the loan, the amount received by the utility will be treated as a taxable CIAC. Where a utility included the entire amount of such a "loan" in taxable income as a CIAC, repayments of such loan by the utility to the lender would normally be deductible by the utility when made.

Finally, where a genuine loan with a "below-market" interest rate is made from persons benefitting from utility services to the utility, the utility shall currently include in income as a CIAC the benefit that the utility receives from the below-market interest rate. See  section 7872.


V. Normalization of CIACs

Section 168(f)(2) of the 1986 Code effectively provides that a utility is required to use a normalization method of accounting with respect to public utility property in order to use the accelerated methods of depreciation under section 168 with respect to that property. Under section 168(i)(9)(C), a utility not using a normalization method of accounting with respect to public utility property is required to use a method of depreciation and a depreciation period for such property that is the same as the method and period used by the taxpayer in computing its depreciation expense for purposes of establishing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account. Public utility property is defined in section 167(1)(3)(A) as property used predominantly in the trade or business of furnishing or selling various enumerated utility services at rates established or approved by certain governmental entities, public utility commissions, and other similar bodies. Public utility property includes property that is received as a CIAC or that is financed or acquired with the proceeds of CIACs. In any such case, the CIAC property is subject to the normalization rules of sections 167 and 168.

For regulatory accounting purposes, utilities typically disregard the receipt of CIACs on their regulated books of account and do not include CIACs or CIAC property in income, cost of service, or rate base. This method of accounting (the "noninclusion method") is equivalent to including a CIAC in income in the year of receipt and depreciating the related CIAC property in its entirety in the same year. Accordingly, a utility using the noninclusion method of accounting for a CIAC will be treated for purposes of the normalization rules as if it computed its regulated tax expense by depreciating the related CIAC property in its entirety in the year in which the CIAC is received. The Internal Revenue Service believes that this treatment is consistent with the noninclusion method of accounting and is necessary in order to carry out the purposes of the normalization rules.

Under the normalization rules, a utility must make adjustments to a reserve to reflect the deferral of taxes resulting from the difference between the amount of depreciation used to determine the utility's Federal income tax liability and the amount of depreciation used to compute regulated tax expense. In the typical case, part of the utility's tax expense is deferred (*i.e.*, taxes are actually paid to the Federal government after they are taken into account under the regulatory accounting method) because property is depreciated more rapidly in determining Federal income tax liability than in computing regulated tax expense. If a utility uses the noninclusion method of accounting for CIACs, however, CIAC property is depreciated less rapidly in determining Federal income tax liability than in computing regulated tax expense, and taxes are paid before they are taken into account under the regulatory accounting method. This prepayment, or negative deferral, of tax is also subject to the normalization rules, and the utility must make adjustments to the reserve for deferred taxes to reflect the prepayment.


Under these adjustments, the amount of deferred taxes on the utility's regulated books of account is offset or decreased by the prepayment of tax resulting from the taxable receipt of the CIAC. Thus, if a taxpayer reduces rate base by the deferred taxes resulting from normalization, any prepayment to tax resulting from the normalization of CIACs will increase the rate base to which the utility's rate of return is applied. Similarly, if a taxpayer treats the deferred taxes resulting from normalization as "zero-cost" or "no-cost" capital for ratemaking purposes, any prepayment of taxes resulting from the normalization of CIACs will decrease the amount of zero-cost capital or no-cost capital for ratemaking purposes.


Further adjustments are made to the reserve for deferred taxes when the timing differences with respect to CIAC property reverse. This occurs as depreciation is taken into account in determining Federal income tax liability over the applicable recovery period prescribed under  section 168. As the reversal occurs, previously paid taxes will be taken in account under the regulatory accounting method that will reduce, ultimately to zero, the amount of prepaid tax resulting from the normalization of the CIAC.

If, in its regulatory accounting for CIACs, a utility uses or changes to a method other than the noninclusion method, the normalization rules apply to timing differences determined under the regulatory accounting method used by the utility. For example, if a utility changes to a regulatory accounting method under which CIAC property is depreciated over its useful life, the deferral of tax **<Page 392>** resulting from the normalization of a CIAC taken into account under the new method would depend on the difference between the depreciation taken into account under the new method and the depreciation taken into account in determining Federal income tax liability.

VI. Normalization Rules Not Applicable to Certain CIACs

The normalization rules do not apply to a CIAC (or property related thereto) if the following conditions are satisfied:

- (1) The CIAC is included in gross income solely by reason of the amendments to  section 118(b) of the Code by section 824 of the Act;
- (2) The utility uses the noninclusion method of accounting for the CIAC;
- (3) The Federal income tax attributable to the receipt of the CIAC is not taken into account in determining cost of service for any person (other than, perhaps, the person from whom the CIAC is received, *i.e.*, the "contributor"); and
- (4) The contributor pays the utility an additional amount that is reasonably intended to indemnify or reimburse the utility for the prepayment of tax resulting from receipt of the CIAC (an "indemnification").



In the case of CIAC that satisfies these conditions (a "grossed-up" CIAC), neither the utility nor its ratepayers (other than the contributor) are affected by the prepayment of taxes that results from receipt of the CIAC. Thus, it is not necessary to normalize a grossed-up CIAC in order to carry out the purposes of the normalization rules. See section 167(1)(5). Alternatively, grossed-up CIACs may be normalized in the same manner as other CIACs. Thus, a utility may use an accelerated method of depreciation under  section 168 with respect to its public utility property whether or not grossed-up CIACs are normalized by the utility. The utility's depreciable basis in the CIAC property is determined under other provisions of the Code and is independent of the existence of an indemnification. If, for example, a utility receives a total payment from a contributor of \$160 and expends \$100 in constructing the CIAC property, the utility's depreciable basis in the property is \$100. Similarly, if a utility receives a total payment from a contributor of \$100 and expends \$100 in constructing the CIAC property (with the income tax payments pertaining to the CIAC being obtained from other sources), the utility's depreciable basis in the property is also \$100.



The condition of indemnification, necessary in order for a payment to qualify as a grossed-up CIAC, is required only for the prepayment of tax that results from receipt of

the CIAC. Thus, the amount of the indemnification may be determined by reducing the amount of tax attributable to the receipt of the CIAC by the present value of the tax benefits to be obtained by depreciating the CIAC property in determining the utility's Federal income tax liability. A reduction attributable to such tax benefits is not required, however, because the identity of the ultimate recipient of those benefits pertaining to the grossed-up CIAC (*i.e.*, the contributor, the utility, or the utility's ratepayers) is a matter outside the scope of the normalization rules and Federal income tax laws.

A utility may establish that an indemnification has occurred (i) by reference to a contract or agreement in which the contributor and the utility provide for such indemnification, (ii) by reference to an indemnification requirement contained in a rate order issued by a regulatory commission or in the record of a hearing or similar proceeding conducted by such a commission, or (iii) by any other reasonable method or procedure. Moreover, the Internal Revenue Service will not scrutinize the adequacy of an indemnification in any case in which the parties have attempted in good faith to indemnify or reimburse the utility for the prepayment of tax that results from receipt of the CIAC.



VII. Accounting Treatment of CIACs By Customers

 Sections 1.461-1(a)(1) and (2) of the Income Tax Regulations provide that taxpayers using the cash and accrual methods of accounting, respectively, may not currently deduct the total amount of an expenditure which results in the creation of an asset having a useful life which extends substantially beyond the close of the taxable year. Instead, such taxpayers are required to capitalize such expenditures as assets and deduct the costs of the expenditures over the useful life of the asset in question. *See, e.g.*,  Rev. Rul. 70-413, 1970-2 C.B. 103.

Any taxpayer paying a CIAC to a utility is incurring an expenditure which results in the creation of an intangible asset having a useful life extending substantially beyond the close of the taxpayer's taxable year. If a taxpayer incurs a CIAC with respect to property used in a trade or business and is required to replace the CIAC property upon its obsolescence or deterioration, the amount of such payment is capitalized and deducted on a pro rata basis over the useful life of the asset. In such a situation, the useful life of the intangible asset would correspond to the economic life (in contrast to the tax life or recovery period) of the public utility property to which the CIAC relates. *See, e.g.*,  Rev. Rul. 69-229, 1969- 1 C.B. 86. In contrast, if the taxpayer incurs a CIAC with respect to property used in a trade or business and is not required to replace the CIAC property upon its obsolescence or deterioration, the intangible asset has an indeterminate economic life. In such a case, the taxpayer must capitalize the payment and is not permitted to amortize the amount of the prepaid asset. *See, e.g.*,  Rev. Rul. 68-607, 1968-2 C.B. 115.

In the case of a taxpayer (*e.g.*, a real estate developer or home builder) who incurs CIACs with respect to property primarily held for sale to customers in the ordinary course of the taxpayer's business, the cost of the CIAC should be capitalized. The intangible asset should be allocated to the property held for sale to customers and deducted when such property and the related intangible asset are sold.

VIII. Transactions not Affected by this Notice

This notice does not apply to transactions which do not involve CIACs as described under   section 118(b) and this notice. Thus, for example, this notice does not apply to “customer connection fees” as defined in section 118(b)(3)(A) of the 1954 Code (Such connection fees are currently included in gross income by utilities under both the 1986 and **<Page 393>** 1954 Codes). Similarly, this notice does not apply to payments made from utilities to their customers. Thus, for example, this notice does not apply to payments made to a public utility in connection with the supply of electricity to such utility by a cogenerating facility under the Public Utilities Regulatory Policy Act of 1978 (“PURPA”), Pub. L. No. 95-617. No inference is intended herein as to the treatment of such transactions.

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Appendix B

23-May-16

COLUMBIA GAS TRANSMISSION CORPORATION
CONTRIBUTIONS IN AID OF CONSTRUCTION
CALCULATION OF TAX GROSS UP
RELATIVE TO 15 YEAR PROPERTY

Example

Work Order No.

CONTRIBUTION IN AID	100,000.00
COMPOSITE TAX RATE	38.7479%
RATE OF RETURN	11.7800%
AMOUNTS NOT RECOVERABLE THROUGH TAX DEPRECIATION	0.00

CALCULATION:

CONSTRUCTION CONTRIBUTION	100,000.00
TAX RATE	38.7479%
TAX EFFECT	38,747.90
PRESENT WORTH OF TAX DEPR	18,232.06
NET PRESENT WORTH - TAX COST	20,515.84
ANY AMOUNTS NOT RECOVERABLE THROUGH TAX DEPRECIATION	0.00
TOTAL TO BE RECOVERED	20,515.84
RATIO TO REFLECT TAX	1.632597
GROSS UP AMOUNT	33,494.10 0.335
TOTAL AMOUNT TO BE COLLECTED	133,494.10

CASH INFLOW - TIME VALUE ANALYSIS

YEAR	CONTRIBUTION	TAX RATE	DEPRECIATION RATE	FUTURE CASH FLOW
1	100,000.00	38.7479%	5.0000%	1,937.40
2	100,000.00	38.7479%	9.5000%	3,681.05
3	100,000.00	38.7479%	8.5500%	3,312.95
4	100,000.00	38.7479%	7.6950%	2,981.65
5	100,000.00	38.7479%	6.9260%	2,683.68
6	100,000.00	38.7479%	6.2330%	2,415.16
7	100,000.00	38.7479%	5.9050%	2,288.06
8	100,000.00	38.7479%	5.9050%	2,288.06
9	100,000.00	38.7479%	5.9050%	2,288.06
10	100,000.00	38.7479%	5.9050%	2,288.06
11	100,000.00	38.7479%	5.9050%	2,288.06
12	100,000.00	38.7479%	5.9050%	2,288.06
13	100,000.00	38.7479%	5.9050%	2,288.06
14	100,000.00	38.7479%	5.9050%	2,288.06
15	100,000.00	38.7479%	5.9050%	2,288.06
16	100,000.00	38.7479%	2.9510%	1,143.43
				<u>38,747.86</u>

RECONCILIATION:

AMOUNT OF INCOME IN YEAR 1	133,494.10
TAX ON INCOME	51,726.16
AFTER TAX AMOUNT	81,767.94
PV OF FUTURE TAX BENEFITS	18,232.06
	<u>100,000.00</u>

NiSource Inc. and Subsidiaries
Accounting for Contributions In Aid of Construction and Reimbursements
Per Policy Dated March 31, 2010

Company	Life of Property	Gross Up Percent on Contributions		Composite Tax Rate as Basis of Gross Up Percent	Equity Rate of return Included in Calculation
		Construction Work-in-Progress Classification	Retirement Work-in-Progress Classification		
Columbia Gas of Kentucky	N/A	N/A	N/A	N/A	N/A
Columbia Gas of Maryland	N/A	N/A	N/A	N/A	N/A
Columbia Gas of Ohio	N/A	N/A	N/A	N/A	N/A
Columbia Gas of Pennsylvania	N/A	N/A	N/A	N/A	N/A
Columbia Gas of Virginia	15 Years	24.5500%	N/A	38.9000%	8.381%
Columbia Gas Transmission Corporation	15 Years	33.4900%	N/A	38.7548%	11.78%
Columbia Gulf Transmission Company	15 Years	32.0700%	N/A	38.4073%	11.17%
Crossroads Gas Pipeline	15 Years	30.4800%	N/A	38.3605%	10.25%
Northern Indiana Public Service Company *	N/A	N/A	N/A	N/A	N/A
Northern Indiana Fuel and Light	N/A	N/A	N/A	N/A	N/A
Kokomo Gas	N/A	N/A	N/A	N/A	N/A
Bay State Gas Company	15 Years	20.0900%	N/A	39.2250%	11.40%

Reason for Gross Up:

Bay State Gas: Fitchburg Gas and Elec. Light Co., D.T.E. 02-24/25 (Nov. 2002)

ALL AMOUNTS ABOVE NEED TO BE ADJUSTED WHEN TAX DEPRECIABLE LIFE, TAX RATE OR RATE OF RETURN CHANGES.
In 2011, CGV and BSG property life will be 20 years.
Current rates shown for 2010 are without bonus depreciation. At the time of preparing this file it has not been made law yet.

* FERC regulated activities require a tax gross-up, while non-FERC activities do not.



Accounting Policy Guide

Issue date: 03/31/10 — Revised March 2015

Prepared by: Paul Newman

Approved by: Paul Newman & BU Controllers

Reference No.

Subject: Classification of Income Taxes on the Balance Sheet

I. INTRODUCTION

This policy provides guidelines for the classification of Income Taxes on the Balance Sheet.

II. SCOPE

This policy applies to NiSource Inc., NiSource business units and all NiSource subsidiaries that issue financial statements.

III. GAAP GUIDANCE

ASC 210-10 provides general guidance on the classification of accounts on the balance sheet.

ASC 740-10-45-3 through ASC 740-10-45-12 address classification matters applicable to income tax accounts and is incremental to the general guidelines as follows:

- Topic 740-10-45-3 “Statement of Financial Position Classification of Income Tax Accounts”
- Topics 740-10-45-4 through 6 “Deferred Tax Accounts”
- Topics 740-10-45-7 through 8 “Deferred Tax Accounts Related to an Asset or Liability”
- Topics 740-10-45-9 through 10 “Deferred Tax Accounts Not Related to an Asset or Liability”
- Topics 740-10-45-11 through 12 “Unrecognized Tax Benefits”

IV. NISOURCE APPLICATION

NiSource’s accrued income tax liabilities and refunds are recorded on the balance sheet with respect to each taxing jurisdiction in accordance with the following guidelines:

- Offsetting tax liabilities and refunds between separate taxing jurisdictions are not to be netted.
- Taxes payable for the current year are recorded to Taxes Accrued in the Current Liabilities section of the balance sheet. If the tax accrual results in an income tax receivable, or if year-to-date tax payments exceed the accrued liability, such amounts are reclassified as an income tax receivable (or prepayment, as the case may be), if material.
- Accrued, but unpaid, liabilities relating to prior tax periods are reflected as current liabilities until paid, because the taxing jurisdiction can demand payment at any time.
- To the extent an income tax receivable is expected to be realized more than 12 months from the balance sheet date, it is classified as a noncurrent income tax receivable.
- Deferred income taxes are provided on all temporary differences as of the balance sheet date.
- Deferred income taxes are classified as current assets, noncurrent assets, current liabilities or noncurrent liabilities in accordance with the classification of the underlying asset or liability account to which they relate.
- Deferred tax assets or liabilities that do not relate to a specific asset or liability, such as a net operating loss deferred tax asset, is classified as current or noncurrent depending on whether the deferred tax asset or liability is expected to be realized within 12 months.
- Current deferred tax assets and current deferred tax liabilities are netted and recorded net as either a current deferred tax asset or current deferred tax liability as appropriate.
- Noncurrent deferred tax assets and noncurrent deferred tax liabilities are netted and recorded net as either a noncurrent deferred tax asset or a noncurrent deferred tax liability as appropriate.
- Deferred Tax Assets (net operating loss carryforward deferred tax assets, in particular) are tested to determine if the amounts are realizable as of each balance sheet date. A valuation allowance against the deferred tax asset is recorded if appropriate.



Accounting Policy Guide

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Prepared by: Paul Newman

Approved by: Paul Newman & BU Controllers

Reference No.

Subject: Classification of Income Taxes on the Balance Sheet

- Tax reserves for prior year income taxes are recorded for known adjustments (“agreed” adjustments). These adjustments are typically presented to the Internal Revenue Service (IRS) and various state income tax examiners upon audit and settled when such audit is closed. These liabilities are recorded as a current income tax liability because payment can be demanded at any time. To the extent the net of such adjustments for any given taxing jurisdiction results in an income tax receivable, consideration is given to reclassifying such amounts to the asset side of the balance sheet, if material, and to current or noncurrent depending on whether such receivable is expected to be received within 12 months.
- Liabilities for Uncertain Tax Positions are recorded in accordance with the Policy No. xxx - Uncertain Tax Positions. Such liabilities are recorded separate from Taxes Accrued and classified as current or noncurrent depending upon whether such liability is expected to be paid within 12 months of the balance sheet date.

V. REGULATORY CONSIDERATIONS (FAS 71 IMPACT)

To the extent there is a deficiency in the collection of deferred income taxes in rates due to the regulatory construct of a particular regulatory jurisdiction, a Regulatory Asset, with tax gross-up, is recorded in accordance with Policy No. xxx – Flow-thru Taxes, to the extent it is probable that future revenue will be provided to permit recovery of the Regulatory Asset. If there is an over-collection of deferred income taxes in rates, a Regulatory Liability, with tax gross-up, is recorded.

VI. AUTHORITY AND RESPONSIBILITY

Proper classification of income taxes on the balance sheet is the responsibility of the Tax Department and the Vice President – Tax. Ultimate authority for classification of income taxes on the balance sheet rests with the Vice President and Chief Accounting Officer.

VII. APPENDICES

None.



Accounting Policy

Issue date: Revised March 2015

Prepared by: Umair A. Quraishi

Approved by:

Reference No.

Subject: Accounting for Reportable Segments

I. INTRODUCTION

This policy provides guidelines in determining the classification of a reportable segment, per *ASC 280 – Segment Reporting*.

II. SCOPE

ASC 280 – Segment Reporting provides guidance in determining an operating segment and the related disclosures for materially significant operating segments.

III. GAAP GUIDANCE

Operating Segments (ASC 280-10-50-1)

An operating segment is a component of a public entity that has all of the following characteristics:

- It engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same public entity).
- Its operating results are regularly reviewed by the public entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.
- Its discrete financial information is available.

In addition, an operating segment is reportable per the following guidance:

Reportable Segments (ASC 280-10-50-10)

A public entity shall report separately information about each operating segment that meets both of the following criteria:

- Has been identified in accordance with paragraphs 280-10-50-1 and 280-10-50-3 through 50-9 or results from aggregating two or more of those segments in accordance with the following paragraph (280-10-50-13 through 50-18):
 - Refer to **Appendix A** for the criteria under 280-10-50-3 through 50-9.
- Exceeds the quantitative thresholds in paragraph 280-10-50-12.

Quantitative Thresholds (ASC 280-10-50-12)

A public entity shall report separately information about an operating segment that meets any of the following quantitative thresholds:



Accounting Policy

Issue date: Revised March 2015

Prepared by: Umair A. Quraishi

Approved by:

Reference No.

Subject: Accounting for Reportable Segments

- *Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 percent or more of the combined revenue, internal and external, of all operating segments.*

- *The absolute amount of its reported profit or loss is 10 percent or more of the greater, in absolute amount, of either:*
 - *The combined reported profit of all operating segments that did not report a loss*
 - *The combined reported loss of all operating segments that did report a loss.*

- *Its assets are 10 percent or more of the combined assets of all operating segments.*

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to readers of the financial statements.

IV. REGULATORY CONSIDERATIONS

None noted.

V. NISOURCE APPLICATION

Based on a qualitative and quantitative analysis, as provided by ASC 280, management determines the appropriate reportable operating segments. Per the qualitative assessment, NiSource determines whether (1) the key decision makers and (2) the key internal financial reports to facilitate decision making are segregated and aggregated for a reporting unit. NiSource uses the guidance provided in **Appendix A** to determine that all qualitative requirements are met before disclosing a reportable segment.

In terms of the quantitative analysis, NiSource will utilize the “10% rule” in determining whether a segment should be disclosed. Specifically, if the revenue, profit or loss, or assets are greater than 10% of the total NiSource financial statements, in addition to meeting the qualitative considerations as mentioned in ASC 280-10-50-1 and 280-10-50-3 through ASC 280-10-50-9, NiSource will separately disclose the operating segment in its consolidated financial statements.

VI. AUTHORITY AND RESPONSIBILITY

The reporting units should not change from period to period. Whether reportable operating segments should continue to be separately reported or not is initially determined by the chief operating decision makers (CODM). It is the function of the accounting research group to determine whether the removal of an operating segment from NiSource’s consolidated financial statements is appropriate and consistent with the rules in ASC 280. If new reportable segments are identified, the accounting research group determines the appropriate disclosures to include.

The CAO approves the disclosures and analysis for any changes to reportable operating segments.



Accounting Policy

Issue date: Revised March 2015

Prepared by: Umair A. Quraishi

Approved by:

Reference No.

Subject: Accounting for Reportable Segments

VII. APPENDICES

Appendix A – Qualitative Thresholds in Determining a Reportable Segment

- 50-3 – “An operating segment may engage in business activities for which it has yet to earn revenues, for example, start-up operations may be operating segments before earning revenues.”
- 50-4 – “Not every part of a public entity is necessarily an operating segment or part of an operating segment. For example, a corporate headquarters or certain functional departments may not earn revenues or may earn revenues that are only incidental to the activities of the public entity and would not be operating segments. For purposes of this Subtopic, a public entity's pension and other postretirement benefit plans are not considered operating segments.”
- 50-5 – “The term chief operating decision maker identifies a function, not necessarily a manager with a specific title. That function is to allocate resources to and assess the performance of the segments of a public entity. Often the chief operating decision maker of a public entity is its chief executive officer or chief operating officer, but it may be a group consisting of, for example, the public entity's president, executive vice presidents, and others.”
- 50-6 – “For many public entities, the three characteristics of operating segments described in paragraph [280-10-50-1](#) clearly identify a single set of operating segments. However, a public entity may produce reports in which its business activities are presented in a variety of different ways. If the chief operating decision maker uses more than one set of segment information, other factors may identify a single set of components as constituting a public entity's operating segments, including the nature of the business activities of each component, the existence of managers responsible for them, and information presented to the board of directors.”
- 50-7 – “Generally, an operating segment has a segment manager who is directly accountable to and maintains regular contact with the chief operating decision maker to discuss operating activities, financial results, forecasts, or plans for the segment. The term segment manager identifies a function, not necessarily a manager with a specific title.”
- 50-8 – “The chief operating decision maker also may be the segment manager for certain operating segments. A single manager may be the segment manager for more than one operating segment. If the characteristics in paragraphs [280-10-50-1](#) and [280-10-50-3](#) apply to more than one set of components of a public entity but there is only one set for which segment managers are held responsible, that set of components constitutes the operating segments.”
- 50-9 – “The characteristics in paragraphs [280-10-50-1](#) and [280-10-50-3](#) may apply to two or more overlapping sets of components for which managers are held responsible. That structure is sometimes referred to as a matrix form of organization. For example, in some public entities, certain managers are responsible for different product and service lines worldwide, while other managers are responsible for specific geographic areas. The chief operating decision maker regularly reviews the operating results of both sets of components, and financial information is available for both. In that situation, the components based on products and services would constitute the operating segments.”

Below are the criteria under 280-10-50-13 through 280-10-50-18 where specifics on certain other situations in which separate information about an operating segment is reported:

- 50-13 – “An entity may combine information about operating segments that do not meet the quantitative thresholds with information about other operating segments that do not meet the



Accounting Policy

Issue date: Revised March 2015

Prepared by: Umair A. Quraishi

Approved by:

Reference No.

Subject: Accounting for Reportable Segments

quantitative thresholds to produce a reportable segment only if aggregation is consistent with the objective and basic principles of this Topic, the segments have similar economic characteristics, and the operating segments share a majority of the aggregation criteria listed in paragraph [280-10-50-11](#).”

280-10-50-11 states that two or more operating segments may be aggregated into a single operating segment if:

- *The nature of the products and services are similar*
 - *The nature of the production processes are similar*
 - *The type or class of customer for their products and services are similar*
 - *The methods used to distribute their products or provide services are similar*
 - *The nature of the regulatory environment is similar.*
-
- *50-14 – “If total of external revenue reported by operating segments constitutes less than 75 percent of total consolidated revenue, additional operating segments shall be identified as reportable segments (even if they do not meet the criteria in paragraph [280-10-50-12](#)) until at least 75 percent of total consolidated revenue is included in reportable segments.”*
 - *50-15 – “Information about other business activities and operating segments that are not reportable shall be combined and disclosed in an all other category separate from other reconciling items in the reconciliations required by paragraphs [280-10-50-30 through 50-31](#). The sources of the revenue included in the all other category shall be described.”*
 - *50-16 – “If management judges an operating segment identified as a reportable segment in the immediately preceding period to be of continuing significance, information about that segment shall continue to be reported separately in the current period even if it no longer meets the criteria for reportability in paragraph [280-10-50-12](#).”*
 - *50-17 – “If an operating segment is identified as a reportable segment in the current period due to the quantitative thresholds, prior-period segment data presented for comparative purposes shall be restated to reflect the newly reportable segment as a separate segment even if that segment did not satisfy the criteria for reportability in paragraph [280-10-50-12](#) in the prior period unless it is impracticable to do so. For purposes of this Subtopic, information is impracticable to present if the necessary information is not available and the cost to develop it would be excessive.”*
 - *50-18 – “There may be a practical limit to the number of reportable segments that a public entity separately discloses beyond which segment information may become overly detailed. Although no precise limit has been determined, as the number of segments that are reportable in accordance with paragraphs [280-10-50-12 through 50-17](#) increases above 10, the public entity should consider whether a practical limit has been reached.”*



Accounting Policy

Issue date: 10/08/10 — Revised March 2015

Prepared by: Phil Vaughn

Approved by: Segment Controllers

Reference No.:

Subject: NiSource Corporate Services Company Allocation Methodology

I. INTRODUCTION

This policy establishes guidelines as to how NiSource Corporate Services Company (NCSC) costs are to be allocated to the other NiSource affiliated companies.

II. SCOPE

This policy relates only to costs allocated by NCSC.

III. GAAP GUIDANCE

There is no specific GAAP guidance related to allocation of a regulated centralized service company's costs to its affiliated companies.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

There is no ASC 980 impact related to allocation of centralized service company costs.

In the event that NCSC needs to add a new allocation basis, NCSC would be required to file for approval in many of its state jurisdictions that the new allocation basis would affect. The FERC requires the allocation basis to be filed each year along with the Form 60.

V. NISOURCE APPLICATION

NiSource Corporate Services has legally binding service agreements in place with all of the affiliates that it provides service to, detailing the various methods of allocation that it uses to allocate costs. In addition, a comprehensive allocation policy manual is on file with the NCSC accounting department.

VI. AUTHORITY AND RESPONSIBILITY

The allocation methodology of NCSC costs are the responsibility of the Controller of NCSC.

VII. APPENDICES

Refer to the Methods of Billing section from the NiSource Corporate Services Cost Allocation Manual. Please contact the NCSC Accounting Department for the Cost Allocation Manual.



Accounting Policy

Issue date:

Prepared by: Shawn Patterson, updated by Deborah Schmelzer

Updated: Nick Drew – 3/11/15

Approved by:

Reference No.

Subject: Software Capitalization

I. INTRODUCTION

This policy provides guidelines on the accounting treatment for software capitalization including what costs are capitalized or expensed, the method of amortization for deferred costs, and how impairment should be recognized and measured.

II. SCOPE

This policy applies to all of NiSource's business units.

III. GAAP GUIDANCE

Authoritative Literature: ASC 350-40 – Intangibles – Goodwill and Other; Internal-Use Software

ASC 350-40 provides guidance on accounting for the costs of computer software developed or obtained for internal use.

For purpose of ASC 350-40 and this policy, internal-use software is software having both of the following characteristics:

- a. The software is acquired, internally developed, or modified solely to meet the entity's internal needs.
- b. During the software's development or modification, no substantive plan exists or is being developed to market the software externally.

An entity must meet both characteristics above for software to be considered for internal use.

ASC 350-40 clarifies that the costs of computer software that is "sold, leased, or otherwise marketed as a separate product or as part of a product or process" are within the scope of ASC 985-20 and not covered by ASC 350-40.

ASC 350-40-25 breaks out the various stages and related processes of computer software development into three major categories. Regardless of timing, costs should be accounted for based on the nature of the costs and not the timing of their occurrence.

Preliminary Project Stage	Application Development Stage	Post-Implementation / Operation Stage
Conceptual formulation of alternatives	Design of chosen path, including software configuration and software interfaces	Training
Evaluation of alternatives	Coding	Application maintenance
Determination of existence of needed technology	Installation of hardware	
Final selection of alternatives	Testing, including parallel processing phase	
	Costs to develop or obtain software that allows for access or conversion of old data by new systems	
	Payroll and payroll-related costs for employees who are directly associated with and who devote time to the internal-use software project	
	Travel expenses incurred by employees in their duties directly associated with developing software	
	Interest cost incurred when developing the software (in accordance with the provisions of ASC 835-20)	

Accounting for preliminary project stage costs:

Internal and external costs incurred during the preliminary project stage should be **expensed** as incurred.

Accounting for application development stage costs:

Internal and external costs incurred to develop internal-use computer software during the application development stage should be **capitalized**.

Capitalized costs of computer software developed or obtained for internal use should be amortized on a straight-line basis unless another systematic and rational basis is more representative of the software's use. **ASC 350-40-35-5** states that in determining and periodically reassessing the estimated useful life over which the costs incurred for software will be amortized, consideration should be given to the effects of obsolescence, technology, competition, and other economic factors.

Amortization should begin when computer software is ready for its intended use, regardless of whether the software will be placed in service in planned stages that may extend beyond a reporting period. If the functionality of a module is entirely dependent on the completion of other modules, amortization of that module should begin when both that module and the other modules upon which it is functionally dependent are ready for their intended use.

Accounting for post-implementation/operation stage costs:

Internal and external training and maintenance costs should be **expensed** as incurred.

Timing of capitalization

ASC 350-40-25-12 states that capitalization of costs, when appropriate, should begin when **both** of the following occur:

- a. Preliminary project stage is completed.
- b. Management, with the relevant authority, implicitly or explicitly authorizes and commits to funding a computer software project and it is probable that the project will be completed and the software will be used to perform the function intended. Examples of authorization include the execution of a contract with a third party to develop the software, approval of expenditures related to internal development, or a commitment to obtain the software from a third party.

Capitalization should cease no later than the point at which a computer software project is substantially complete and ready for its intended use. **ASC 350-40-30-3** states that general and administrative costs and overhead costs should not be capitalized as costs of internal-use software.

When it is no longer probable that the computer software project will be completed and placed in service, no further costs should be capitalized. At the time of this determination, impairment should be applied to existing balances. Impairment should be recognized and measured in accordance with the provisions of **ASC 360-10-35**. **ASC 360-10-35** guidance is applicable, for example, when one of the following occurs related to computer software being developed or computer software currently in use:

- a. Internal-use computer software is not expected to provide substantive service potential,
- b. A significant change occurs in the extent or manner in which the software is used or is expected to be used,
- c. A significant change is made or will be made to the software program,
- d. Costs of developing or modifying internal-use computer software significantly exceed the amount originally expected to develop or modify the software.

IV. REGULATORY CONSIDERATIONS

Not applicable.

V. NISOURCE APPLICATION

In accordance with the GAAP guidance referenced above:

- a. Computer software costs incurred in the preliminary project stage should be expensed as incurred,
- b. Once capitalization criteria have been met, internal and external costs should be capitalized and amortized over a **five year** period,
- c. At the point when the computer software project is substantially complete and all significant testing is completed, capitalization should cease,
- d. When necessary, impairment should be recognized and measured in accordance with ASC 360-10

Materiality: A majority of the IT projects that include software which occur at NiSource are billed through Corporate Services and then convenience billed to the individual business units. For these projects, Corporate Services will determine if the overall project is above the capitalization thresholds and will need to be capitalized. If this occurs, Corporate Services will communicate this to the business units on the convenience bill and these amounts will need to be capitalized at the business unit level regardless of the amount.

For those projects that are billed directly from the vendor to the business units and are not part of a larger project, materiality thresholds are as follows:

NiSource Gas Distribution (NGD):

Columbia Gas of Kentucky = \$50,000
Columbia Gas of Ohio = \$50,000
Columbia Gas of Maryland = \$50,000
Columbia Gas of Pennsylvania = \$50,000
Columbia Gas of Virginia = \$50,000
Columbia Gas of Massachusetts = \$50,000

NIPSCO = \$100,000

NiSource Corporate Services: NCSC determines thresholds based on capital projects using a threshold of \$100,000. Multiple-year projects (greater than three years) use a threshold of \$250,000.

When an IT project impacts multiple business units, if the allocated project costs meet the capitalization threshold for one business, the project will be capitalized for all the companies impacted by the project. For example, new functionality is needed for CIS that with benefit CMA and NIPSCO. The total capital portion of the project is \$145,000. \$100,000 will be allocated to NIPSCO, and \$45,000 will be allocated to CMA. Because the \$100,000 meets the NIPSCO capitalization threshold, both NIPSCO and NGD (CMA) will capitalize the project.

VI. IT Bundling

NiSource Application Management teams receive requests to develop new functionality for existing software applications. In some cases, the request for new functionality will involve several different individual requests. Currently, each individual request is evaluated to determine if the request meets the company's minimum capitalization policy. Going forward, change requests for new functionality will be analyzed and, when appropriate, grouped (bundled) into larger projects.

NiSource IT will work with the business units to organize and group the list of active requests into projects. Change that spans applications areas to deliver the new functionality will be bundled. In order to be eligible for bundling, projects must:

- Stem from a similar cause (e.g. a new rate order)
- Support a common business initiative (e.g. upgrades to the DIS (residential), GMB (commercial) and GTS (industrial) billing systems that result from the new rate order), and
- Be developed and delivered in a systematic release schedule.

Other examples could include:

- A business initiative 'to support customer focus strategies' that requires new functionality to DIS and spans different functional areas, such as contact center call handling, billing and self service.
- A project to create new functionality that supports 'two hour appointment windows'

Requests that do not introduce new functionality, are break/fix, or small enhancement work may be bundled for efficiencies but not accounted for as capital expenditures. All break/fix and small enhancement work will continue to be expensed. Requests that are not related will not be bundled.

As requests are formed into projects, operating company impact will be assessed. Using existing allocations for shared costs and direct charging for specific operating company costs, the final project scope will be evaluated to determine if the project meets the company's minimum capitalization policy. The basis for bundling a capital project will be documented by the requesting party, reviewed with and approved by Accounting, and will follow the standard Capital Allocation Request approval process for management review. Communication between IT and NiSource Corporate Services continues to be a key process. This includes:

- Timely communication of IT projects and set-up of project codes

- Submission of amounts in the IBM/F1 template by project by company before noon on day -2.

All IT projects, bundled or not, will continue to be individually evaluated within the capital and O&M guidelines of ASC 350-40. Only the bundled projects with budgeted capital expenditures that exceed the company's capital threshold will be capitalized. Bundled initiatives will be approved and reported (sponsor/management reporting) at the initiative level, but the costs and tasks will be tracked at a project level. For example, an initiative may be to add functionality to the billing systems as a result of a rate case. This initiative will encompass three billing systems: DIS, GMB and GTS. The additional functionality added to each of the three billing systems will result in three separate projects with a distinct work order/project code. Projects will be put in service at the completion of the project. Projects that are specific to an operating company will continue to be booked to that company and may be capital or O&M. Projects benefiting multiple companies will be allocated using existing procedures and may be capital or O&M. IT continues to be responsible for validating that capital and O&M costs are charged in accordance with the capitation policy. Work that is purely maintenance will not be capitalized consistent with ASC 350-40.

VII. AUTHORITY AND RESPONSIBILITY

The Accounting group is responsible for determining nature of the computer software cost and recording the costs appropriately as discussed herein.

VIII. APPENDICES

- *Accounting for IT Project Costs Capital vs. Exp Chart*
- *DT Q&A 350-40-25 (Q&A 17) ERP Implementation*

IT Projects
Capital vs. Expense Accounting Classification Aid

Accounting Classification (Capital vs. Expense) by Activity by Phase of Project			
Activity	Phase of the Project**		
	Preliminary Project Stage ⁽¹⁾	Application Development Stage ⁽¹⁾	Post Implementation / Operation Stage ⁽¹⁾
Project Management			
Administrative activities: - project organization & communicating - risk management & quality assurance - planning & staffing - monitoring and reviewing project status - budgeting, comparing budgets to actuals	Expense	Expense	Expense
Direct design activities: - direct review/supervision of coding - resolving computer, software/hardware design issues - direct monitoring of the software testing	N/A	Capital	Expense *
Reengineering & Enterprise Resource Planning Systems			
- reengineering business processes (documenting the current business practices and determining the "to be" processes)	Expense	Expense	Expense
- prototyping software system - building a model of the software's hierarchy elements (i.e. reporting, sizing of master data files, complexity of data entry) - building or contributing to the design of components of the software system (i.e. participating in design session workshops and providing design input)	N/A	Capital	Expense *
Technical Infrastructure			
- assessment of technology infrastructure - developing & delivering a technology support strategy	Expense	Expense	Expense
- acquiring computer hardware - design of technology infrastructure - cost of preparing technology support manual - custom development activities (adding coding, software configuration & software interfaces) - designing & executing a cutover plan (plan allowing the new system to become the live system)	N/A	Capital	Expense *
Process/System Integrity			
- determining individual security authorizations - developing controls or assessing risks associated with new business processes	Expense	Expense	Expense
- Security: designing Security and systems integrity checks into software code	N/A	Capital	Expense *
- Testing: writing test scripts; participating in integration, system, regression and/or user acceptance Testing (UAT)	N/A	Capital	Expense *
Data Conversion			
- process of data conversion & cleansing of data - reconciliation or balancing of old data to the new data - creation of new/additional data - conversion of old data to the new system	N/A	Expense	Expense
- costs to develop or obtain software that allows for access or conversion of old data by new systems	N/A	Capital	Expense *
Change Leadership (Organizational Change Management)			
- defining organization structures, job content & incentive structures - means of transitioning from the company's current state - means of communicating project status to organization and/or transferring knowledge from the project team to the organization	Expense	Expense	Expense
Training and Documentation			
- training delivery - attending training sessions to learn new software - providing training to other members of the organization	N/A	Expense	Expense
- designing computer-based training or other internal use training software - cost of preparing user manuals - documentation of coding or design of the software	N/A	Capital	Expense *
Hypercare			
- maintenance of the system - following up on implementation issues or questions - ongoing support of the system and processes	N/A	Expense	Expense*

* If involved in modifications that add functionality - or, modifications to enable the software to perform tasks that it was previously incapable of performing, then it would be capital.

(1) Please refer to the Corporate Software Capitalization Accounting Policy for further guidance on the definition of the project phases as well as thresholds.

Note: Payroll and payroll-related costs (including spot awards) associated with IT projects should be allocated between expense and capital by person based how their time was recorded during the project.

Note: Interest costs incurred while developing internal-use computer software can be capitalized.

****Application:** When deciding whether to capitalize or expense your time on a project, the intent is to focus on the actual activity that is being performed. Any activities performed during the preliminary or post-implementation project phase must be expensed as incurred. If you have any questions about what activity you are performing on a project or how to properly classify costs, please ask your Project Manager.

IT Projects - Subject Matter Expert (SME) Summary Accounting Guideline Classification Aid

SME Accounting Classification by Activity				
Common Activities of SMEs	Accounting Classification of Labor and Expenses			
	Preliminary Project Stage ⁽¹⁾	Application Development Stage ⁽¹⁾	Post Implementation / Operation Stage ⁽¹⁾	Where to Classify Charges**
Project Management Administrative activities: - reviewing project status - budgeting, comparing budgets to actuals	Expense	Expense	Expense	Normal Department and Allocation Classification
Reengineering Processes & ERP Design Activities - reengineering business processes (documenting the current business practices and determining the "to be" processes) - building or significant contributions to the design of components of the software system (i.e. participating in design session workshops and providing design input)	Expense	Expense	Expense	Normal Department and Allocation Classification
	N/A	Capital	Expense *	If capital, use Project Capital Classification*
Process/System Integrity - determining individual security authorizations - developing controls or assessing risks associated with new business processes - Security: designing Security and systems integrity checks into software code - Testing: writing test scripts; participating in integration, system, regression and/or user acceptance Testing (UAT)	Expense	Expense	Expense	Normal Department and Allocation Classification
	N/A	Capital	Expense *	If capital, use Project Capital Classification*
	N/A	Capital	Expense *	If capital, use Project Capital Classification*
Data Conversion - reconciliation or balancing of old data to new data - creation of new/additional data	N/A	Expense	Expense	Normal Department and Allocation Classification
Change Champions (Organizational Change Management) - means of communicating project status to organization - means of transitioning from the company's current state to new transformed state	Expense	Expense	Expense	Normal Department and Allocation Classification
Training and Documentation - attending training sessions to learn new software - providing training to other members of the organization	N/A	Expense	Expense	Normal Department and Allocation Classification
Hypercare - maintenance of the system - following up on implementation issues or questions - ongoing support of the system and processes	N/A	Expense	Expense*	Normal Department and Allocation Classification

* If involved in modifications that add functionality - or, modifications to enable the software to perform tasks that it was previously incapable of performing, then it would be capital.
(1) Please refer to the Corporate Software Capitalization Accounting Policy for further guidance on the definition of the project phases as well as thresholds.

****Application:** When deciding whether to capitalize or expense your time on a project, the intent is to focus on the actual activity that is being performed. Any activities performed during the preliminary or post-implementation project phase must be expensed as incurred. If you have any questions about what activity you are performing on a project or how to classify costs, then please ask your Project Manager.

350-40-25 (Q&A 17) — Enterprise Resource Planning (ERP) Implementations

[Pre-Codification Reference — SOP 98-1: 33-5]
[Added August 8, 2003]
[Codified July 1, 2009]

Question

What activities are performed during an ERP implementation and how should an entity account for the costs related to these activities?

Answer

While an ERP system may be broken down into the phases or benchmarks, for the purposes of billing or monitoring the project's progress, there are certain activities that are consistently performed throughout the implementation effort. Information technology consultants refer to these activities as the "threads" of the implementation effort.

The threads of the implementation effort include:

- Project Management.
- Reengineering and ERP systems.
- Technical Infrastructure.
- Process/System Integrity.
- Change Leadership.
- Training and Documentation.

Project management typically involves the project organization, risk management, planning, monitoring, budgeting, communicating, staffing, and quality assurance. The majority of project management activities are overhead costs and should be expensed as incurred. However, management activities, such as the direct review of coding, resolving computer design issues, and direct monitoring of the software testing are consistent with the characteristics of the application development stage and should be capitalized.

The reengineering and ERP systems thread incorporates the integration of the software implementation with the targeted reengineering of selected areas. Many of the activities performed in this thread relate to reengineering and should be expensed as incurred. However, the following activities are consistent with the application development stage and therefore, should be capitalized: prototyping of the software system, which provides a starting point for the computer design; building a model of the software's hierarchy elements (e.g., how reporting is accomplished, the size of master data files, the complexity of data entry); and building the components of the software system.

Technical infrastructure typically involves hardware and software: selection, procurement, and installation of the hardware and software, as well as the design, development and installation of additional custom development (e.g., interfaces to old systems, enhancements to the ERP software, conversion programs, and custom reports or forms). Activities in this thread, such as assessment of technology infrastructure, developing a technology support strategy, and the cleansing of data, should be expensed as incurred. Computer hardware acquisitions should be capitalized as property, plant, and equipment. The additional custom development activities are consistent with the application development stage and should be capitalized. The design of a cutover plan, a transition plan that allows the new system to become the live system, would be consistent with the concept of design of the chosen path, and therefore, should be capitalized. Costs of other activities should be capitalized only if they meet the criteria of the application development stage.

Process/system integrity typically involves security and audit control. The costs of these activities should be capitalized to the extent that the activities involve designing security and systems integrity checks into the software code. Activities, such as determining individual security authorizations, designing controls or

assessing risks associated with new business processes, should be expensed as incurred.

Change leadership addresses the people and organizational issues associated with implementing an ERP system. Activities within this thread typically involve definition of organization structures, job content, incentive structures, means of transitioning from the company's current state, and the means of transferring knowledge from the project team to the organization (e.g., newsletters). The change leadership thread is typically reengineering, and therefore, costs associated with this thread should be expensed as incurred.

Training and documentation typically involve design and delivery of training for the project team, managers, end users, operators, and help desk, as well as documentation for project end users and operators. Training and documentation relate to the ongoing support of the system and processes and should be expensed as incurred. Design of computer-based training would be considered internal-use software, and therefore, should be capitalized if the criteria of the application development stage are met. Any documentation that relates to the coding or design of the software should be capitalized. The cost of preparing user manuals also should be capitalized.

Each ERP system is unique and includes varying amounts of business process reengineering (BPR) activities. Therefore, to account for the ERP implementation appropriately, every implementation should be broken down into the actual activities performed. The following matrix is intended as a broad guideline for classification of activities in an ERP implementation.

	Scoping & Planning	Visioning & Targeting	Redesign	Configuration	Test & Deliv
Project Management	R	A	A	A	A
Reengineering & ERP Systems	R	A	A	A	A
Technical Infrastructure	R	A	A	A	A
Process/Systems Integrity	R	A	A	A	A
Change Leadership	R	R	R	R	R
Training & Documentation	R	A	A	A	A

R = Reengineering, planning, and ongoing support (expense).

A = Allocate — includes some items of software development and BPR.

The items requiring allocation between the activities that relate to software development and other activities likely will involve significant judgment. For example, consultants will often utilize an implementation methodology such as the one described above to assist in the design of the business processes. Therefore, the consultants are simultaneously reengineering the business and designing the software.

In other ERP implementations, the entity purchases preconfigured software. Under a preconfigured system, the system integrator has already made certain choices regarding business processes, software configuration, and interfaces. Therefore, the purchaser must compare its current business processes to the processes that will be used under the new system in order to see what changes are needed. The purchaser will then need to redesign its current processes so they will work effectively with the new software system.

Under this type of software agreement, the cost of purchasing preconfigured software should be capitalized. The cost of any additional coding, configuration, interfaces, or testing also should be capitalized. However, the purchaser's cost to compare its current processes to the processes that relate to the new software is not a capitalizable cost. Likewise, the cost of changing the business processes should be expensed as incurred.

Primary Reference: 350-40-25-1
Secondary Reference: 350-40-30-4

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This publication provides comprehensive guidance; however, it does not address all possible fact patterns, and the guidance is subject to change. Consult a Deloitte & Touche LLP professional regarding your specific issues and questions. Your feedback will help us improve the *FASB Accounting Standards Codification Manual*. Please [let us know](#) what you think.

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Accounting Policy

Issue date: Revised March 2015

Prepared by: Umair A. Quraishi

Approved by:

Reference No.

Subject: Accounting for Variable Interest Entities

I. INTRODUCTION

This policy provides guidelines in determining the accounting treatment for variable interest entities (VIE), per *ASC 810 – Consolidation*.

II. SCOPE

ASC 810 – Consolidations provides guidance on determining whether an enterprise should consolidate or deconsolidate certain entities using a qualitative as opposed to a quantitative approach. As such, business units, investments, contracts, and agreements should all be evaluated using the updated guidance on VIEs found in ASC 810.

III. GAAP GUIDANCE

Per the guidance found in ASC 810, the following characteristics are indicators of **variable interests** (not variable interest entities):

- At-risk equity investments
- Investments in subordinated debt instruments
- Investments in subordinated beneficial interests
- Guarantees of the value of an entities assets or liabilities
- Written put options on the assets of an entity or similar obligation that protects senior interests from suffering losses
- Forward contracts to sell assets owned by the entity at a fixed price
- Stand-alone or embedded derivative instruments including total return swaps and similar arrangements
- Contracts or agreements for fees to be paid to a decision maker (generally deemed to absorb variability unless certain criteria are met to be considered an “employee” or “hired service provider” relationship).
- Other service contracts with non-decision makers
- Operating leases that include residual value guarantees and/or lessee option to purchase the leased property at a specified price.
- Interests retained be a transferor of financial assets to a VIE

If a variable interest is deemed to exist, further review is needed to determine if the entity is a VIE. In general, a **VIE** is an entity (1) which has an insufficient amount of at-risk equity to permit the entity to finance its activities without additional financial support provided by any parties, (2) whose at-risk equity owners, as a group, do not have power, through voting rights or similar rights, to direct activities of an entity that most significantly impact the entity’s economic performance or (3) whose at-risk owners do not absorb the entity’s losses or receive the entity’s residual return. A VIE is required to be consolidated by a company, if that company is determined to be the primary beneficiary of the VIE. Various disclosures are required about material variable interest entities that a company is not required to consolidate but in which it has a significant variable interest.

When it is determined that an entity or arrangement is a VIE, further review is performed to determine if the enterprise (i.e. NiSource) is the primary beneficiary of the entity or arrangement. A **primary beneficiary** is an enterprise that has (1) the power to direct activities of a VIE that most significantly impact the entity’s economic performance and (2) the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could



Accounting Policy

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Prepared by: Umair A. Quraishi

Approved by:

Reference No.

Subject: Accounting for Variable Interest Entities

potentially be significant to the VIE. A VIE should have only one primary beneficiary. Further, a VIE may not have a primary beneficiary if no party meets the criteria described above. The determination of a primary beneficiary is thus based on qualitative factors. If, after examination of the contracts and assessment of the nature of the entity or arrangement, it is determined that the enterprise is the primary beneficiary, the enterprise would consolidate the entity in its own financial results. Conversely, if the enterprise is determined not to be the primary beneficiary, it would not consolidate. The enterprise would be required to deconsolidate if in prior periods it was determined that NiSource was the primary beneficiary but changes in circumstances in the current period indicated that NiSource was no longer the primary beneficiary.

IV. REGULATORY CONSIDERATIONS

None noted.

V. NISOURCE APPLICATION

NiSource uses a four step approach in determining whether an entity is consolidated or deconsolidated from the Company's financial statements. Each quarter, NiSource evaluates whether:

1. A scope exception exists for the entity, arrangement, or contract
2. If the entity, arrangement, or contract is a variable interest,
3. If the entity, arrangement, or contract is a variable interest entity, and
4. If NiSource is the primary beneficiary.

Per ASC 810, a scope exception can arise if the entity is:

1. A not-for-profit organization,
2. An employee benefit plan,
3. A life insurance entity,
4. A governmental organization, or
5. A business as defined by the *Business Combinations* topic so long as NiSource does not provide significant financial support and was not a party in the design of the entity.

When evaluating entities for VIE characteristics, NiSource uses the above criteria to determine if an entity meets the scope exception. It should also be noted that for an entity created before December 31, 2003 for which NiSource cannot obtain documentation to support whether the entity is a VIE, NiSource is permitted to remove the entity from the scope of VIE accounting per ASC 810 so long as the reasoning is documented thoroughly. In addition, such scope exceptions need to be disclosed in the notes to the consolidated financial statements.

After determining whether the entity meets the scope exception or not, NiSource determines if the entity is a variable interest. As defined by ASC 810, a variable interest is an implied pecuniary (financial) interest in an entity that changes with changes in the fair value of the entity's net assets exclusive of variable interests. Examples of a variable interest include:

- Equity investments (including partnership interests)
- Beneficial interests in securitized assets
- Debt instruments
- Operating leases, if they contain a residual value guarantee or purchase option
- Guarantees issued by the Enterprise



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Subject: Accounting for Variable Interest Entities

- Fees paid to a decision maker (see paragraphs B22 and B23 of FIN 46(R))
- Derivatives (e.g., written or purchased options, forward contracts, swaps, etc.)
- Administrative and servicing agreements

NiSource uses the above criteria to determine if the Company has a variable interest in an entity.

If it is determined that NiSource has a variable interest in an entity, the Company then needs to determine if the entity is a variable interest entity (VIE). A VIE, as defined by the ASC 810, has (1) an insufficient amount of at-risk equity to permit the entity to finance its activities without additional subordinated financial support provided by any parties, (2) at-risk equity owners, as a group, are not able to make decisions about the entity's activities through voting rights or similar rights, or (3) at-risk equity that does not absorb the entity's losses or receive the entity's residual returns. NiSource uses these criteria to determine whether an entity is a VIE.

If after examination of the facts (either through financial statements of an entity or through interviews with key accounting personnel) it is determined that an entity meets the definition of a VIE, the entity should be considered under the scope of VIE accounting per ASC 810. As such, NiSource is required to conclude whether the Company is the primary beneficiary of the VIE. If so, then NiSource would consolidate the entity as required by ASC 810. If it is concluded that NiSource is not the primary beneficiary a disclosure of the VIE is required under ASC 810 to explain the nature and extent of NiSource's relationship with the VIE.

To determine a VIE's primary beneficiary, an enterprise must perform a qualitative assessment to determine which party, if any, has the power and benefits. Therefore, an enterprise must identify which activities most significantly impact the VIE's economic performance and determine whether it, or another party, has the power to direct those activities. An entity can only have one primary beneficiary.

NiSource performs a quarterly assessment for VIEs and discloses all material VIEs in the notes to the consolidated financial statements. In addition, NiSource consolidates all VIEs for which NiSource is the primary beneficiary.

VI. AUTHORITY AND RESPONSIBILITY

The Accounting Research Group provides the guidance and checklist to the business units each reporting period to assess whether an entity meets the scope exception, whether it is a variable interest, whether it is a VIE or whether NiSource is the primary beneficiary of a VIE.

The business units, with the aid of the Accounting Research Group where needed, are responsible for the assessment of the entity and for adherence to VIE accounting guidance per ASC 810.

Consideration used in the determination of a VIE and primary beneficiary is documented each reporting period and ultimately approved by the business unit controllers and Chief Accounting Officer.

VII. APPENDICES

None.



Accounting Policy

Issue date: Revised March 2015

Prepared by: Angela Camp

Approved by: CAO and Segment Controllers

Reference No.

Subject: SAB 99 (Accounting Materiality) Policy

I. INTRODUCTION

This policy provides guidelines for assessing materiality for misstatements (omissions and errors) within the financial statement under U.S. Generally Accepted Accounting Principles.

II. SCOPE

This policy applies to misstatements in the financial statements detected by management and NiSource's external auditors.

III. GAAP GUIDANCE

SEC Staff Accounting Bulletin No. 99 – Materiality (SAB 99)

SAB 99 indicates that a matter is "material" if there is a substantial likelihood that a reasonable person would consider it important. SAB 99 indicates that among other factors, the demonstrated volatility of the price of a registrant's securities in response to certain types of disclosures may provide guidance as to whether investors regard quantitatively small misstatements as material.

Both "quantitative" and "qualitative" factors should be considered in assessing an item's materiality. Among the considerations that may well render material a quantitatively small misstatement of a financial statement item are –

- whether the misstatement arises from an item capable of precise measurement or whether it arises from an estimate and, if so, the degree of imprecision inherent in the estimate
- whether the misstatement masks a change in earnings or other trends
- whether the misstatement hides a failure to meet analysts' consensus expectations for the enterprise
- whether the misstatement changes a loss into income or vice versa
- whether the misstatement concerns a segment or other portion of the registrant's business that has been identified as playing a significant role in the registrant's operations or profitability
- whether the misstatement affects the registrant's compliance with regulatory requirements
- whether the misstatement affects the registrant's compliance with loan covenants or other contractual requirements
- whether the misstatement has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation
- whether the misstatement involves concealment of an unlawful transaction.

This is not an exhaustive list of the circumstances that may affect the materiality of a quantitatively small misstatement.

Staff Accounting Bulletin No. 108

Under SAB 108, the staff believes registrants must quantify the impact of correcting all misstatements, including both the carryover and reversing effects of prior year misstatements, on the current year financial statements. The staff believes that this can be accomplished by quantifying an error under



Accounting Policy

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Prepared by: Angela Camp

Approved by: CAO and Segment Controllers

Reference No.

Subject: SAB 99 (Accounting Materiality) Policy

both the rollover and iron curtain approaches (defined below) and by evaluating the error measured under each approach. Thus, a registrant's financial statements would require adjustment when either approach results in quantifying a misstatement that is material, after considering all relevant quantitative and qualitative factors. Determinations are based on whether "it is probable that the judgment of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the item" (emphasis added).

Rollover Approach: quantifies a misstatement based on the amount of error originating in the current-year income statement. Therefore, this approach could allow balance sheet items to grow each year by immaterial amounts, until the cumulative error becomes material.

Iron Curtain Approach: focuses on correcting the misstatements existing in the balance sheet at the end of the current year, regardless of the year(s) in which the misstatement originated. This approach does not consider the income statement effects of the reversal of the carryover of a misstatement to be evaluated as an error. The iron curtain approach treats prior period misstatements as immaterial to the prior period financial statements, so correcting the misstatements must be "correct" and, therefore, not an error.

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

Not applicable.

V. NISOURCE APPLICATION

Misstatements are considered material if the omission or error could influence the economic decisions of the users taken on the basis of the financial information. Materiality depends on the amount and the nature of the item, both individually and in the aggregate, being judged in the particular circumstances of its misstatement.

Income misstatements greater than \$1.0 million and balance sheet errors greater than \$2 million detected by management or the external auditors are required to be analyzed by the Accounting Research Department to determine if the misstatement(s) are material to the financial statements in accordance with GAAP. Errors related to the omissions or misclassifications within the statement of cash flow and recurring errors should be communicated to management, based on the Authority and Responsibility section below, regardless of materiality.

The Accounting Research Department is required to document both quantitative and qualitative considerations in accordance with SAB 99 when concluding on whether or not the error is material to readers of the financial statements.

VI. AUTHORITY AND RESPONSIBILITY

- Business Unit Controllers are responsible for communicating misstatements to the Accounting Research Department copying the Chief Accounting Officer.
- The Accounting Research Department will perform a materiality analysis of the misstatement on the financial statements and will provide a whitepaper outlining the conclusions
- Business Unit Controllers are responsible for communicating misstatements to the SOX department and the external auditors once communicated to the Chief Accounting Officer and Accounting Research Department.

VII. APPENDICES

Not applicable.



Accounting Policy

Issue date: 9/30/10 — Revised March 2015

Prepared by: Umair A. Quraishi

Approved by: Segment Controllers

Reference No.

Subject: Purchase Accounting (External Business Combinations)

I. INTRODUCTION

This policy provides guidelines in determining the accounting treatment for a business combination. Often, the acquiring company records goodwill due to an excess of the purchase price over the fair market value of the net identifiable assets.

II. SCOPE

If a purchase price premium can be identified to specific assets, the business unit to which the identifiable asset is associated will book the intangible asset and amortize if applicable.

III. GAAP GUIDANCE

The two main ASC topics that impact purchase accounting are:

1. Intangibles – Goodwill and other (under ASC 350)
2. Business Combinations (under ASC 805)

IV. REGULATORY CONSIDERATIONS (ASC 980 IMPACT)

When calculating the rate of return for rate making purposes, goodwill is not included in the capital structure.

V. NISOURCE APPLICATION

NiSource follows the accounting for business combinations in the event the Company acquires another entity. FASB defines a business combination as occurring when an entity acquires net assets that constitute a business or equity interest of one or more other entities and obtains control over the entity or entities. NiSource considers the following as business combinations, which are consistent with the FASB's interpretation:

- A transaction in which one or more entities are merged or become subsidiaries,
- A transaction in which one entity transfers net assets or its owners transfer their equity interests to another,
- A transaction in which all companies transfer their net assets or the owners of those companies transfer their equity interests to a newly formed entity,
- An exchange of a consolidated business for a consolidated business

Identifying the Acquirer:

In a business combination, in order for NiSource to apply the applicable accounting, the Company will need to be identified as the acquirer. In business combinations that involve consideration other than common stock, the company that pays cash, distributes assets, or incurs debt is generally the acquirer. However, determining the acquirer can be difficult in stock-for-stock transactions when the combining companies are of nearly equal value. In these circumstances judgment will be required. The business combinations topic in the codification requires that all pertinent facts and circumstances be considered.

The Purchase Method:

Acquisitions are accounted for using the purchase method of accounting. This method prescribes the date of the acquisition, cost of the acquisition and the allocation of the purchase price.



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Subject: Purchase Accounting (External Business Combinations)

The date of acquisition is the date on which control over the net assets and operations are transferred to the acquirer. This is usually when the consideration is paid or the transaction is completed and control over the board of directors is achieved.

The cost of the acquisition is the amount of cash and cash equivalents paid or the fair value, at the date of the exchange, of the purchase consideration given by the acquirer in exchange for control over the net assets of the entity plus any costs directly attributable to the acquisition.

At the date of acquisition, the identifiable assets and liabilities of the company acquired are measured at fair value and recognized separately only if:

- It is probable that future economic resources will flow to or from the acquirer, and
- A reliable measure is available for their cost or fair value.

When allocating the purchase price to the identifiable assets and liabilities, any excess purchase consideration over the purchase price must be then allocated to goodwill.

Restructuring provisions of the acquirer can only be recognized if a detailed restructuring plan existed at or before the acquisition date, the plan was announced at or before the acquisition date raising a valid expectation by those affected and developed the main features into a detailed formal plan by the earliest of three months after the acquisition date or the approval date of the financial statements. Refer to the restructuring policy for additional information regarding specific accounting.

All acquired assets and liabilities included in the consolidated balance sheet at the date of acquisition are stated at their full fair value. Minority interest is determined by multiplying the net assets at fair value by the proportion of the minority's stake in the net identifiable assets.

Identification of Reporting Units:

The codification topic on goodwill requires that goodwill should be assigned and tested at the reporting unit level, as defined by the segment accounting topic. The segment accounting guidance defines a reporting unit as an operating segment or one level below the operating segment. Refer to the policy on segment accounting for additional information.

Initial Measurement of Goodwill:

Goodwill, at acquisition date, shall be recognized as an asset, and initially be recognized at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

If the acquirer's interest in the net fair values of the identifiable assets, liabilities and contingent liabilities recognized exceeds the cost of the business combination, the acquirer shall:

- Reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination, and
- Recognize immediately in profit and loss, any excess remaining after that reassessment.

Internally generated goodwill, expenses incurred to generate future economic benefit that does not result in the creation of an intangible asset, is expensed as incurred and may not be capitalized or deferred.

Measurement Subsequent to Initial Measurement:



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Approved by: Segment Controllers

Reference No.

Subject: Purchase Accounting (External Business Combinations)

Goodwill acquired in a business combination should be measured at cost less any accumulated impairment losses. Subsequent changes to the carrying amount of goodwill include one or more of the following:

- Impairment of Goodwill
- Changes in the fair value of identifiable assets and liabilities.

Amortization of goodwill:

Goodwill acquired in a business combination shall not be amortized.

Impairment of goodwill:

Goodwill does not generate cash flows independently from other assets and therefore the recoverable amount as an individual asset cannot be determined. As a consequence, if there is an indication that goodwill may be impaired, the recoverable amount is determined for the cash-generating unit to which goodwill belongs by comparing the carrying amount of the cash generating unit, including the goodwill, to its recoverable amount. If an impairment exists, the impaired amount is first applied to the carrying amount of the goodwill within the cash generating unit and then to other assets in the cash-generating unit on a pro-rata basis. The reductions in carrying amounts shall be treated as an impairment loss and recognized immediately in profit or loss. Note, a reversal of an impairment loss recognized for goodwill is not permitted. Refer to the goodwill impairment policy for additional accounting

Disclosure Requirement Related to Business Combinations:

NiSource follows the disclosure requirements for a company's annual financial statements, which are outlined below:

1. Disclose in the notes to the financial statements the following information in the period in which a material business combination is completed:
 - The name and a brief description of the acquired company and the percentage of voting shares acquired.
 - The primary reason for the acquisition, including a description of the factors that contributed to a purchase price that result in recognition of goodwill.
 - The period for which the results of operations of the acquired company are included in the income statement of the combined company.
 - The cost of the acquired company and, if applicable, the number of shares of equity interests (e.g., common or preferred shares, partnership interests) issued or issuable, the value assigned to those interests, and the basis for determining that value.
 - A condensed balance sheet disclosing the amount assigned to each major asset and liability caption of the acquired company at the acquisition date.
 - Contingent payments, options, or commitments specified in the acquisition agreement and the accounting treatment that will be followed should any such contingency occur.
 - The amount of purchased in-process research and development assets acquired and written off in the period and the line item in the income statement in which the amounts written off are included.
 - For any purchase price allocation that has not been finalized, that fact and the reasons therefore and, in subsequent periods, the nature and amount of any material adjustments made to the initial allocation of the purchase price.
2. Disclose the following information in the notes to the financial statements in the period in which a material business combination is completed if the amounts assigned to goodwill or to other intangible assets acquired is significant in relation to the total cost of the acquired company:



Accounting Policy

Issue date: 9/30/10 — Revised March 2015

Prepared by: Umair A. Quraishi

Approved by: Segment Controllers

Reference No.

Subject: Purchase Accounting (External Business Combinations)

a) For intangible assets subject to amortization:

- The total amount assigned and the amount assigned to any major intangible asset class. An intangible asset class is a group of intangible assets that are similar, either by their nature or by their use in the operations of an entity.
- The amount of any significant residual value, in total and by major intangible asset class.
- The weighted-average amortization period, in total and by major intangible asset class.

b) For intangible assets not subject to amortization, the total amount assigned and the amount assigned to any major intangible asset class.

c) For goodwill:

- The total amount of goodwill and the amount that is expected to be deductible for tax purposes.
- The amount of goodwill by reportable segment unless not practicable (e.g., if the assignment of goodwill to reporting units has not been completed as of the date the financial statements are issued).

VI. AUTHORITY AND RESPONSIBILITY

Determination of the accounting treatment for business combinations is performed by the Accounting Research Group. Generally, the business combination is recorded at the Corporate level with input from the Accounting Research Group. The CAO approves any final accounting treatment.

VII. APPENDICES

None.



Accounting Policy

Issue date:

Revised date: 03/17/2015

Prepared by: Jimmie Six

Approved by: Controller

Reference No.

Subject: Accounting for Base Gas

I. INTRODUCTION

This policy provides guidelines for the accounting treatment and the valuation of base gas (cushion gas) in underground storage. Base gas is the volume of gas that is needed as a permanent inventory in a storage reservoir to maintain adequate reservoir pressure and deliverability rates throughout the withdrawal season.

II. SCOPE

This policy applies to any NiSource business that owns or operates an underground natural gas storage facility.

III. GAAP GUIDANCE

The applicable GAAP Guidance for the accounting for base gas may be found in the following FASB Accounting Standards Codification ("ASC") Topics:

Topic 360 - *Property, Plant and Equipment*:

- Section 360-10-30 requires that property, plant, and equipment initially be recorded at its historical cost.
- Section 360-10-35 requires that property, plant, and equipment to be held and used be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Topic, 980 – *Regulated Operations*:

- Subparagraph 980-405-25-1(a) states that a regulator may require refunds to customers. Refunds can be paid to the customers who paid the amounts being refunded; however, they are usually provided to current customers by reducing current charges. Refunds that meet the criteria of accrual of loss contingencies (see paragraph [450-20-25-2](#)) shall be recorded as liabilities and as reductions of revenue or as expenses of the regulated entity.

IV. REGULATORY CONSIDERATIONS

The Federal Energy Regulatory Commission ("FERC") provides a uniform system of accounts that includes guidance on how to account for base gas. By FERC definition, base gas is considered to be gas plant and gas plant is to be recorded at cost. Base Gas is to be recorded in Account 117.1, *Gas Stored-Base Gas*. Below are relevant excerpts from the uniform system of accounts related to Account 117.1.

"The investment in and use of system gas included in Account 117.1, Gas Stored-Base Gas...may be accounted for using either the "fixed asset" method or an "inventory method as set forth below...

- a. *Inventory Method* – Gas stored during the year must be priced at cost according to generally accepted methods of cost determination consistently applied from year to year....

...Withdrawals of gas must be priced using the first-in-first out, last-in-first-out or weighted average cost method, provided the method adopted by the utility is



Accounting Policy

Issue date:

Revised date: 03/17/2015

Prepared by: Jimmie Six

Approved by: Controller

Reference No.

Subject: Accounting for Base Gas

used consistently from year to year and appropriate inventory records are maintained...

...Adjustments for inventory losses related to gas held in underground reservoirs due to cumulative inaccuracies of gas measurements, or from other causes must be charged to Account 823, *Gas Losses*...

- b. *Fixed Asset Method* – When replacement of the gas is made the amount carried in Account 117.4 for such volumes must be cleared with a contra entry to Account 808.2 *Gas Delivered to Storage- Credit*. Any difference between the utility's cost of replacement gas volumes and the amount cleared from Account 117.4 must be recognized as a gain in Account 495, *Other Gas Revenues*, or as a loss in Account 813, *Other Gas Supply Expenses*, with contra entries to Account 808.2.

Adjustments for inventory losses related to gas held in underground reservoirs due to cumulative inaccuracies of gas measurements, or from other causes, must be charged to Account 823, *Gas Losses*..."

Account 117.1 further states:

"This account is to include the cost of recoverable gas volumes that are necessary, in addition to those volumes for which cost are properly includable in Account 101, *Gas Plant In-Service*, to maintain pressure and deliverability requirements for each storage facility. Nonrecoverable gas volumes used for this purpose are to be recorded in account 352.3, *Nonrecoverable Natural Gas*. For utilities using the fixed asset method of accounting, which is what NiSource uses, the cost of base gas applicable to each gas storage facility shall not be changed from the amount initially recorded except to reflect changes in volumes designated as base gas. If an inventory method is used to account for gas included herein, the utility may, at its election, price withdrawals in accordance with the instructions to Account 117.4."

The instructions to Account 117.4, *Gas Owed to System Gas*, state:

"This account is to be used to record encroachments of system gas under the fixed asset method. This account may also be used to record encroachments of base gas for utilities electing to use an inventory method of accounting for system gas. Utilities may revalue cumulative net imbalances, net all transactions, and record one monthly entry with one month-end price for valuation purposes."

V. NISOURCE APPLICATION

Storage base gas is to be recorded at cost and included in Utility Plant on the balance sheet. Any loss of base gas is recorded in Account 823, *Gas Losses*. When it is determined that an amount of base gas is no longer needed for operational purposes, NiSource must provide FERC with notice that NiSource is to sell the base gas. Gains on the sale of base gas may be subject to customer sharing arrangement based on FERC directive. Amounts to be shared with customers should be recorded as a regulatory liability pursuant to policy for Regulatory Assets and Liabilities.

VI. AUTHORITY AND RESPONSIBILITY

NiSource Accounting is responsible for recording and valuing base gas under the authority of the Controller.



Accounting Policy

Issue date:

Revised date: 03/17/2015

Prepared by: Jimmie Six

Approved by: Controller

Reference No.

Subject: Accounting for Base Gas

The Financial Reporting group is responsible for presentation and disclosure in the financial statements (Form 2). Presentation and disclosure in the financial statements is reviewed by an Accounting Manager and the Rates & Regulatory department and approved by the Controller.

VII. APPENDICES

None.



Accounting Policy Guide

Issue date: August 1, 2011 — Revised March 2015

Prepared by: Julie Wozniak & Balance Sheet Reconciliation Team

Approved by: Jon Veurink

Reference No.

Subject: Balance Sheet Account Reconciliation Process

I. INTRODUCTION

All balance sheet accounts will be assigned an owner and will be reconciled at a minimum semi-annually, depending on the account's risk rating. See "**Timeline**" below for the detailed requirements.

The purpose of this Account Reconciliation Policy is to document the account owner requirements for reconciling accounts and to ensure that all accounts are reconciled regularly. Adherence to this policy is designed to:

- Provide assurance that the balance sheet correctly reflects the financial position of the Company and supports accurate profit and loss reporting
- Reduce the risk of error within financial statements
- Assign ownership and responsibility of each account to the source organization to assure early identification of incomplete or inaccurate financial activity or records
- Verify that transactions from sub-ledgers are being recorded correctly and they accurately support the associated balance sheet accounts
- Detect transactions posted to the wrong accounts or in the wrong time periods and dictate appropriate and timely resolution of reconciling items
- Simplify financial and comparative analysis
- Fulfill certain Sarbanes-Oxley and prepare for external and internal audits

II. SCOPE

This policy applies to all NiSource companies.

III. GAAP GUIDANCE

Not applicable.

IV. REGULATORY CONSIDERATIONS

Not applicable.

V. NISOURCE APPLICATION

Account Reconciliation

Account reconciliation is the process of comparing the general ledger (G/L) balance for a specific balance sheet account to *independent supporting documentation* in order to determine the appropriateness of the account balance at a point in time. Differences between the G/L balance and the source document balance should be *identified, investigated and resolved*. The result will be a valid G/L balance, explanations for reconciling differences and proposed adjusting journal entries, if necessary.



Accounting Policy Guide

Issue date: August 1, 2011 — Revised March 2015

Prepared by: Julie Wozniak & Balance Sheet Reconciliation Team

Approved by: Jon Veurink

Reference No.

Subject: Balance Sheet Account Reconciliation Process

A Reconciliation Includes	A Reconciliation Does NOT Include
<ul style="list-style-type: none"> • A completed Account Reconciliation Summary Form (ARF) with proper approval and signatures • A detailed reconciliation with supporting documentation • A detailed list of reconciling items • An action plan for resolving reconciling items 	<ul style="list-style-type: none"> • A report listing beginning general ledger balance plus/minus debits and credits to arrive at the ending general ledger balance (rollforward of activity) • A general ledger print screen • A list of reconciling items without explanation and an action plan for resolution

Account Ownership

Account owners are those individuals expected to have the best working knowledge of the account activity.

Timeline

Minimum frequency of account reconciliations is determined by the risk rating assigned to the accounts by business unit personnel. High risk accounts are to be reconciled monthly, without exception. Medium risk accounts are to be reconciled at least quarterly. Low risk accounts are to be reconciled at least semi-annually. Risk ratings will be reviewed periodically, at least on an annual basis. An initial risk rating will be assigned to each new account when it is established. Segment controllers or assistant controllers may require more frequent reconciliation of any or all accounts at their discretion.

Account reconciliations are due, at the latest, at the end of the month following the period end date that is being reconciled unless an exception is granted by the Chief Accounting Officer. Business unit personnel may, at their discretion, require reconciliations to be completed prior to month end.

Quarterly reconciliations may be prepared for a period with a non-quarter end month (i.e. three months ending February 28, May 31, August 31, November 30) as long as the business unit complies with the prescribed pre-submission closing review process, and any other business unit specific balance sheet review procedures.

Reconciling Items

All reconciling items are to be cleared within 90 days. Any reconciling items greater than \$100,000 not cleared within 90 days of entry should be reported on the summary sheet in an aged format and will be communicated to the Consolidation Accounting Department. Additionally, any unreconciled differences greater than \$100,000 will be reported in the same manner. The Chief Accounting Officer and the business unit Controllers or Assistant Controllers will review these items quarterly.



Accounting Policy Guide

Issue date: August 1, 2011 — Revised March 2015

Prepared by: Julie Wozniak & Balance Sheet Reconciliation Team

Approved by: Jon Veurink

Reference No.

Subject: Balance Sheet Account Reconciliation Process

VI. AUTHORITY AND RESPONSIBILITY

The following lists the responsibilities for this policy:

Position	Responsibility
Account Owner	<ul style="list-style-type: none">• Reconcile accounts on a timely basis, in accordance with account risk ratings• Communicate reportable reconciling items (unreconciled differences greater than \$100,000 or known differences greater than \$100,000 and greater than 90 days old) to the business unit representative or Consolidation Accounting• Clear all reconciling items as soon as possible, but no later than 90 days after reconciliation unless there is a specific rationale for not clearing it• Reconcile accounts with zero balance if there was activity within the quarter
Segment Controller/Segment Assistant Controller	<ul style="list-style-type: none">• Administer this Policy
Accounting Manager	<ul style="list-style-type: none">• Assign ownership for each balance sheet account within his/her designated companies• Communicate responsibilities of account ownership to all account owners, including reconciliation frequency• Maintain accurate balance sheet account listings• Identify the reconciliation frequency for the accounts when the periodic review of account risk ratings is completed• Identify the reconciliation frequency for new accounts by providing an initial risk rating and adjusting account risk ratings between periodic review for accounts with significant changes in activity• Determine appropriate action to resolve reconciling items• Ensure communication of reportable items to Consolidation Accounting• Ensure all balance sheet accounts are reconciled by the due date and communicate any reportable items or exceptions to the Segment Controller, Segment Assistant Controller and Chief Accounting Officer.
Approval	All reconciliations shall be reviewed and approved by the supervisor of the preparer. High risk account reconciliations must be reviewed and approved by the business unit Controller/Assistant Controller at least one month during each quarter.
Form and Content	An account reconciliation form template is located on NiSource intranet web site. Use of this form is required. Preparers' and approvers' names should be included and be legible. Electronic approvals must be documented and have an adequate audit trail to satisfy Sarbanes-Oxley compliance testing.



Accounting Policy Guide

Issue date: August 1, 2011 — Revised March 2015

Prepared by: Julie Wozniak & Balance Sheet Reconciliation Team

Approved by: Jon Veurink

Reference No.

Subject: Balance Sheet Account Reconciliation Process

Account balances must be fully supported with original documentation unless the information is confidential or voluminous. Documentation determined to be confidential should be referenced to the department responsible for the detail information. Documentation deemed to be voluminous should have the file location referenced. Documentation may include but is not limited to contracts, amortization schedules, invoices, bank statements, sub-ledger summary report and schedules of outstanding items. This documentation should be maintained by the account reconciler.

Reconciling items must be fully explained and documented with the following information:

- Description
- Originating date, Aging Category
- Correcting entry
- Expected clearing date
- Any other information necessary for the explanation

Record Retention

Account reconciliations and associated supporting documents should be maintained in accordance with each business unit's individual practice/policy or the timeframe prescribed by the Controller.

VII. APPENDICES None.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

9. Provide Columbia's budget instructions, assumptions, directives, manuals, policies and procedures, timelines, and descriptions of budget procedures.

Response:

Please see Attachment A to this response. Also see the direct testimony of Brian Noel.

COLUMBIA GAS OF KENTUCKY, INC. O&M POLICY:

Operation and Maintenance Budgeting Overview:

The Operation and Maintenance (O&M) expense budget used by Columbia Gas of Kentucky, Inc. (CKY) serves as a key component of CKY's overall budget and as a cost management tool for NiSource and CKY company management.

The CKY management team, first will identify general O&M requirements and then establish financial goals and planning objectives in conjunction with NiSource Inc.'s senior management. These goals and objectives will then be communicated to each successive layer of management and employees, and the NiSource Financial Planning (Financial Planning) team, which is responsible for the development of CKY's overall budget. It is the responsibility of these groups, working together, to ensure that: (1) CKY's overall budget, including O&M expenses, is developed in accordance with overall financial goals and objectives and (2) individual company operational and administrative requirements are addressed.

The O&M budget for CKY will be based on a grass roots concept in which individuals responsible for approving expenditures will also be responsible for budgeting the expenditures. The process will generally follow organizational responsibility. Department heads will be responsible for overseeing the development of O&M budgets for all cost centers under their control. Budgets will originate in operating center locations in the field and other departments representing the major business functions of the company; these budgets will be combined with a corporate-level budget to arrive at a total company budget.

The current major departmental/functional groupings for CKY are as follows:

- Gas Operations (Field Operations and Pipeline Safety)
- Capital Execution (Engineering & Construction)
- Environmental, Safety & Training (Training)
- Customer Service & New Business (Billing)
- President's Staff (Legislative and Regulatory, Universal Services and Customer Programs)
- Corporate Undistributed (corporate level expenses not allocated to individual departments)

O&M Budget Development

The CKY O&M "long-range" budget will be developed annually in the fall by department by cost element with the assistance of the Financial Planning department. Each department's budget will be reviewed with and approved by the Senior Vice President (SVP) of the functional area. This review will include a comparison of the proposed budget to the prior budget as well as a comparison of year over year changes. These comparisons will help identify trends and

allow for measurement against management's expectations. Once finalized, the departmental budget will be incorporated into the CKY's long-range budget.

The current year O&M budget (baseline) will be developed annually in January at a greater level of detail (i.e. individual cost center) using the approved long-range budget as the starting point and then updating for known changes since the long-range budget will be developed approximately four months earlier.

The current year budget will be further revised during the year to take into account timing variances as actual month's O&M charges post. Updates for known changes will also be made during the year. In addition to the baseline budget and monthly budget updates, there will be one additional official budget update in the year in August that follows a similar budgeting process as the baseline budget. During each budget update, variances will be reviewed and approved by the functional area SVPs as well as the CKY President prior to the plan being finalized.

Monthly Closing Reasonableness Review

Each month, the Financial Planning department will compare actual O&M expenses incurred to the current and baseline budget by department and by cost element. Analysts and managers responsible for individual departmental budgets and total company budgets will perform reviews independent of each other. These are reasonableness reviews of the budget versus actual variances that will be designed to identify and investigate significant or unusual fluctuations from expectations. This review process will include interactions with NiSource Accounting (Accounting) and other departments as needed.

There are a material number of individual transactions processed each month, most of which are attached to a specific source document (e.g. employee timesheets, invoices, etc.). The Financial Planning department will not review individual transactions as a normal part of the reasonableness review process unless needed to clarify an accounting entry. The review process for source documents shall stand alone and will be performed well upstream of the monthly closing reasonableness review.

Once the monthly closing reasonableness review has been completed, the Financial Planning department will provide sign-off to Accounting regarding the reasonableness of the current month's activity and the books may then be closed for the month's business.

Post-Closing Reporting and Review

After monthly closing, the Financial Planning department will analyze and communicate variances that allow individual departments and leadership to review results. As part of the process, the Financial Planning department may notice items that result in further review of that month's actuals.

Also after monthly closing, the Financial Planning department will continue to analyze and further test the reasonableness of actuals, which may also lead to further review. These reviews will be conducted at both a cost element level as well as a departmental view, and will be communicated to departmental management and leadership on a monthly basis. This includes variance explanations.

Once per quarter, Sarbanes Oxley (SOX) O&M controls will be tested, including compiling and submitting documentation of such testing. There are several controls that will be subject to change each quarter based on the Company's efforts to continuously improve the adequacy of such controls. A Financial Planning department manager will be the process owner and will assign the quarterly testing to an analyst to complete. Completion of this testing will include documentation of closing variance reporting, analyst and manager sign-offs, and business driver explanations that exceed established controls.

KY PSC Case No. 2016-00162
Response to Staff's Data Request Set One No. 010
Respondent: Chad E. Notestone

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

10. Provide the studies, including all applicable work papers, which are the basis for plant allocations and expense account allocations.

Response:

Please see Attachment A.

Columbia Gas of Kentucky, Inc.
Classification Allocations - Customer/Demand Study
TME December 31, 2017

<u>Factor</u>	<u>Classification Basis</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
1	DEMAND DESIGN DAY	0.000%	0.000%	100.000%	100.000%				
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	0.000%	0.000%	100.000%	100.000%				
3	MINIMUM SYSTEM MAINS	64.825%	0.000%	35.175%	100.000%				
4	COMMODITY THROUGHPUT	0.000%	100.000%	0.000%	100.000%				
5	COMPOSITE OF 1 & 4 - DEMAND/COMMODITY	0.000%	50.000%	50.000%	100.000%				
6	CUSTOMER	100.000%	0.000%	0.000%	100.000%				
7CD	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - C/D	79.545%	0.000%	20.455%	100.000%	325,276,540	0	83,646,358	408,922,898
7DC	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - D/C	41.847%	29.076%	29.076%	100.000%	171,122,306	118,900,296	118,900,296	408,922,898
7AVG	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - AVG	60.696%	14.538%	24.766%	100.000%	248,199,423	59,450,148	101,273,327	408,922,898
8	TOTAL PLANT ACCOUNT 385	100.000%	0.000%	0.000%	100.000%				
9	GAS PURCHASE EXPENSE EX OFF SYST	0.000%	100.000%	0.000%	100.000%				
10CD	OTHER DIST. EXP - LABOR - C/D	85.976%	1.091%	12.933%	100.000%	5,250,529	66,644	789,802	6,106,975
10DC	OTHER DIST. EXP - LABOR - D/C	62.142%	19.475%	18.383%	100.000%	3,794,982	1,189,318	1,122,675	6,106,975
10AVG	OTHER DIST. EXP - LABOR - AVG	74.059%	10.283%	15.658%	100.000%	4,522,755	627,982	956,238	6,106,975
11CD	OTHER DIST. EXP EXCL - M & E - C/D	78.028%	0.192%	21.780%	100.000%	7,260,057	17,885	2,026,539	9,304,481
11DC	OTHER DIST. EXP EXCL - M & E - D/C	37.888%	31.152%	30.960%	100.000%	3,525,291	2,898,537	2,880,653	9,304,481
11AVG	OTHER DIST. EXP EXCL - M & E - AVG	57.958%	15.672%	26.370%	100.000%	5,392,674	1,458,211	2,453,596	9,304,481
12CD	O & M EXCL A & G - LABOR - C/D	87.551%	0.969%	11.481%	100.000%	6,790,516	75,137	890,453	7,756,106
12DC	O & M EXCL A & G - LABOR - D/C	66.393%	17.288%	16.319%	100.000%	5,149,477	1,340,882	1,265,747	7,756,106
12AVG	O & M EXCL A & G - LABOR - AVG	76.972%	9.128%	13.900%	100.000%	5,969,996	708,011	1,078,099	7,756,106
13CD	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - C/D	83.292%	0.129%	16.579%	100.000%	14,402,208	22,266	2,866,663	17,291,137
13DC	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - D/C	56.402%	20.869%	22.728%	100.000%	9,752,561	3,608,572	3,930,004	17,291,137
13AVG	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - AVG	69.847%	10.499%	19.654%	100.000%	12,077,384	1,815,420	3,398,333	17,291,137
14CD	ACCT 376/380 - MAINS/SERVICES - C/D	77.680%	0.000%	22.320%	100.000%	270,933,194	0	77,846,685	348,779,879
14DC	ACCT 376/380 - MAINS/SERVICES - D/C	36.547%	31.727%	31.727%	100.000%	127,467,343	110,656,268	110,656,268	348,779,879
14AVG	ACCT 376/380 - MAINS/SERVICES - AVG	57.113%	15.863%	27.023%	100.000%	199,200,269	55,328,134	94,251,476	348,779,879
15	DIRECT PLANT ACCT 380	100.000%	0.000%	0.000%	100.000%				
16	DIRECT PLANT ACCTS 381	100.000%	0.000%	0.000%	100.000%				
17	DIRECT PLANT ACCT 385	100.000%	0.000%	0.000%	100.000%				
18CD	ACCOUNT 376 MAINS - COMPOSITE/PLANT - C/D	64.825%	0.000%	35.175%	100.000%	143,465,851	0	77,846,685	221,312,536
18DC	ACCOUNT 376 MAINS - COMPOSITE/PLANT - D/C	0.000%	50.000%	50.000%	100.000%	0	110,656,268	110,656,268	221,312,536
18AVG	ACCOUNT 376 MAINS - COMPOSITE/PLANT - AVG	32.413%	25.000%	42.588%	100.000%	71,732,926	55,328,134	94,251,476	221,312,536
19CD	TOTAL PLANT - C/D	79.545%	0.000%	20.455%	100.000%	348,318,168	0	89,571,619	437,889,787
19DC	TOTAL PLANT - D/C	41.847%	29.076%	29.076%	100.000%	183,244,103	127,322,842	127,322,842	437,889,787
19AVG	TOTAL PLANT - AVG	60.696%	14.538%	24.766%	100.000%	265,781,137	63,661,421	108,447,229	437,889,787
20	AVERAGE C/D & D/C	32.413%	25.000%	42.588%	100.000%				
21	UNCOLLECTIBLES	100.000%	0.000%	0.000%	100.000%				
22	REVREQ	78.042%	0.512%	21.446%	100.000%				

ALLOC. NO.	DESCRIPTION	GS-RESIDENTIAL AMT.	GS-OTHER AMT.	IUS AMT.	DS-ML AMT.	DS/IS AMT.	TOTAL AMT.
1	DESIGN DAY EXCL. DS-ML	137,300	88,300	200	0	82,400	308,200
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200	0	3,900	225,300
3	MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024	0.00000	0.09442	1
4	THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321	0	10,094,426	23,816,711
5	COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057	0.00000	0.34560	1
6	AVERAGE NO. OF CUSTOMERS	121,915	13,977	2	6	79	135,979
7	CUST DIST. PLANT EXCL. ACCTS 375.70,375.71,387	255,167,170	52,177,641	44,282	715,358	17,172,119	325,276,570
8	TOTAL PLANT ACCOUNT 385	0	700,742	782	677,829	1,996,050	3,375,403
9	GAS PURCHASE EXPENSE EX OFF SYST	0	0	0	0	0	0
10	CUST OTHER DIST. EXP - LABOR	3,913,781	1,136,996	733	11,756	187,261	5,250,527
11	CUST OTHER DIST. EXP EXCL - M & E	5,589,174	1,239,236	1,093	16,562	413,989	7,260,054
12	CUST O & M EXCL A & G - LABOR	5,193,345	1,371,409	836	13,291	211,634	6,790,515
13	CUST O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	11,767,317	2,094,133	1,414	20,832	518,507	14,402,203
14	CUST ACCT 376/380 - MAINS/SERVICES	218,324,055	38,570,571	35,705	7,573	13,995,291	270,933,195
15	DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001	0.00000	0.00353	1
16	DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013	0.00000	0.00433	1
17	DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029	0.00000	0.73995	1
18	CUST ACCOUNT 376 MAINS - COMPOSITE/PLANT	105,862,168	24,016,350	34,430	7,573	13,545,331	143,465,852
19	CUST TOTAL PLANT	273,242,407	55,873,749	47,510	766,051	18,388,487	348,318,204
20	AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041	0.00000	0.22001	1
21	UNCOLLECTIBLES	1,022,789	154,887	22	66	875	1,178,639

Columbia Gas of Kentucky, Inc. Columbia Gas of Kentucky, Inc.
Support for Commodity Allocation Factor - Customer/Demand Study, p. 103

ALLOC.		GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	TOTAL
NO.	DESCRIPTION	AMT.	AMT.	AMT.	AMT.	AMT.	AMT.
1	DESIGN DAY EXCL. DS-ML	137,300	88,300	200	0	82,400	308,200
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200	0	3,900	225,300
3	MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024	0.00000	0.09442	1
4	THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321	0	10,094,426	23,816,711
5	COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057	0.00000	0.34560	1
6	AVERAGE NO. OF CUSTOMERS	121,915	13,977	2	6	79	135,979
7	COMM DIST. PLANT EXCL. ACCTS 375.70,375.71,387	0	0	0	0	0	0
8	TOTAL PLANT ACCOUNT 385	0	0	0	0	0	0
9	GAS PURCHASE EXPENSE EX OFF SYST	13,807,095	7,643,847	25,009	0	0	21,475,950
10	COMM OTHER DIST. EXP - LABOR	22,273	16,093	32	0	28,246	66,644
11	COMM OTHER DIST. EXP EXCL - M & E	5,977	4,319	9	0	7,580	17,885
12	COMM O & M EXCL A & G - LABOR	25,112	18,144	37	0	31,846	75,139
13	COMM O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	227,031	126,947	407	0	9,437	363,822
14	COMM ACCT 376/380 - MAINS/SERVICES	0	0	0	0	0	0
15	DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001	0.00000	0.00353	1
16	DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013	0.00000	0.00433	1
17	DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029	0.00000	0.73995	1
18	COMM ACCOUNT 376 MAINS - COMPOSITE/PLANT	0	0	0	0	0	0
19	COMM TOTAL PLANT	0	0	0	0	0	0
20	AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041	0.00000	0.22001	1
21	UNCOLLECTIBLES	1,022,789	154,887	22	66	875	1,178,639

Columbia Gas of Kentucky, Inc. Columbia Gas of Kentucky, Inc.
Support for Demand Allocation Factor Table - Customer/Demand Study, p. 129

ALLOC.		GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	TOTAL
NO.	DESCRIPTION	AMT.	AMT.	AMT.	AMT.	AMT.	AMT.
1	DESIGN DAY EXCL. DS-ML	137,300	88,300	200	0	82,400	308,200
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200	0	3,900	225,300
3	MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024	0.00000	0.09442	1
4	THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321	0	10,094,426	23,816,711
5	COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057	0.00000	0.34560	1
6	AVERAGE NO. OF CUSTOMERS	121,915	13,977	2	6	79	135,979
7	DEM DIST. PLANT EXCL. ACCTS 375.70,375.71,387	61,710,132	13,999,828	20,071	20,364	7,895,967	83,646,362
8	TOTAL PLANT ACCOUNT 385	0	0	0	0	0	0
9	GAS PURCHASE EXPENSE EX OFF SYST	0	0	0	0	0	0
10	DEM OTHER DIST. EXP - LABOR	582,788	132,213	189	38	74,573	789,801
11	DEM OTHER DIST. EXP EXCL - M & E	1,495,363	339,243	486	102	191,346	2,026,540
12	DEM O & M EXCL A & G - LABOR	657,058	149,061	213	44	84,076	890,452
13	DEM O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	1,862,976	423,141	606	127	238,256	2,525,106
14	DEM ACCT 376/380 - MAINS/SERVICES	57,442,372	13,031,626	18,682	4,109	7,349,896	77,846,685
15	DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001	0.00000	0.00353	1
16	DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013	0.00000	0.00433	1
17	DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029	0.00000	0.73995	1
18	DEM ACCOUNT 376 MAINS - COMPOSITE/PLANT	57,442,372	13,031,626	18,682	4,109	7,349,896	77,846,685
19	DEM TOTAL PLANT	66,081,496	14,991,540	21,493	21,786	8,455,311	89,571,626
20	AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041	0.00000	0.22001	1
21	UNCOLLECTIBLES	1,022,789	154,887	22	66	875	1,178,639

Columbia Gas of Kentucky, Inc.
Classification Allocations - Demand/Commodity Study
TME December 31, 2017

<u>Factor</u>	<u>Classification Basis</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
1	DEMAND DESIGN DAY	0.000%	0.000%	100.000%	100.000%				
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	0.000%	0.000%	100.000%	100.000%				
3	MINIMUM SYSTEM MAINS	64.825%	0.000%	35.175%	100.000%				
4	COMMODITY THROUGHPUT	0.000%	100.000%	0.000%	100.000%				
5	COMPOSITE OF 1 & 4 - DEMAND/COMMODITY	0.000%	50.000%	50.000%	100.000%				
6	CUSTOMER	100.000%	0.000%	0.000%	100.000%				
7CD	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - C/D	79.545%	0.000%	20.455%	100.000%	325,276,540	0	83,646,358	408,922,898
7DC	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - D/C	41.847%	29.076%	29.076%	100.000%	171,122,306	118,900,296	118,900,296	408,922,898
7AVG	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - AVG	60.696%	14.538%	24.766%	100.000%	248,199,423	59,450,148	101,273,327	408,922,898
8	TOTAL PLANT ACCOUNT 385	100.000%	0.000%	0.000%	100.000%				
9	GAS PURCHASE EXPENSE EX OFF SYST	0.000%	100.000%	0.000%	100.000%				
10CD	OTHER DIST. EXP - LABOR - C/D	85.976%	1.091%	12.933%	100.000%	5,250,529	66,644	789,802	6,106,975
10DC	OTHER DIST. EXP - LABOR - D/C	62.142%	19.475%	18.383%	100.000%	3,794,982	1,189,318	1,122,675	6,106,975
10AVG	OTHER DIST. EXP - LABOR - AVG	74.059%	10.283%	15.658%	100.000%	4,522,755	627,982	956,238	6,106,975
11CD	OTHER DIST. EXP EXCL - M & E - C/D	78.028%	0.192%	21.780%	100.000%	7,260,057	17,885	2,026,539	9,304,481
11DC	OTHER DIST. EXP EXCL - M & E - D/C	37.888%	31.152%	30.960%	100.000%	3,525,291	2,898,537	2,880,653	9,304,481
11AVG	OTHER DIST. EXP EXCL - M & E - AVG	57.958%	15.672%	26.370%	100.000%	5,392,674	1,458,211	2,453,596	9,304,481
12CD	O & M EXCL A & G - LABOR - C/D	87.551%	0.969%	11.481%	100.000%	6,790,516	75,137	890,453	7,756,106
12DC	O & M EXCL A & G - LABOR - D/C	66.393%	17.288%	16.319%	100.000%	5,149,477	1,340,882	1,265,747	7,756,106
12AVG	O & M EXCL A & G - LABOR - AVG	76.972%	9.128%	13.900%	100.000%	5,969,996	708,011	1,078,099	7,756,106
13CD	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - C/D	83.292%	0.129%	16.579%	100.000%	14,402,208	22,266	2,866,663	17,291,137
13DC	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - D/C	56.402%	20.869%	22.728%	100.000%	9,752,561	3,608,572	3,930,004	17,291,137
13AVG	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - AVG	69.847%	10.499%	19.654%	100.000%	12,077,384	1,815,420	3,398,333	17,291,137
14CD	ACCT 376/380 - MAINS/SERVICES - C/D	77.680%	0.000%	22.320%	100.000%	270,933,194	0	77,846,685	348,779,879
14DC	ACCT 376/380 - MAINS/SERVICES - D/C	36.547%	31.727%	31.727%	100.000%	127,467,343	110,656,268	110,656,268	348,779,879
14AVG	ACCT 376/380 - MAINS/SERVICES - AVG	57.113%	15.863%	27.023%	100.000%	199,200,269	55,328,134	94,251,476	348,779,879
15	DIRECT PLANT ACCT 380	100.000%	0.000%	0.000%	100.000%				
16	DIRECT PLANT ACCTS 381	100.000%	0.000%	0.000%	100.000%				
17	DIRECT PLANT ACCT 385	100.000%	0.000%	0.000%	100.000%				
18CD	ACCOUNT 376 MAINS - COMPOSITE/PLANT - C/D	64.825%	0.000%	35.175%	100.000%	143,465,851	0	77,846,685	221,312,536
18DC	ACCOUNT 376 MAINS - COMPOSITE/PLANT - D/C	0.000%	50.000%	50.000%	100.000%	0	110,656,268	110,656,268	221,312,536
18AVG	ACCOUNT 376 MAINS - COMPOSITE/PLANT - AVG	32.413%	25.000%	42.588%	100.000%	71,732,926	55,328,134	94,251,476	221,312,536
19CD	TOTAL PLANT - C/D	79.545%	0.000%	20.455%	100.000%	348,318,168	0	89,571,619	437,889,787
19DC	TOTAL PLANT - D/C	41.847%	29.076%	29.076%	100.000%	183,244,103	127,322,842	127,322,842	437,889,787
19AVG	TOTAL PLANT - AVG	60.696%	14.538%	24.766%	100.000%	265,781,137	63,661,421	108,447,229	437,889,787
20	AVERAGE C/D & D/C	32.413%	25.000%	42.588%	100.000%				
21	UNCOLLECTIBLES	100.000%	0.000%	0.000%	100.000%				
22	REVREQ	48.725%	23.124%	28.151%	100.000%				

ALLOC. NO.	DESCRIPTION	GS-RESIDENTIAL AMT.	GS-OTHER AMT.	IUS AMT.	DS-ML AMT.	DS/IS AMT.	TOTAL AMT.
1	DESIGN DAY EXCL. DS-ML	137,300	88,300	200	0	82,400	308,200
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200	0	3,900	225,300
3	MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024	0.00000	0.09442	1
4	THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321	0	10,094,426	23,816,711
5	COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057	0.00000	0.34560	1
6	AVERAGE NO. OF CUSTOMERS	121,915	13,977	2	6	79	135,979
7	CUST DIST. PLANT EXCL. ACCTS 375.70,375.71,387	141,439,827	26,376,963	7,293	677,829	2,620,420	171,122,332
8	TOTAL PLANT ACCOUNT 385	0	700,742	782	677,829	1,996,050	3,375,403
9	GAS PURCHASE EXPENSE EX OFF SYST	0	0	0	0	0	0
10	CUST OTHER DIST. EXP - LABOR	2,839,750	893,340	386	11,679	49,826	3,794,981
11	CUST OTHER DIST. EXP EXCL - M & E	2,833,335	614,041	204	16,362	61,347	3,525,289
12	CUST O & M EXCL A & G - LABOR	3,982,445	1,096,701	444	13,206	56,682	5,149,478
13	CUST O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	8,336,389	1,315,791	311	20,584	79,485	9,752,560
14	CUST ACCT 376/380 - MAINS/SERVICES	112,461,887	14,554,221	1,275	0	449,960	127,467,343
15	DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001	0.00000	0.00353	1
16	DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013	0.00000	0.00433	1
17	DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029	0.00000	0.73995	1
18	CUST ACCOUNT 376 MAINS - COMPOSITE/PLANT	0	0	0	0	0	0
19	CUST TOTAL PLANT	151,459,098	28,245,419	7,776	725,830	2,806,006	183,244,129
20	AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041	0.00000	0.22001	1
21	UNCOLLECTIBLES	1,022,789	154,887	22	66	875	1,178,639

Columbia Gas of Kentucky, Inc. Columbia Gas of Kentucky, Inc.
Support for Commodity Allocation Factor - Demand/Commodity Study, p. 103

ALLOC.		GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	TOTAL
NO.	DESCRIPTION	AMT.	AMT.	AMT.	AMT.	AMT.	AMT.
1	DESIGN DAY EXCL. DS-ML	137,300	88,300	200	0	82,400	308,200
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200	0	3,900	225,300
3	MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024	0.00000	0.09442	1
4	THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321	0	10,094,426	23,816,711
5	COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057	0.00000	0.34560	1
6	AVERAGE NO. OF CUSTOMERS	121,915	13,977	2	6	79	135,979
7	COMM DIST. PLANT EXCL. ACCTS 375.70,375.71,387	46,340,807	31,380,848	67,757	28,946	41,081,939	118,900,297
8	TOTAL PLANT ACCOUNT 385	0	0	0	0	0	0
9	GAS PURCHASE EXPENSE EX OFF SYST	13,807,095	7,643,847	25,009	0	0	21,475,950
10	COMM OTHER DIST. EXP - LABOR	459,914	312,456	671	55	416,221	1,189,317
11	COMM OTHER DIST. EXP EXCL - M & E	1,128,913	764,754	1,652	144	1,003,076	2,898,539
12	COMM O & M EXCL A & G - LABOR	518,524	352,274	757	62	469,263	1,340,880
13	COMM O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	1,625,047	1,073,660	2,452	179	1,248,791	3,950,129
14	COMM ACCT 376/380 - MAINS/SERVICES	43,135,962	29,210,606	63,071	5,841	38,240,788	110,656,268
15	DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001	0.00000	0.00353	1
16	DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013	0.00000	0.00433	1
17	DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029	0.00000	0.73995	1
18	COMM ACCOUNT 376 MAINS - COMPOSITE/PLANT	43,135,962	29,210,606	63,071	5,841	38,240,788	110,656,268
19	COMM TOTAL PLANT	49,623,412	33,603,809	72,557	30,967	43,992,096	127,322,841
20	AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041	0.00000	0.22001	1
21	UNCOLLECTIBLES	1,022,789	154,887	22	66	875	1,178,639

Columbia Gas of Kentucky, Inc. Columbia Gas of Kentucky, Inc.
Support for Demand Allocation Factor Table - Demand/Commodity Study, p. 129

ALLOC.		GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	TOTAL
NO.	DESCRIPTION	AMT.	AMT.	AMT.	AMT.	AMT.	AMT.
1	DESIGN DAY EXCL. DS-ML	137,300	88,300	200	0	82,400	308,200
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200	0	3,900	225,300
3	MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024	0.00000	0.09442	1
4	THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321	0	10,094,426	23,816,711
5	COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057	0.00000	0.34560	1
6	AVERAGE NO. OF CUSTOMERS	121,915	13,977	2	6	79	135,979
7	DEM DIST. PLANT EXCL. ACCTS 375.70,375.71,387	46,340,808	31,380,847	67,757	28,947	41,081,938	118,900,297
8	TOTAL PLANT ACCOUNT 385	0	0	0	0	0	0
9	GAS PURCHASE EXPENSE EX OFF SYST	0	0	0	0	0	0
10	DEM OTHER DIST. EXP - LABOR	437,640	296,363	639	55	387,974	1,122,671
11	DEM OTHER DIST. EXP EXCL - M & E	1,122,936	760,435	1,643	144	995,496	2,880,654
12	DEM O & M EXCL A & G - LABOR	493,412	334,132	720	62	437,417	1,265,743
13	DEM O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	1,399,318	947,510	2,046	179	1,239,393	3,588,446
14	DEM ACCT 376/380 - MAINS/SERVICES	43,135,963	29,210,606	63,071	5,841	38,240,788	110,656,269
15	DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001	0.00000	0.00353	1
16	DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013	0.00000	0.00433	1
17	DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029	0.00000	0.73995	1
18	DEM ACCOUNT 376 MAINS - COMPOSITE/PLANT	43,135,963	29,210,606	63,071	5,841	38,240,788	110,656,269
19	DEM TOTAL PLANT	49,623,411	33,603,809	72,557	30,968	43,992,095	127,322,840
20	AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041	0.00000	0.22001	1
21	UNCOLLECTIBLES	1,022,789	154,887	22	66	875	1,178,639

Columbia Gas of Kentucky, Inc.
Classification Allocations - Average Study
TME December 31, 2017

<u>Factor</u>	<u>Classification Basis</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
1	DEMAND DESIGN DAY	0.000%	0.000%	100.000%	100.000%				
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	0.000%	0.000%	100.000%	100.000%				
3	MINIMUM SYSTEM MAINS	64.825%	0.000%	35.175%	100.000%				
4	COMMODITY THROUGHPUT	0.000%	100.000%	0.000%	100.000%				
5	COMPOSITE OF 1 & 4 - DEMAND/COMMODITY	0.000%	50.000%	50.000%	100.000%				
6	CUSTOMER	100.000%	0.000%	0.000%	100.000%				
7CD	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - C/D	79.545%	0.000%	20.455%	100.000%	325,276,540	0	83,646,358	408,922,898
7DC	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - D/C	41.847%	29.076%	29.076%	100.000%	171,122,306	118,900,296	118,900,296	408,922,898
7AVG	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - AVG	60.696%	14.538%	24.766%	100.000%	248,199,423	59,450,148	101,273,327	408,922,898
8	TOTAL PLANT ACCOUNT 385	100.000%	0.000%	0.000%	100.000%				
9	GAS PURCHASE EXPENSE EX OFF SYST	0.000%	100.000%	0.000%	100.000%				
10CD	OTHER DIST. EXP - LABOR - C/D	85.976%	1.091%	12.933%	100.000%	5,250,529	66,644	789,802	6,106,975
10DC	OTHER DIST. EXP - LABOR - D/C	62.142%	19.475%	18.383%	100.000%	3,794,982	1,189,318	1,122,675	6,106,975
10AVG	OTHER DIST. EXP - LABOR - AVG	74.059%	10.283%	15.658%	100.000%	4,522,755	627,982	956,238	6,106,975
11CD	OTHER DIST. EXP EXCL - M & E - C/D	78.028%	0.192%	21.780%	100.000%	7,260,057	17,885	2,026,539	9,304,481
11DC	OTHER DIST. EXP EXCL - M & E - D/C	37.888%	31.152%	30.960%	100.000%	3,525,291	2,898,537	2,880,653	9,304,481
11AVG	OTHER DIST. EXP EXCL - M & E - AVG	57.958%	15.672%	26.370%	100.000%	5,392,674	1,458,211	2,453,596	9,304,481
12CD	O & M EXCL A & G - LABOR - C/D	87.551%	0.969%	11.481%	100.000%	6,790,516	75,137	890,453	7,756,106
12DC	O & M EXCL A & G - LABOR - D/C	66.393%	17.288%	16.319%	100.000%	5,149,477	1,340,882	1,265,747	7,756,106
12AVG	O & M EXCL A & G - LABOR - AVG	76.972%	9.128%	13.900%	100.000%	5,969,996	708,011	1,078,099	7,756,106
13CD	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - C/D	83.292%	0.129%	16.579%	100.000%	14,402,208	22,266	2,866,663	17,291,137
13DC	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - D/C	56.402%	20.869%	22.728%	100.000%	9,752,561	3,608,572	3,930,004	17,291,137
13AVG	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - AVG	69.847%	10.499%	19.654%	100.000%	12,077,384	1,815,420	3,398,333	17,291,137
14CD	ACCT 376/380 - MAINS/SERVICES - C/D	77.680%	0.000%	22.320%	100.000%	270,933,194	0	77,846,685	348,779,879
14DC	ACCT 376/380 - MAINS/SERVICES - D/C	36.547%	31.727%	31.727%	100.000%	127,467,343	110,656,268	110,656,268	348,779,879
14AVG	ACCT 376/380 - MAINS/SERVICES - AVG	57.113%	15.863%	27.023%	100.000%	199,200,269	55,328,134	94,251,476	348,779,879
15	DIRECT PLANT ACCT 380	100.000%	0.000%	0.000%	100.000%				
16	DIRECT PLANT ACCTS 381	100.000%	0.000%	0.000%	100.000%				
17	DIRECT PLANT ACCT 385	100.000%	0.000%	0.000%	100.000%				
18CD	ACCOUNT 376 MAINS - COMPOSITE/PLANT - C/D	64.825%	0.000%	35.175%	100.000%	143,465,851	0	77,846,685	221,312,536
18DC	ACCOUNT 376 MAINS - COMPOSITE/PLANT - D/C	0.000%	50.000%	50.000%	100.000%	0	110,656,268	110,656,268	221,312,536
18AVG	ACCOUNT 376 MAINS - COMPOSITE/PLANT - AVG	32.413%	25.000%	42.588%	100.000%	71,732,926	55,328,134	94,251,476	221,312,536
19CD	TOTAL PLANT - C/D	79.545%	0.000%	20.455%	100.000%	348,318,168	0	89,571,619	437,889,787
19DC	TOTAL PLANT - D/C	41.847%	29.076%	29.076%	100.000%	183,244,103	127,322,842	127,322,842	437,889,787
19AVG	TOTAL PLANT - AVG	60.696%	14.538%	24.766%	100.000%	265,781,137	63,661,421	108,447,229	437,889,787
20	AVERAGE C/D & D/C	32.413%	25.000%	42.588%	100.000%				
21	UNCOLLECTIBLES	100.000%	0.000%	0.000%	100.000%				
22	REVREQ	63.384%	11.818%	24.798%	100.000%				

ALLOC. NO.	DESCRIPTION	GS-RESIDENTIAL AMT.	GS-OTHER AMT.	IUS AMT.	DS-ML AMT.	DS/IS AMT.	TOTAL AMT.
1	DESIGN DAY EXCL. DS-ML	137,300	88,300	200	0	82,400	308,200
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200	0	3,900	225,300
3	MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024	0.00000	0.09442	1
4	THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321	0	10,094,426	23,816,711
5	COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057	0.00000	0.34560	1
6	AVERAGE NO. OF CUSTOMERS	121,915	13,977	2	6	79	135,979
7	CUST DIST. PLANT EXCL. ACCTS 375.70,375.71,387	184,891,491	42,998,449	38,887	696,593	19,574,029	248,199,449
8	TOTAL PLANT ACCOUNT 385	0	700,742	782	677,829	1,996,050	3,375,403
9	GAS PURCHASE EXPENSE EX OFF SYST	0	0	0	0	0	0
10	CUST OTHER DIST. EXP - LABOR	3,250,112	1,050,308	680	11,717	209,935	4,522,752
11	CUST OTHER DIST. EXP EXCL - M & E	3,886,281	1,016,806	958	16,461	472,167	5,392,673
12	CUST O & M EXCL A & G - LABOR	4,445,102	1,273,674	776	13,246	237,196	5,969,994
13	CUST O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	9,647,266	1,817,216	1,250	20,706	590,944	12,077,382
14	CUST ACCT 376/380 - MAINS/SERVICES	152,908,514	30,026,196	30,684	3,786	16,231,088	199,200,268
15	DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001	0.00000	0.00353	1
16	DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013	0.00000	0.00433	1
17	DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029	0.00000	0.73995	1
18	CUST ACCOUNT 376 MAINS - COMPOSITE/PLANT	40,446,627	15,471,975	29,409	3,786	15,781,128	71,732,925
19	CUST TOTAL PLANT	197,988,638	46,044,307	41,698	745,998	20,960,523	265,781,164
20	AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041	0.00000	0.22001	1
21	UNCOLLECTIBLES	1,022,789	154,887	22	66	875	1,178,639

**Columbia Gas of Kentucky, Inc. Columbia Gas of Kentucky, Inc.
Support for Commodity Allocation Factor - Average Study, p. 103**

ALLOC.		GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	TOTAL
NO.	DESCRIPTION	AMT.	AMT.	AMT.	AMT.	AMT.	AMT.
1	DESIGN DAY EXCL. DS-ML	137,300	88,300	200	0	82,400	308,200
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200	0	3,900	225,300
3	MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024	0.00000	0.09442	1
4	THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321	0	10,094,426	23,816,711
5	COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057	0.00000	0.34560	1
6	AVERAGE NO. OF CUSTOMERS	121,915	13,977	2	6	79	135,979
7	COMM DIST. PLANT EXCL. ACCTS 375.70,375.71,387	33,514,590	12,820,276	24,368	14,473	13,076,443	59,450,150
8	TOTAL PLANT ACCOUNT 385	0	0	0	0	0	0
9	GAS PURCHASE EXPENSE EX OFF SYST	13,807,095	7,643,847	25,009	0	0	21,475,950
10	COMM OTHER DIST. EXP - LABOR	338,784	137,166	261	29	151,741	627,981
11	COMM OTHER DIST. EXP EXCL - M & E	818,105	314,983	600	72	324,451	1,458,211
12	COMM O & M EXCL A & G - LABOR	381,959	154,646	294	34	171,078	708,011
13	COMM O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	1,238,100	513,713	1,142	90	403,930	2,156,975
14	COMM ACCT 376/380 - MAINS/SERVICES	31,196,782	11,933,649	22,683	2,920	12,172,100	55,328,134
15	DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001	0.00000	0.00353	1
16	DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013	0.00000	0.00433	1
17	DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029	0.00000	0.73995	1
18	COMM ACCOUNT 376 MAINS - COMPOSITE/PLANT	31,196,782	11,933,649	22,683	2,920	12,172,100	55,328,134
19	COMM TOTAL PLANT	35,888,655	13,728,435	26,093	15,486	14,002,756	63,661,425
20	AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041	0.00000	0.22001	1
21	UNCOLLECTIBLES	1,022,789	154,887	22	66	875	1,178,639

Columbia Gas of Kentucky, Inc. Columbia Gas of Kentucky, Inc.
Support for Demand Allocation Factor Table - Average Study, p. 129

ALLOC.		GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	TOTAL
NO.	DESCRIPTION	AMT.	AMT.	AMT.	AMT.	AMT.	AMT.
1	DESIGN DAY EXCL. DS-ML	137,300	88,300	200	0	82,400	308,200
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200	0	3,900	225,300
3	MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024	0.00000	0.09442	1
4	THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321	0	10,094,426	23,816,711
5	COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057	0.00000	0.34560	1
6	AVERAGE NO. OF CUSTOMERS	121,915	13,977	2	6	79	135,979
7	DEM DIST. PLANT EXCL. ACCTS 375.70,375.71,387	57,092,100	21,839,337	41,512	24,656	22,275,719	101,273,324
8	TOTAL PLANT ACCOUNT 385	0	0	0	0	0	0
9	GAS PURCHASE EXPENSE EX OFF SYST	0	0	0	0	0	0
10	DEM OTHER DIST. EXP - LABOR	539,175	206,252	391	48	210,372	956,238
11	DEM OTHER DIST. EXP EXCL - M & E	1,383,460	529,216	1,007	123	539,791	2,453,597
12	DEM O & M EXCL A & G - LABOR	607,887	232,537	441	54	237,181	1,078,100
13	DEM O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	1,723,661	659,651	1,256	153	672,056	3,056,777
14	DEM ACCT 376/380 - MAINS/SERVICES	53,143,717	20,328,970	38,641	4,976	20,735,173	94,251,477
15	DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001	0.00000	0.00353	1
16	DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013	0.00000	0.00433	1
17	DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029	0.00000	0.73995	1
18	DEM ACCOUNT 376 MAINS - COMPOSITE/PLANT	53,143,717	20,328,970	38,641	4,976	20,735,173	94,251,477
19	DEM TOTAL PLANT	61,136,314	23,386,389	44,456	26,378	23,853,691	108,447,228
20	AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041	0.00000	0.22001	1
21	UNCOLLECTIBLES	1,022,789	154,887	22	66	875	1,178,639

Columbia Gas of Kentucky, Inc.
Average Number of Customers
For the Twelve Months Ended December 31, 2017

Source: M-2.2 (Page 1 of 38)

Customers:

Rate Schedules	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>
CAP						
GSR	1,180,666	1,180,666				
G1C (Com.)	41			41		
G1R	192	192				
IN3 (Res & Com)	108	108				
IN5	36	36				
LG2 (Res & Com)	24	12	12			
LG3	12	12				
LG4	12	12				
GSO (Com)	119,233		119,233			
GSO (Ind)	524		524			
IUS (Wholesale)	24	0	0	24	0	
Total Sales	<u>1,300,872</u>	<u>1,181,038</u>	<u>119,810</u>	<u>24</u>	<u>0</u>	<u>0</u>
GTR	281,946	281,946				
GTO (Com)	47,445		47,445			
GTO (Ind)	149		149			
DS-IS (Com)	428					428
DS-IS (Ind)	468					468
GDS-GS (Com)	145		145			
GDS-GS (Ind)	180		180			
DS3 (Ind) -ML	36				36	
DS5 (Ind) (Sp. Con)	0					
FX1 (Com)	12					12
FX2 (Ind)	12					12
FX5 (Ind)	36				36	
FX7 (Ind)	12					12
SC3 (Ind)	12	0	0	0	0	12
Total Transportation	<u>330,881</u>	<u>281,946</u>	<u>47,919</u>	<u>0</u>	<u>72</u>	<u>944</u>
Total Bills	<u>1,631,753</u>	<u>1,462,984</u>	<u>167,729</u>	<u>24</u>	<u>72</u>	<u>944</u>
Avg Customers	<u>135,979</u>	<u>121,915</u>	<u>13,977</u>	<u>2</u>	<u>6</u>	<u>79</u>

- (1) GS Customers and included in GS-Other
- (2) IS Customers and included in DS/IS

**Columbia Gas of Kentucky, Inc,
Throughput
For the Twelve Months Ended December 31, 2017**

Source: **M-2.1**

<u>Volume</u>	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
Rate Schedules								
GSR	6,248,080.5	6,248,080.5						
G1C (Com.)	1,697.8		1,697.8					
G1R	2,018.9	2,018.9						
IN3 (Res & Com)	990.2	990.2						
IN4	0.0							
IN5	333.6	333.6						
LG2 (Res & Com)	1,316.1	605.2	710.9					
LG3	714.1	714.1						
LG4	257.6	257.6						
GSO (Com)	3,098,215.1		3,098,215.1					
GSO (Ind)	360,250.5		360,250.5					
GST GS FALLBACK COM	0.0		0.0					
GST GS FALLBACK IND	0.0		0.0					
IS INT COM	0.0					0.0		
IS INT IND	0.0					0.0		
IUS (Wholesale)	<u>11,320.7</u>	<u>0.0</u>	<u>0.0</u>	<u>11,320.7</u>			<u>0.0</u>	<u>0.0</u>
Total Sales	9,725,195.1	6,253,000.1	3,460,874.3	11,320.7	0.0	0.0	0.0	0.0
GTR	1,707,000.0	1,707,000.0						
GTO (Com)	1,859,990.8		1,859,990.8					
GTO (Ind)	71,999.9		71,999.9					
DS-IS (Com)	1,380,570.0					1,380,570.0		
DS-IS (Ind)	5,517,297.4					5,517,297.4		
GDS (Com)	203,630.5		203,630.5					
GDS (Ind)	154,467.9		154,467.9					
DS3 (Ind)	680,981.0				680,981.0			
FX1 (Com)	541,812.0					541,812.0		
FX2 (Ind)	533,988.0					533,988.0		
FX5 (Ind)	4,689,510.0				4,689,510.0			
FX7 (Ind)	410,759.0					410,759.0		
SC3 (Ind)	<u>1,710,000.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1,710,000.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transportation	19,462,006.5	1,707,000.0	2,290,089.1	0.0	5,370,491.0	10,094,426.4	0.0	0.0
Total Throughput	29,187,201.6	7,960,000.1	5,750,963.4	11,320.7	5,370,491.0	10,094,426.4	0.0	0.0
Res. - Sales	6,253,000.1	6,253,000.1						
Res - Trans	1,707,000.0	1,707,000.0						
Com. - Sales	3,100,623.8		3,100,623.8			0.0		
Com. - Trans	3,986,003.3		2,063,621.3			1,922,382.0		
Ind. - Sales	371,571.2		360,250.5	11,320.7		0.0		
Ind.-Trans	13,358,244.2		226,467.8		5,370,491.0	7,761,285.4		
Other	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>		
Total	28,776,442.6	7,960,000.1	5,750,963.4	11,320.7	5,370,491.0	9,683,667.4		

Columbia Gas of Kentucky, Inc.
Revenue at Current Rates

Source: M-2.1

<u>Revenue</u>	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
Rate Schedules								
GSR	49,681,142	49,681,142						
G1C (Com.)	9,744		9,744					
G1R	13,752	13,752						
IN3 (Res & Com)	396	396						
IN5	200	200						
LG2 (Res & Com)	461	212	249					
LG3	256	256						
LG4	103	103						
GSO (Com)	18,510,324		18,510,324					
GSO (Ind)	1,410,902		1,410,902					
GST GS FALLBACK COM	0		0					
GST GS FALLBACK IND	0		0					
IS INT COM	0					0		
IS INT IND	0					0		
IUS (Wholesale)	47,824	0	0	47,824			0	0
Total Sales	69,675,105	49,696,061	19,931,219	47,824	0	0	0	0
GTR	9,029,105	9,029,105						
GTO (Com)	5,787,037		5,787,037					
GTO (Ind)	127,654		127,654					
DS-IS (Com)	1,398,811					1,398,811		
DS-IS (Ind)	3,222,464					3,222,464		
GDS (Com)	351,127		351,127					
GDS (Ind)	276,061		276,061					
DS3 (Ind)	67,641				67,641			
FX1 (Com)	224,062					224,062		
FX2 (Com)	221,011					221,011		
FX5 (Ind)	411,572				411,572			
FX7 (Ind)	189,660					189,660		
SC3 (Ind)	500,855	0	0	0	0	500,855	0	0
Total Transportation	21,807,062	9,029,105	6,541,880	0	479,213	5,756,864	0	0
Total Revenue	91,482,167	58,725,166	26,473,099	47,824	479,213	5,756,864	0	0
Res. - Sales	49,696,061	49,696,061						
Res - Trans	9,029,105	9,029,105						
Com. - Sales	18,520,317		18,520,317			0		
Com. - Trans	7,982,049		6,138,165			1,843,884		
Ind. - Sales	1,458,726		1,410,902	47,824	0	0		
Ind.-Trans	4,795,908		403,715		479,213	3,912,980		
Other	0	0	0	0	0	0		
Total	91,482,167	58,725,166	26,473,099	47,824	479,213	5,756,864		
Forfeited discounts	476,000	305,532	137,766	249	2,494	29,959		
Misc. Serv Revenue	137,000							
Other	587,000							
Total	1,200,000							
Total Revenue	92,682,167							

**Columbia Gas of Kentucky, Inc,
Gas Purchases**

<u>Gas Purchase</u>	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
Rate Schedules								
GSR	13,802,635	13,802,635						
G1C (Com.)	3,751		3,751					
G1R	4,460	4,460						
IN4	0	0						
IN5	0	0						
LG2 (Res & Com)	0	0	0					
LG3	0	0						
LG4	0	0						
GSO (Com)	6,844,267		6,844,267					
GSO (Ind)	795,829		795,829					
IUS (Wholesale)	<u>25,009</u>	<u>0</u>	<u>0</u>	<u>25,009</u>			<u>0</u>	<u>0</u>
Total Sales	<u>21,475,950</u>	<u>13,807,095</u>	<u>7,643,847</u>	<u>25,009</u>	0	0	<u>0</u>	<u>0</u>
GTR	0	0						
GTO (Com)	0							
GTO (Ind)	0							
DS (Com)	0							
DS (Ind)	0							
DS-Smith	0							
DS1 (Com)	0							
DS1 (Ind)	0							
DS3 (Ind)	0							
FX1 (Com)	0							
FX2 (Ind)	0							
FX3 (Com)	0							
FX4 (Ind)	0							
FX5 (Ind)	0							
FX6 (Ind)	0							
FX7 (Ind)	0							
SAS (Ind)	0							
SC2 (Ind)	0							
SC3 (Ind)	<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 Transportation	<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 Gas Purchase	<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>
Res. - Sales	13,807,095	13,807,095						
Res - Trans	0	0						
Com. - Sales	6,848,018		6,848,018					
Com. - Trans	0		0			0		
Ind. - Sales	820,838		795,829	25,009				
Ind.-Trans	0		0		0	0		
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
Total	<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>		

Columbia Gas of Kentucky, Inc.
Current Account 487 Allocation
For the 12 Months Ended December 31, 2017

<u>Line No.</u>		<u>Reference</u>	<u>Revenue</u> (\$)	<u>Late Payment</u> (\$)
1	Test Year Revenue Subject to Late Payment Penalties:			
2	GSR/GTR Residential	Schedule M-2.1	58,710,248	305,532
3	G1C LG&E Commercial	Schedule M-2.1	9,744	51
4	GSO General Service - Commercial	Schedule M-2.1	18,510,324	96,329
5	GSO General Service - Industrial	Schedule M-2.1	1,410,902	7,342
6	IUS Intrastate Utility Service - Wholesale	Schedule M-2.1	47,824	249
7	GTO GTS Choice - Commercial	Schedule M-2.1	5,787,037	30,116
8	GTO GTS Choice - Industrial	Schedule M-2.1	127,654	664
9	DS GTS Delivery Service - Commercial	Schedule M-2.1	1,398,811	7,280
10	DS GTS Delivery Service - Industrial	Schedule M-2.1	3,222,464	16,770
11	GDS GTS Grandfathered Delivery Service - Commercial	Schedule M-2.1	351,127	1,827
12	GDS GTS Grandfathered Delivery Service - Industrial	Schedule M-2.1	276,061	1,437
13	DS3 GTS Main Line Service - Industrial	Schedule M-2.1	67,641	352
14	FX1 GTS Flex Rate - Commercial	Schedule M-2.1	224,062	1,166
15	FX2 GTS Flex Rate - Industrial	Schedule M-2.1	221,011	1,150
16	FX5 GTS Flex Rate - Industrial	Schedule M-2.1	411,572	2,142
17	FX7 GTS Flex Rate - Industrial	Schedule M-2.1	189,660	987
18	SC3 GTS Special Rate - Industrial	Schedule M-2.1	<u>500,855</u>	<u>2,606</u>
19	Total		91,466,999	476,000
20	Summary			
21	GS-RES			305,532
22	GS-Other			137,766
23	IUS			249
24	DS-ML/SC			2,494
25	DS/IS			<u>29,959</u>
26	Total			476,000

Columbia Gas of Kentucky, Inc.
Proposed Account 487 Allocation
For the 12 Months Ended December 31, 2017

<u>Line No.</u>		<u>Reference</u>	<u>Revenue</u> (\$)	<u>Late Payment</u> (\$)
1	Proposed Revenue Subject to Late Payment Penalties:			
2	GSR/GTR Residential	Schedule M-2.1	75,096,498	391,088
3	GSO/GTO/GDS	Schedule M-2.1	33,254,549	173,183
4	DS/SAS	Schedule M-2.1	6,711,801	34,954
5	IUS	Schedule M-2.1	55,930	291
6	G1C	Schedule M-2.1	9,744	51
7	G1R	Schedule M-2.1	13,752	72
8	DS3	Schedule M-2.1	67,641	352
9	FX1	Schedule M-2.1	224,062	1,167
10	FX2	Schedule M-2.1	221,011	1,151
11	FX5	Schedule M-2.1	411,572	2,143
12	FX7	Schedule M-2.1	189,660	988
13	SC3	Schedule M-2.1	<u>500,855</u>	<u>2,608</u>
14	Total		116,757,076	<u>608,048</u>
15	Summary			
16	GS-RES			391,160
17	GS-Other			173,234
18	IUS			291
19	DS-ML/SC			2,495
20	DS/IS			<u>40,868</u>
21	Total			608,048

Columbia Gas of Kentucky, Inc.

Revenue at Proposed Rates

For the Twelve Months Ended December 31, 2017

Source: M-2.1

Revenue

Rate Schedules	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>
GRS	62,630,986	62,630,986				
G1C (Com.)	9,744		9,744			
G1R	13,752	13,752				
IN3 (Res & Com)	396	396				
IN4	-	-				
IN5	200	200				
LG2 (Res & Com)	461	212	249			
LG3	256	256				
LG4	103	103				
GSO (Com)	22,437,014		22,437,014			
GSO (Ind)	1,723,027		1,723,027			
IS INT COM	-					-
IS INT IND	-				-	-
SC4 (Ind)	-					-
IUS (Wholesale)	55,930			55,930		
SS COM FIRM	-					-
SS IND FIRM	-	-	0	-		-
SS COM INT	-					-
SS IND INT	-	-	-	-	-	-
Total Sales	86,871,868	62,645,905	24,170,034	55,930	-	-
GTR	12,465,512	12,465,512				
GTO (Com)	7,975,146		7,975,146			
GTO (Ind)	192,717		192,717			
DS-IS (Com)	1,868,525					1,868,525
DS-IS (Ind)	4,843,276					4,843,276
DS-GS (Com)	522,631		522,631			
DS-GS (Ind)	404,015		404,015			
DS3 (Ind)	67,641				67,641	
FX1 (Com)	224,062					224,062
FX2 (Com)	221,011					221,011
FX3 (Com)	-					
FX5 (Ind)	411,572				411,572	
FX7 (Ind)	189,660					189,660
SAS (Ind)	-					-
SC2 (Ind)	-					-
SC3 (Ind)	500,855	-	-	-	-	500,855
Total Transportation	29,886,623	12,465,512	9,094,509	-	479,213	7,847,390
Total Revenue	116,758,491	75,111,416	33,264,542	55,930	479,213	7,847,390

COLUMBIA GAS OF KENTUCKY, INC.
DESIGN DAY
SOURCE - GAS SUPPLY DESIGN DAY STUDY
TME DECEMBER 31, 2017

Design Day

Rate Schedule	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>
GSR / GTR	137,300	137,300				
GSO - Comm	54,300		54,300			
GSO - Ind.	3,200		3,200			
IUS	200			200		
IS - Com.	0					
IS - Ind.	400					400
SS - Com.	2,600					2,600
SS - Ind.	1,300					1,300
GTO - Comm	25,900		25,900			
GTO - Ind	500		500			
GDS - Comm	2,900		2,900			
GDS - Ind	1,500		1,500			
DS-ML	25,200				25,200	
DS - Comm.	31,900					31,900
DS- Ind.	46,200					46,200
Total	333,400	137,300	88,300	200	25,200	82,400
%	<u>100.000%</u>	<u>41.182%</u>	<u>26.485%</u>	<u>0.060%</u>	<u>7.558%</u>	<u>24.715%</u>
Excluding DS-ML/SC	308,200	137,300	88,300	200	-	82,400
%	<u>100.00%</u>	<u>44.549%</u>	<u>28.650%</u>	<u>0.065%</u>	<u>0.000%</u>	<u>26.736%</u>
Excluding Interruptible Volumes						
Interruptible Demand						
IS Ind.	400					400
GDS Com.	2,900		2,900			
GDS Ind.	1,500		1,500			
DS- IS - Com	31,900					31,900
DS-IS - Ind	<u>46,200</u>					<u>46,200</u>
Total Interruptible	82,900	-	4,400	-	-	78,500
Excluding Interruptible Demand	225,300	137,300	83,900	200	-	3,900
%	<u>100.00%</u>	<u>60.941%</u>	<u>37.239%</u>	<u>0.089%</u>	<u>0.000%</u>	<u>1.731%</u>

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 381 - METERS
SOURCE - LISTING BY RATE SCHEDULE, BY SIZE OF METER.
AS OF FEBRUARY 29, 2016

<u>Rate Schedule</u>	<u>Total Exc/. DS-ML</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS/IS</u>	<u>DS-ML</u>	<u>Total</u>
GSR	5,389,697	5,389,697					
GSO	1,725,560		1,725,560				
G1C	984		984				
G1R	860	860					
GST	-						
IN4	-						
IN5	161	161					
IN3	484	484					
IUS	1,210			1,210			
IS	-						
LG2	539	54	485				
LG3	485	485					
LG4	54	54					
GTO	801,280		801,280				
GTR	1,228,919	1,228,919					
SC3	1,655				1,655		
DS3	-					1,336	
GDS	12,829		12,829				
SAS	-						
DS	36,393				36,393		
FX1	891				891		
FX2	445				445		
FX5	-					1,336	
FX7	445				445	-	
Total	<u>9,202,891</u>	<u>6,620,713</u>	<u>2,541,138</u>	<u>1,210</u>	<u>39,830</u>	<u>2,672</u>	<u>9,205,563</u>
%	<u>100.00%</u>	<u>71.94%</u>	<u>27.61%</u>	<u>0.01%</u>	<u>0.43%</u>	<u>0.00%</u>	

<u>Co</u>	<u>PCID</u>	<u>PSID</u>	<u>Tariff Rate</u>	<u>GTS Rate</u>	<u>Station Number</u>	<u>Amt</u>	<u>Billing Rate</u>	<u>Rate Class</u>
32	10601949003	500153985	GST	GDS	45927	12,486.45	GDS	GS-OTHER
32	10637093182	500767946	IST	FX2	46769	9,682.69	FX2	DS/IS
32	10657147001	100406576	GSO		46186	10,545.35	GSO	GS-OTHER
32	10710630002	100454835	GST	GDS	48930	5,537.15	GDS	GS-OTHER
32	12986378003	100468553	IST	DS3	20005	4,173.07	DS3	DS-ML
32	12986383001	100425379	GSO		5686	1,726.49	GSO	GS-OTHER
32	12986388001	100425368	GTO		3203	1,495.81	GTO	GS-OTHER
32	12986389001	100449144	GTO		14729	7,764.99	GTO	GS-OTHER
32	12986390001	100425363	GSO		6268	637.61	GSO	GS-OTHER
32	12986393001	100444698	IST	DS	14576	16,890.31	DS	DS/IS
32	12986396001	100469209	IST	DS	45641	19,492.05	DS	DS/IS
32	12986397001	100466963	IST	DS	44675	15,978.28	DS	DS/IS
32	12986401002	100425597	IST	DS	5299	19,652.90	DS	DS/IS
32	12986406004	800800025	IST	DS	5307	17,775.66	DS	DS/IS
32	12986409001	100441363	GST	GDS	14480	4,377.94	GDS	GS-OTHER
32	12986411001	100425586	GST	GDS	3557	3,566.09	GDS	GS-OTHER
32	12986423001	100458538	IST	DS	44014	9,167.99	DS	DS/IS
32	12986426001	100425571	IST	DS	4914	9,642.86	DS	DS/IS
32	12986432001	100449624	GST	GDS	14704	6,545.79	GDS	GS-OTHER
32	12986433001	100465111	IST	DS	44527	5,227.09	DS	DS/IS
32	12986434001	100451978	IST	DS	14794	11,686.40	DS	DS/IS
32	12986435001	100447546	IST	DS	14671	11,439.10	DS	DS/IS
32	12986442001	100440181	IST	DS	14454	6,806.83	DS	DS/IS
32	12986452001	100425552	IST	DS	5863	3,926.20	DS	DS/IS
32	12986453001	100425551	IST	DS	5483	5,731.95	DS	DS/IS
32	12986454001	100425550	GTO		5913	371.93	GTO	GS-OTHER
32	12986456004	100425964	IST	FX1	3546	9,521.62	FX1	DS/IS
32	12986456004	800800023	IST	FX1	5825	14,145.94	FX1	DS/IS
32	12986461001	100425540	GST	GDS	4584	22,864.76	GDS	GS-OTHER
32	12986463005	100425538	GSO		4625	3,941.61	GSO	GS-OTHER
32	12986463010	500714773	GSO		48642	24,619.40	GSO	GS-OTHER
32	12986466001	100425534	IST	DS	4217	13,614.11	DS	DS/IS
32	12986467001	100425532	IST	DS	45021	290.23	DS	DS/IS
32	12986468003	100425531	IST	DS	3811	10,703.29	DS	DS/IS
32	12986474004	100425525	IST	DS	4528	10,979.53	DS	DS/IS
32	12986477001	100425522	IST	DS	3611	3,104.37	DS	DS/IS
32	12986480001	100425517	IST	DS	5529	12,371.79	DS	DS/IS
32	12986484001	100425513	GST	GDS	5909	7,977.30	GDS	GS-OTHER
32	12986488004	500135772	IST	DS	4422	8,460.94	DS	DS/IS
32	12986491001	100425501	IST	DS	4687	16,060.00	DS	DS/IS
32	12986493001	100436157	IST	DS	14280	4,893.24	DS	DS/IS
32	12986494001	100425497	GST	GDS	4001	3,747.57	GDS	GS-OTHER
32	12986498001	100449311	GSO		5788	12,325.04	GSO	GS-OTHER
32	12986501009	500637086	IST	DS	49006	24,612.26	DS	DS/IS
32	12986503001	100425489	IST	DS	4685	16,348.15	DS	DS/IS
32	12986507001	100425483	IST	DS	3680	6,994.98	DS	DS/IS
32	12986507001	100465702	IST	DS	3947	130,371.93	DS	DS/IS
32	12986514001	100425475	GST	GDS	4726	4,233.39	GDS	GS-OTHER
32	12986515001	100425474	IST	DS	3521	1,657.95	DS	DS/IS
32	12986517001	100425472	IST	GDS	5548	7,052.10	GDS	GS-OTHER
32	12986520001	100467440	GTO		5147	30,430.87	GTO	GS-OTHER
32	12986521001	100467439	GTO		5278	2,990.56	GTO	GS-OTHER
32	12986525005	800800019	IST	DS	5709	2,870.91	DS	DS/IS

32	12986525005	100425457	IST	DS	3739	13,366.29	DS	DS/IS
32	12986528001	100445834	IST	DS	5463	24,392.95	DS	DS/IS
32	12986530001	100425447	IST	DS	5991	7,316.33	DS	DS/IS
32	12986555001	100425432	IST	DS	5826	6,643.66	DS	DS/IS
32	12986560001	100425427	IST	DS	3742	36,843.35	DS	DS/IS
32	12986564003	100466949	IST	DS	44722	96,284.60	DS	DS/IS
32	12986564003	500134747	IST	DS	44722	96,284.60	DS	DS/IS
32	12986565003	100425606	GST	GDS	5295	8,212.59	GDS	GS-OTHER
32	12986569001	100425423	GST	GDS	4946	38,998.80	GDS	GS-OTHER
32	12986570006	100442751	IST	DS	14495	20,043.33	DS	DS/IS
32	12986570006	500136663	IST	DS	14495	20,043.33	DS	DS/IS
32	12986572001	100441605	GTO		3938	382.74	GTO	GS-OTHER
32	12986573001	100437118	IST	DS	14306	8,143.41	DS	DS/IS
32	12986578001	100425415	GSO		5875	194.54	GSO	GS-OTHER
32	12986584001	100425406	GST	GDS	4968	49,160.01	GDS	GS-OTHER
32	12986585001	100425405	IST	DS	5883	11,813.27	DS	DS/IS
32	12986589001	100469081	IST	DS	45229	29,443.79	DS	DS/IS
32	12986590001	100459381	IST	DS	44119	12,274.31	DS	DS/IS
32	12986594001	100425399	IST	DS	5672	30,598.63	DS	DS/IS
32	12986596003	100461621	GTO		5898	3,752.89	GTO	GS-OTHER
32	12986599001	100425393	GST	GDS	4957	3,569.99	GDS	GS-OTHER
32	12986603001	100450048	GST	GDS	14791	5,436.03	GDS	GS-OTHER
32	12986604002	100425389	IST	DS3	4949	4,373.73	DS3	DS-ML
32	12986606001	100425387	IST	FX5	4193	20,535.64	FX5	DS-ML
32	12986612001	100425367	GSO		5815	1,800.85	GSO	GS-OTHER
32	12986614001	100425364	GSO		3759	2,978.90	GSO	GS-OTHER
32	12986615001	100468990	IST	DS3	3848	136,940.75	DS3	DS-ML
32	12986617001	100425357	GSO		3202	5,926.82	GSO	GS-OTHER
32	12986618002	100431494	IST	DS	2618	4,387.03	DS	DS/IS
32	12986622002	100425350	IST	FX5	1584	16,102.72	FX5	DS-ML
32	12986622005	500865803	IST	FX5	38145	495,703.09	FX5	DS-ML
32	13219441001	100264548	IST	DS	45712	4,409.02	DS	DS/IS
32	13228118002	500145493	IST	SC3	44536	10,073.30	SC3	DS/IS
32	13228118002	500144332	IST	SC3	44535	65,974.69	SC3	DS/IS
32	13228118002	500495598	IST	SC3	44535	65,974.69	SC3	DS/IS
32	13229269002	500144604	IST	DS	44546	5,318.31	DS	DS/IS
32	13609711004	100337848	IST	DS	48988	26,215.59	DS	DS/IS
32	13613595001	100253235	GSO		46041	7,118.06	GSO	GS-OTHER
32	13672186001	500209796	IST	DS	46056	19,836.12	DS	DS/IS
32	13768940001	500253895	IST	DS	46363	81,292.31	DS	DS/IS
32	13959510001	500145486	GSO		44538	11,509.35	GSO	GS-OTHER
32	13987196002	500227853	IST	DS	48204	13,630.36	DS	DS/IS
32	14064515001	100425536	IST	DS	4800	62,267.50	DS	DS/IS
32	14146162001	100455791	IST	DS	14853	39,708.97	DS	DS/IS
32	14186792004	501091579	GSO		49253	4,723.10	GSO	GS-OTHER
32	14377875001	500129861	GSO		45843	7,801.78	GSO	GS-OTHER
32	14401089001	500375820	IST	DS	47435	11,830.00	DS	DS/IS
32	14448967001	500260265	GST	DS	47502	14,917.77	DS	DS/IS
32	14448967002	500263965	IST	DS	47981	25,892.17	DS	DS/IS
32	14907631003	100427637	GSO		14058	1,301.17	GSO	GS-OTHER
32	14907631003	500135779	GSO		14058	1,301.17	GSO	GS-OTHER
32	15631820001	500725700	IST	DS	48555	16,884.77	DS	DS/IS
32	15631948001	500112715	GSO		48556	18,122.27	GSO	GS-OTHER
32	15902431001	100425584	GSO		5233	1,176.42	GSO	GS-OTHER
32	16049885001	100435201	IUS		5560	637.61	IUS	IUS
32	16312595001	500144388	IST	FX7	44551	8,437.75	FX7	DS/IS
32	16358304001	500789884	IST	DS	48735	22,142.01	DS	DS/IS
32	16506898001	500381832	GTO		48431	5,141.89	GTO	GS-OTHER
32	16642002002	500021827	IST	DS	48623	22,647.84	DS	DS/IS
32	16733087001	100469076	IST	DS	45244	12,519.73	DS	DS/IS

32	16803786001	500946178	IST	DS	48770	51,312.32	DS	DS/IS
32	17054287001	800800000	GSO		5060	12,399.71	GSO	GS-OTHER
32	17250210001	500980083	IST	DS	48834	18,699.93	DS	DS/IS
32	17265688001	100425477	IST	DS	5809	4,238.55	DS	DS/IS
32	17398015001	500206091	IST	DS	47691	12,028.09	DS	DS/IS
32	18573449001	100466658	GSO		5682	5,936.32	GSO	GS-OTHER
32	18759655002	100463597	IST	DS	14673	26,962.17	DS	DS/IS
32	18759655004	500076425	GSO		47840	128,686.57	GSO	GS-OTHER
32	19062553002	501101909	IST	DS	49268	72,274.39	DS	DS/IS
32	19183325001	501089232	IST	DS	49278	45,352.22	DS	DS/IS
32	19301302001	500584936	IST	DS	49281	16,492.01	DS	DS/IS
32	19773521001	501165742	GSO		49330	76,736.39	GSO	GS-OTHER

	<u>Total</u>	<u>Percent</u>
	<u>Cost</u>	
GS-RES	0	0.000%
GS-OTHER	577,607	25.977%
DS/IS	1,645,313	73.995%
IUS	638	0.029%
N/A	0	0.000%
N/A	0	0.000%
N/A	0	0.000%
N/A	0	0.000%
TOTAL BEFORE DS-ML/SC	2,223,557	100.000%
DS-ML	<u>677,829</u>	
TOTAL	2,901,386	

Columbia Gas of Kentucky, Inc.
Account 380 - Services
As of February 29, 2016

<u>PUN</u>	<u>Desc</u>	<u>Size</u>	<u>Qty</u>	<u>Amt</u>
464516	SERV MAINS	2"	0	5
892126	VALVES	4"	1	2,747
655115	SERV MAIN/CURB	1-1/2"	2	121
655118	SERV MAIN/CURB	2-1/2"	8	1,515
655121	SERV MAIN/METER	3"	209	93,359
655126	SERV MAIN/METER	4"	140	180,358
655136	SERV MAIN/METER	6"	4	50,723
655140	SERV MAIN/METER	8"	2	20,041
655150	SERV MAIN/METER	12"	1	6,628
655196	SERV MAIN/METER	2" & UNDER	29,915	2,846,171
655221	SERV MAIN/CURB	3"	407	473,557
655226	SERV MAIN/CURB	4"	94	739,703
655236	SERV MAIN/CURB	6"	6	100,672
655240	SERV MAIN/CURB	8"	4	25,196
655296	SERV MAIN/CURB	2" & UNDER	88,792	54,387,433
655421	SERV CURB/METER	3"	2	10,250
655426	SERV CURB/METER	4"	3	3,217
655436	SERV CURB/METER	5"	1	7,112
655496	SERV CURB/METER	2" & UNDER	64	82,695
655521	SERV CURB/METER	3"	36	74,384
655526	SERV CURB/METER	4"	10	36,237
655596	SERV CURB/METER	2" & UNDER	66,253	46,868,050
655821	SERV MAIN/METER	3"	1	6,574
655826	SERV MAIN/METER	4"	1	4,745
655896	SERV MAIN/METER	2" & UNDER	16,472	10,336,206
655996	SERV MAIN/METER	2" & UNDER	<u>72</u>	<u>45,259</u>
			202,500	116,402,958

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 380 - SERVICES
SOURCE - LISTING OF SERVICES BY SIZE AND KIND
As of February 29, 2016

<u>PU#</u>	<u>DESCRIPTION</u>	<u>SIZE</u>	<u>QUANTITY</u>	<u>BOOK COST</u>	<u>AVG UNIT COST</u>
464516	SERV MAINS	OTHER	0	5	
892126	VALVES	OTHER	1	2,747	
655115	SERV MAIN/CURB	UNDER 3"	2	121	
655118	SERV MAIN/CURB	UNDER 3"	8	1,515	
655121	SERV MAIN/METER	3"	209	93,359	
655126	SERV MAIN/METER	4"	140	180,358	
655136	SERV MAIN/METER	6"	4	50,723	
655140	SERV MAIN/METER	8"	2	20,041	
655150	SERV MAIN/METER	12"	1	6,628	
655196	SERV MAIN/METER	UNDER 3"	29,915	2,846,171	
655221	SERV MAIN/CURB	3"	407	473,557	
655226	SERV MAIN/CURB	4"	94	739,703	
655236	SERV MAIN/CURB	6"	6	100,672	
655240	SERV MAIN/CURB	8"	4	25,196	
655296	SERV MAIN/CURB	UNDER 3"	88,792	54,387,433	
655421	SERV CURB/METER	3"	2	10,250	
655426	SERV CURB/METER	4"	3	3,217	
655436	SERV CURB/METER	5"	1	7,112	
655496	SERV CURB/METER	UNDER 3"	64	82,695	
655521	SERV CURB/METER	3"	36	74,384	
655526	SERV CURB/METER	4"	10	36,237	
655596	SERV CURB/METER	UNDER 3"	66,253	46,868,050	
655821	SERV MAIN/METER	3"	1	6,574	
655826	SERV MAIN/METER	4"	1	4,745	
655896	SERV MAIN/METER	UNDER 3"	16,472	10,336,206	
655996	SERV MAIN/METER	UNDER 3"	<u>72</u>	<u>45,259</u>	
TOTAL ACCOUNT 380			202,500	116,402,958	

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 380 - SERVICES
SOURCE - LISTING OF SERVICES BY SIZE AND KIND
As of February 29, 2016

<u>PU#</u>	<u>DESCRIPTION</u>	<u>SIZE</u>	<u>QUANTITY</u>	<u>BOOK COST</u>	<u>AVG UNIT COST</u>
SUMMARY BY SIZE					
		OTHER	1	2,752	N/A
		UNDER 3"	201,578	114,567,451	568.35
		3"	655	658,124	1,004.77
		3-1/8"	0	0	0.00

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 380 - SERVICES
SOURCE - LISTING OF SERVICES BY SIZE AND KIND
As of February 29, 2016

3-1/2"	0	0	0.00
4"	248	964,259	3,888.14
4-1/2"	0	0	0.00
5"	1	7,112	7,112.22
6"	10	151,395	15,139.47
6-5/8"	0	0	0.00
8"	6	45,237	7,539.47
8-5/8"	0	0	0.00
10"	0	0	0.00
12"	1	6,628	6,627.73
20"	<u>0</u>	<u>0</u>	0.00
TOTAL ACCOUNT 380	202,500	116,402,958	

Columbia Gas of Kentucky, Inc.
 Master Code Summation Statistics
 As of February 29, 2016

Master Tap Codes

NAME	RATE SCHEDULE	PIPE SIZE	Pipe Size Description	Classification	BLANK	P	S	*	±	INVALID	TOTAL	KEY	AVG UNIT COST	RATE CASE RATE
RESIDENTIAL	GSO	000	UNCLASSIFIED	UNDER 3"	1	0	0	0	1	0	2	GSOUNDER 3"	568	GS-OTHER 1,137
RESIDENTIAL	GSO	010	1"	UNDER 3"	1	0	0	0	1	0	2	GSOUNDER 3"	568	GS-OTHER 1,137
RESIDENTIAL	GSO	012	1-1/4"	UNDER 3"	2	0	0	0	0	0	2	GSOUNDER 3"	568	GS-OTHER 1,137
RESIDENTIAL	GSR	000	UNCLASSIFIED	UNDER 3"	2,675	15	16	351	4,545	0	7,602	GSRUNDER 3"	568	GS-RES 4,320,597
RESIDENTIAL	GSR	001	1"	UNDER 3"	9	0	0	0	1	0	10	GSRUNDER 3"	568	GS-RES 5,684
RESIDENTIAL	GSR	003	3"	UNDER 3"	1	0	0	0	0	0	1	GSRUNDER 3"	568	GS-RES 568
RESIDENTIAL	GSR	005	1/2"	UNDER 3"	21,920	267	98	432	174	0	22,891	GSRUNDER 3"	568	GS-RES 13,010,100
RESIDENTIAL	GSR	007	3/4"	UNDER 3"	5	0	0	1	0	0	6	GSRUNDER 3"	568	GS-RES 3,410
RESIDENTIAL	GSR	010	1"	UNDER 3"	45,347	960	603	3,620	3,589	0	54,119	GSRUNDER 3"	568	GS-RES 30,758,534
RESIDENTIAL	GSR	012	1-1/4"	UNDER 3"	12,920	143	133	825	554	0	14,575	GSRUNDER 3"	568	GS-RES 8,283,701
RESIDENTIAL	GSR	015	1-1/2"	UNDER 3"	97	3	1	37	30	0	168	GSRUNDER 3"	568	GS-RES 95,483
RESIDENTIAL	GSR	020	2"	UNDER 3"	165	10	12	131	226	0	544	GSRUNDER 3"	568	GS-RES 309,182
RESIDENTIAL	GSR	030	3"	3"	10	0	0	3	28	0	41	GSR3"	1,005	GS-RES 41,196
RESIDENTIAL	GSR	035	3-1/2"	3-1/2"	1	0	0	0	0	0	1	GSR3-1/2"	0	GS-RES -
RESIDENTIAL	GSR	040	4"	4"	6	0	0	3	40	0	49	GSR4"	3,888	GS-RES 190,519
RESIDENTIAL	GSR	050	5"	5"	46	0	0	1	3	0	50	GSR5"	7,112	GS-RES 355,611
RESIDENTIAL	GSR	060	6"	6"	2	0	0	1	0	0	3	GSR6"	15,139	GS-RES 45,418
RESIDENTIAL	GSR	080	8"	8"	1	0	0	0	0	0	1	GSR8"	7,539	GS-RES 7,539
RESIDENTIAL	GSR	010	1"	UNDER 3"	0	0	0	0	1	0	1	GSRUNDER 3"	568	GS-RES 568
RESIDENTIAL	GSR	480	UNCLASSIFIED	UNDER 3"	1	0	0	0	1	0	2	GSRUNDER 3"	568	GS-RES 1,137
RESIDENTIAL	GTO	030	3"	3"	1	0	0	0	0	0	1	GTO3"	1,005	GS-OTHER 1,005
RESIDENTIAL	GTR	000	UNCLASSIFIED	UNDER 3"	892	3	5	52	613	0	1,565	GTRUNDER 3"	568	GS-RES 889,468
RESIDENTIAL	GTR	001	1"	UNDER 3"	3	0	0	0	0	0	3	GTRUNDER 3"	568	GS-RES 1,705
RESIDENTIAL	GTR	005	1/2"	UNDER 3"	4,393	82	18	89	42	0	4,624	GTRUNDER 3"	568	GS-RES 2,628,050
RESIDENTIAL	GTR	007	3/4"	UNDER 3"	2	0	0	0	0	0	2	GTRUNDER 3"	568	GS-RES 1,137
RESIDENTIAL	GTR	010	1"	UNDER 3"	11,926	238	170	558	239	0	13,131	GTRUNDER 3"	568	GS-RES 7,463,004
RESIDENTIAL	GTR	012	1-1/4"	UNDER 3"	4,040	46	29	131	60	0	4,306	GTRUNDER 3"	568	GS-RES 2,447,315
RESIDENTIAL	GTR	015	1-1/2"	UNDER 3"	30	0	2	1	3	0	36	GTRUNDER 3"	568	GS-RES 20,461
RESIDENTIAL	GTR	020	2"	UNDER 3"	47	4	2	13	12	0	78	GTRUNDER 3"	568	GS-RES 44,331
RESIDENTIAL	GTR	025	2-1/2"	UNDER 3"	2	0	0	0	0	0	2	GTRUNDER 3"	568	GS-RES 1,137
RESIDENTIAL	GTR	030	3"	3"	4	0	0	0	0	0	4	GTR3"	1,005	GS-RES 4,019
RESIDENTIAL	GTR	040	4"	4"	0	0	0	0	1	0	1	GTR4"	3,888	GS-RES 3,888
RESIDENTIAL	GTR	050	5"	5"	9	0	0	0	0	0	9	GTR5"	7,112	GS-RES 64,010
RESIDENTIAL	G1R	000	UNCLASSIFIED	UNDER 3"	2	0	0	1	0	0	3	G1RUNDER 3"	568	GS-RES 1,705
RESIDENTIAL	G1R	005	1/2"	UNDER 3"	1	0	0	0	0	0	1	G1RUNDER 3"	568	GS-RES 568
RESIDENTIAL	G1R	010	1"	UNDER 3"	6	0	0	2	3	0	11	G1RUNDER 3"	568	GS-RES 6,252
RESIDENTIAL	G1R	012	1-1/4"	UNDER 3"	2	1	0	0	0	0	3	G1RUNDER 3"	568	GS-RES 1,705
RESIDENTIAL	IN3	000	UNCLASSIFIED	UNDER 3"	5	0	0	0	0	0	5	IN3UNDER 3"RESIDENTIAL	568	GS-RES 2,842
RESIDENTIAL	IN3	010	1"	UNDER 3"	2	0	0	2	0	0	4	IN3UNDER 3"RESIDENTIAL	568	GS-RES 2,273
RESIDENTIAL	IN5	000	UNCLASSIFIED	UNDER 3"	2	0	0	0	0	0	2	IN5UNDER 3"	568	GS-RES 1,137
RESIDENTIAL	IN5	010	1"	UNDER 3"	1	0	0	0	0	0	1	IN5UNDER 3"	568	GS-RES 568
RESIDENTIAL	LG2	010	1"	UNDER 3"	1	0	0	0	0	0	1	LG2UNDER 3"RESIDENTIAL	568	GS-RES 568
RESIDENTIAL	LG2	020	2"	UNDER 3"	0	0	0	1	0	0	1	LG2UNDER 3"RESIDENTIAL	568	GS-RES 568
RESIDENTIAL	LG3	010	1"	UNDER 3"	0	0	0	1	0	0	1	LG3UNDER 3"	568	GS-RES 568
RESIDENTIAL	LG4	010	1"	UNDER 3"	1	0	0	0	0	0	1	LG4UNDER 3"	568	GS-RES 568
RESIDENTIAL	UNKNOWN	000	UNCLASSIFIED	UNDER 3"	21	0	0	3	118	0	142	UNKNOWNUNDER 3"	568	
RESIDENTIAL	UNKNOWN	005	1/2"	UNDER 3"	137	4	0	9	3	0	153	UNKNOWNUNDER 3"	568	
RESIDENTIAL	UNKNOWN	010	1"	UNDER 3"	364	8	6	76	101	0	555	UNKNOWNUNDER 3"	568	
RESIDENTIAL	UNKNOWN	012	1-1/4"	UNDER 3"	93	2	4	20	18	0	137	UNKNOWNUNDER 3"	568	
RESIDENTIAL	UNKNOWN	015	1-1/2"	UNDER 3"	1	0	0	0	0	0	1	UNKNOWNUNDER 3"	568	
RESIDENTIAL	UNKNOWN	020	2"	UNDER 3"	0	0	0	4	3	0	7	UNKNOWNUNDER 3"	568	
COMMERCIAL	DS	010	1"	UNDER 3"	2	0	0	0	0	0	2	DSUNDER 3"	568	DS/IS 1,137
COMMERCIAL	DS	020	2"	UNDER 3"	24	0	0	3	0	0	27	DSUNDER 3"	568	DS/IS 15,345
COMMERCIAL	DS	030	3"	3"	5	0	0	1	1	0	7	DS3"	1,005	DS/IS 7,033
COMMERCIAL	DS	040	4"	4"	10	0	0	1	1	0	12	DS4"	3,888	DS/IS 46,658
COMMERCIAL	DS	060	6"	6"	1	0	0	0	0	0	1	DS6"	15,139	DS/IS 15,139

Columbia Gas of Kentucky, Inc.
 Master Code Summation Statistics
 As of February 29, 2016

Master Tap Codes

NAME	RATE SCHEDULE	PIPE SIZE	Pipe Size Description	Classification	BLANK	P	S	*	+	INVALID	TOTAL	KEY	RATE CASE		
													AVG UNIT COST	RATE	
COMMERCIAL	DS	080	8"	8"	0	0	0	1	0	0	1	DS8"	7,539	DS/IS	7,539
COMMERCIAL	FX1	060	6"	6"	0	1	0	0	0	0	1	FX16"	15,139	DS/IS	15,139
COMMERCIAL	FX1	080	8"	8"	1	0	0	0	0	0	1	FX18"	7,539	DS/IS	7,539
COMMERCIAL	FX2	080	8"	8"	1	0	0	0	0	0	1	FX28"	7,539	DS/IS	7,539
COMMERCIAL	GDS	010	1"	UNDER 3"	2	0	0	0	0	0	2	GDSUNDER 3"	568	GS-OTHER	1,137
COMMERCIAL	GDS	020	2"	UNDER 3"	3	0	0	0	0	0	3	GDSUNDER 3"	568	GS-OTHER	1,705
COMMERCIAL	GDS	030	3"	3"	2	0	0	1	0	0	3	GDS3"	1,005	GS-OTHER	3,014
COMMERCIAL	GDS	040	4"	4"	4	0	0	0	0	0	4	GDS4"	3,888	GS-OTHER	15,553
COMMERCIAL	GDS	060	6"	6"	0	1	0	0	0	0	1	GDS6"	15,139	GS-OTHER	15,139
COMMERCIAL	GSO	000	UNCLASSIFIED	UNDER 3"	281	3	1	95	935	0	1,315	GSOUNDER 3"	568	GS-OTHER	747,380
COMMERCIAL	GSO	001	1"	UNDER 3"	6	0	0	1	1	0	8	GSOUNDER 3"	568	GS-OTHER	4,547
COMMERCIAL	GSO	002	2"	UNDER 3"	2	0	0	0	0	0	2	GSOUNDER 3"	568	GS-OTHER	1,137
COMMERCIAL	GSO	005	1/2"	UNDER 3"	212	3	2	33	63	0	313	GSOUNDER 3"	568	GS-OTHER	177,894
COMMERCIAL	GSO	007	3/4"	UNDER 3"	2	0	0	0	0	0	2	GSOUNDER 3"	568	GS-OTHER	1,137
COMMERCIAL	GSO	010	1"	UNDER 3"	3,581	67	47	988	1,026	0	5,709	GSOUNDER 3"	568	GS-OTHER	3,244,710
COMMERCIAL	GSO	012	1-1/4"	UNDER 3"	921	14	9	310	299	0	1,553	GSOUNDER 3"	568	GS-OTHER	882,648
COMMERCIAL	GSO	015	1-1/2"	UNDER 3"	17	0	0	8	5	0	30	GSOUNDER 3"	568	GS-OTHER	17,051
COMMERCIAL	GSO	020	2"	UNDER 3"	736	10	5	242	262	0	1,255	GSOUNDER 3"	568	GS-OTHER	713,279
COMMERCIAL	GSO	025	2-1/2"	UNDER 3"	1	0	0	0	1	0	2	GSOUNDER 3"	568	GS-OTHER	1,137
COMMERCIAL	GSO	030	3"	3"	92	0	0	21	23	0	136	GSO3"	1,005	GS-OTHER	136,649
COMMERCIAL	GSO	040	4"	4"	63	2	0	11	8	0	84	GSO4"	3,888	GS-OTHER	326,604
COMMERCIAL	GSO	050	5"	5"	1	0	0	0	0	0	1	GSO5"	7,112	GS-OTHER	7,112
COMMERCIAL	GSO	060	6"	6"	2	0	0	2	1	0	5	GSO6"	15,139	GS-OTHER	75,697
COMMERCIAL	GSR	000	UNCLASSIFIED	UNDER 3"	2	0	0	0	0	0	2	GSRUNDER 3"	568	GS-RES	1,137
COMMERCIAL	GSR	010	1"	UNDER 3"	5	0	0	0	0	0	5	GSRUNDER 3"	568	GS-RES	2,842
COMMERCIAL	GSR	012	1-1/4"	UNDER 3"	1	0	0	0	0	0	1	GSRUNDER 3"	568	GS-RES	568
COMMERCIAL	GTO	000	UNCLASSIFIED	UNDER 3"	156	0	2	43	243	0	444	GTOUNDER 3"	568	GS-OTHER	252,347
COMMERCIAL	GTO	001	1"	UNDER 3"	1	0	0	0	0	0	1	GTOUNDER 3"	568	GS-OTHER	568
COMMERCIAL	GTO	005	1/2"	UNDER 3"	93	0	1	6	10	0	110	GTOUNDER 3"	568	GS-OTHER	62,519
COMMERCIAL	GTO	010	1"	UNDER 3"	1,693	26	13	257	221	0	2,210	GTOUNDER 3"	568	GS-OTHER	1,256,054
COMMERCIAL	GTO	012	1-1/4"	UNDER 3"	407	5	2	97	86	0	597	GTOUNDER 3"	568	GS-OTHER	339,305
COMMERCIAL	GTO	015	1-1/2"	UNDER 3"	4	0	0	1	2	0	7	GTOUNDER 3"	568	GS-OTHER	3,978
COMMERCIAL	GTO	020	2"	UNDER 3"	490	8	2	84	66	0	650	GTOUNDER 3"	568	GS-OTHER	369,428
COMMERCIAL	GTO	025	2-1/2"	UNDER 3"	1	0	0	0	0	0	1	GTOUNDER 3"	568	GS-OTHER	568
COMMERCIAL	GTO	030	3"	3"	55	2	0	4	6	0	67	GTO3"	1,005	GS-OTHER	67,320
COMMERCIAL	GTO	040	4"	4"	57	1	0	7	3	0	68	GTO4"	3,888	GS-OTHER	264,394
COMMERCIAL	GTO	060	6"	6"	4	0	0	1	0	0	5	GTO6"	15,139	GS-OTHER	75,697
COMMERCIAL	GTO	080	8"	8"	1	0	0	0	0	0	1	GTO8"	7,539	GS-OTHER	7,539
COMMERCIAL	GTR	000	UNCLASSIFIED	UNDER 3"	1	0	0	0	0	0	1	GTRUNDER 3"	568	GS-RES	568
COMMERCIAL	GTR	005	1/2"	UNDER 3"	0	0	1	0	0	0	1	GTRUNDER 3"	568	GS-RES	568
COMMERCIAL	GTR	010	1"	UNDER 3"	1	0	0	0	0	0	1	GTRUNDER 3"	568	GS-RES	568
COMMERCIAL	GTR	012	1-1/4"	UNDER 3"	1	0	0	0	0	0	1	GTRUNDER 3"	568	GS-RES	568
COMMERCIAL	GTR	030	3"	3"	1	0	0	0	0	0	1	GTR3"	1,005	GS-RES	1,005
COMMERCIAL	G1C	000	UNCLASSIFIED	UNDER 3"	1	0	0	0	0	0	1	G1CUNDER 3"	568	GS-RES	568
COMMERCIAL	G1C	005	1/2"	UNDER 3"	0	0	0	1	0	0	1	G1CUNDER 3"	568	GS-RES	568
COMMERCIAL	G1C	010	1"	UNDER 3"	1	0	0	0	0	0	1	G1CUNDER 3"	568	GS-RES	568
COMMERCIAL	LG2	010	1"	UNDER 3"	1	0	0	0	0	0	1	LG2UNDER 3"COMMERCIAL	568	GS-OTHER	568
COMMERCIAL	UNKNOWN	000	UNCLASSIFIED	UNDER 3"	1	0	0	0	8	0	9	UNKNOWNUNDER 3"	568		
COMMERCIAL	UNKNOWN	005	1/2"	UNDER 3"	0	0	1	0	1	0	2	UNKNOWNUNDER 3"	568		
COMMERCIAL	UNKNOWN	010	1"	UNDER 3"	12	1	1	9	11	0	34	UNKNOWNUNDER 3"	568		
COMMERCIAL	UNKNOWN	012	1-1/4"	UNDER 3"	3	0	0	4	7	0	14	UNKNOWNUNDER 3"	568		
COMMERCIAL	UNKNOWN	020	2"	UNDER 3"	4	0	0	1	1	0	6	UNKNOWNUNDER 3"	568		
COMMERCIAL	UNKNOWN	030	3"	3"	1	0	0	0	1	0	2	UNKNOWN3"	1,005		
COMMERCIAL	UNKNOWN	040	4"	4"	1	0	0	0	0	0	1	UNKNOWN4"	3,888		
COMMERCIAL	UNKNOWN	060	6"	6"	1	0	0	0	0	0	1	UNKNOWN6"	15,139		
INDUSTRIAL	DS	000	UNCLASSIFIED	UNDER 3"	4	0	0	0	0	0	4	DSUNDER 3"	568	DS/IS	2,273

Columbia Gas of Kentucky, Inc.
 Master Code Summation Statistics
 As of February 29, 2016

Master Tap Codes

NAME	RATE SCHEDULE	PIPE SIZE	Pipe Size Description	Classification	BLANK	P	S	*	±	INVALID	TOTAL	KEY	RATE CASE		
													AVG UNIT COST	RATE	
INDUSTRIAL	DS	012	1-1/4"	UNDER 3"	1	0	0	0	0	0	1	DSUNDER 3"	568	DS/IS	568
INDUSTRIAL	DS	020	2"	UNDER 3"	3	0	0	1	1	0	5	DSUNDER 3"	568	DS/IS	2,842
INDUSTRIAL	DS	030	3"	3"	10	0	0	2	0	0	12	DS3"	1,005	DS/IS	12,057
INDUSTRIAL	DS	040	4"	4"	12	0	0	1	0	0	13	DS4"	3,888	DS/IS	50,546
INDUSTRIAL	DS	060	6"	6"	4	0	0	0	0	0	4	DS6"	15,139	DS/IS	60,558
INDUSTRIAL	DS	080	8"	8"	1	0	0	1	0	0	2	DS8"	7,539	DS/IS	15,079
INDUSTRIAL	DS3	000	UNCLASSIFIED	UNDER 3"	2	0	0	0	0	0	2	DS3UNDER 3"	568	DS-ML	1,137
INDUSTRIAL	DS3	020	2"	UNDER 3"	1	0	0	0	0	0	1	DS3UNDER 3"	568	DS-ML	568
INDUSTRIAL	FX5	000	UNCLASSIFIED	UNDER 3"	2	0	0	0	0	0	2	FX5UNDER 3"	568	DS-ML	1,137
INDUSTRIAL	FX5	060	6"	6"	1	0	0	0	0	0	1	FX56"	15,139	DS-ML	15,139
INDUSTRIAL	FX7	060	6"	6"	1	0	0	0	0	0	1	FX76"	15,139	DS/IS	15,139
INDUSTRIAL	GDS	000	UNCLASSIFIED	UNDER 3"	1	0	0	0	0	0	1	GDSUNDER 3"	568	GS-OTHER	568
INDUSTRIAL	GDS	020	2"	UNDER 3"	5	0	2	2	0	0	9	GDSUNDER 3"	568	GS-OTHER	5,115
INDUSTRIAL	GDS	030	3"	3"	2	0	0	0	0	0	2	GDS3"	1,005	GS-OTHER	2,010
INDUSTRIAL	GDS	040	4"	4"	5	0	0	0	0	0	5	GDS4"	3,888	GS-OTHER	19,441
INDUSTRIAL	GSO	000	UNCLASSIFIED	UNDER 3"	3	0	0	0	0	0	3	GSOUNDER 3"	568	GS-OTHER	1,705
INDUSTRIAL	GSO	010	1"	UNDER 3"	10	0	0	0	1	0	11	GSOUNDER 3"	568	GS-OTHER	6,252
INDUSTRIAL	GSO	012	1-1/4"	UNDER 3"	2	0	0	0	0	0	2	GSOUNDER 3"	568	GS-OTHER	1,137
INDUSTRIAL	GSO	015	1-1/2"	UNDER 3"	1	0	0	0	0	0	1	GSOUNDER 3"	568	GS-OTHER	568
INDUSTRIAL	GSO	020	2"	UNDER 3"	14	0	0	0	0	0	14	GSOUNDER 3"	568	GS-OTHER	7,957
INDUSTRIAL	GSO	030	3"	3"	3	0	0	0	0	0	3	GSO3"	1,005	GS-OTHER	3,014
INDUSTRIAL	GSO	040	4"	4"	4	0	0	1	0	0	5	GSO4"	3,888	GS-OTHER	19,441
INDUSTRIAL	GSO	060	6"	6"	1	0	0	0	0	0	1	GSO6"	15,139	GS-OTHER	15,139
INDUSTRIAL	GTO	000	UNCLASSIFIED	UNDER 3"	1	0	0	0	1	0	2	GTOUNDER 3"	568	GS-OTHER	1,137
INDUSTRIAL	GTO	010	1"	UNDER 3"	4	0	0	0	1	0	5	GTOUNDER 3"	568	GS-OTHER	2,842
INDUSTRIAL	GTO	020	2"	UNDER 3"	5	0	0	0	0	0	5	GTOUNDER 3"	568	GS-OTHER	2,842
INDUSTRIAL	GTO	030	3"	3"	2	0	0	0	0	0	2	GTO3"	1,005	GS-OTHER	2,010
INDUSTRIAL	SC3	016	1-5/8"	UNDER 3"	1	0	0	1	0	0	2	SC3UNDER 3"	568	DS/IS	1,137
INDUSTRIAL	SC3	030	3"	3"	1	0	0	0	0	0	1	SC33"	1,005	DS/IS	1,005
ELECTRIC GEN	GSO	080	8"	8"	1	0	0	0	0	0	1	GS08"	7,539	GS-OTHER	7,539
OTHER	GTO	060	6"	6"	1	0	0	0	0	0	1	GTO6"	15,139	GS-OTHER	15,139
OTHER	IUS	000	UNCLASSIFIED	UNDER 3"	2	0	0	0	0	0	2	IUSUNDER 3"	568	IUS	1,137
TOTAL					114,281	1,930	1,188	8,610	13,706	0	139,715				80,522,103

GS-RES	71,026,626	88.22800%
GS-OTHER	9,192,084	11.418%
DS/IS	284,275	0.353%
IUS	1,137	0.001%
N/A	0	0.000%
N/A	0	0.000%
Subtotal	80,504,121	100.000%
DS-ML	17,981	
Total	80,522,103	
Unknown	35,880,856	
Total 380	116,402,958	

COLUMBIA GAS OF KENTUCKY, INC.
2" MINIMUM SYSTEM CALCULATION
FEBRUARY 29, 2016

2" Pipe

	<u>Qty</u>	<u>Amount</u>
Total 2 " Pipe	4,906,346	\$ 45,155,907

All Pipe

Total All Pipe	14,119,350	\$ 200,461,723
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Cost - 2" Pipe	<u>45,155,907</u>
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Quantity - 2" Pipe	4,906,346
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Unit Cost - 2" Pipe	\$ 9.2036
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Quantity - All Pipe	x <u>14,119,350</u>
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Cost Minimum System	<u>\$ 129,948,850</u>
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Cost - All Pipe	\$ 200,461,723
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Customer Component	0.64825
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Demand Component	0.35175
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1.0000

**COLUMBIA GAS OF KENTUCKY, INC.
DEVELOPMENT OF CUSTOMER/DEMAND ALLOCATION -FACTOR 3
FOR TME DECEMBER 31, 2017**

<u>Ln. No.</u>	<u>Rate Class</u>	<u>Customers</u>	<u>Ratio</u>	<u>Customer Component Factor</u>	<u>Design Day Volume</u>	<u>Ratio</u>	<u>Demand Component Factor</u>	<u>Total</u>
	(1)	(2)	(3)	(4) = (3) * 64.825%	(5)	(6)	(7) = (6) * 35.175%	(8) = (4) + (7)
1	GS-Residential	121,915	89.661%	58.123%	137,300	44.549%	15.670%	73.793%
2	GS-Other	13,977	10.279%	6.663%	88,300	28.650%	10.078%	16.741%
3	IUS	2	0.001%	0.001%	200	0.065%	0.023%	0.024%
4	DS/IS	79	0.058%	0.038%	82,400	26.736%	9.404%	9.442%
5	Total Excl. DS-ML	135,973	100.000%	64.825%	308,200	100.000%	35.175%	100.000%

COLUMBIA GAS OF KENTUCKY, INC.
Development of Factor 21 - Uncollectibles
For TME February 28, 2016

<u>Ln.</u>	<u>Customer Class</u>	<u>Net Charge-Offs</u>											
1	Residential	\$	1,022,789										
2	Commercial	\$	155,603										
3	Industrial	\$	248										
4	Total	\$	1,178,640										
			<u>Total Company</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>					
5	Residential Customers		121,915	121,915									
6	Commercial & Industrial Customers		14,064		13,977	2	6	79					
7	% Residential		100.000%	100.000%									
8	% Commercial & Industrial		100.000%		99.381%	0.014%	0.043%	0.562%					
9	Net Charge-Offs	\$	1,178,639	\$	1,022,789	\$	154,887	\$	22	\$	66	\$	875
10	Factor 21		100.000%	86.777%	13.141%	0.002%	0.006%	0.074%					

Columbia Gas of Kentucky, Inc.
Calculation of Revenue Requirement Classification Factor - Customer/Demand Study
For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>Total Company</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>
1 PRODUCTION	343,696	0	341,557	2,139
2 DISTRIBUTION - O&M OPERATION	13,521,662	11,363,435	95,566	2,062,661
3 DISTRIBUTION - O&M MAINT.	4,947,314	3,594,717	1,838	1,350,759
4 CUSTOMER ACCOUNTS	5,539,212	5,539,212	0	0
5 CUSTOMER SERVICE & INFOR.	1,546,761	1,546,761	0	0
6 SALES	176,183	176,183	0	0
7 ADMINISTRATIVE & GENERAL 1/	18,844,010	15,763,874	37,727	3,042,408
8 DEPRECIATION & AMORTIZATION	15,939,787	13,553,430	0	2,386,356
9 TAXES OTHER THAN INCOME	<u>4,790,881</u>	<u>3,863,259</u>	<u>6,337</u>	<u>921,285</u>
10 EXPENSES AND OTHER TAXES	65,649,506	55,400,871	483,025	9,765,608
11 RATE BASE	253,360,780	162,541,520	60,219	90,759,040
12 INCOME TAX @ 0.0360350126	9,129,859	5,857,186	2,170	3,270,503
13 RETURN @ 0.0824	20,876,928	13,393,421	4,962	7,478,545
14 REVENUE REQUIREMENT	95,656,293	74,651,478	490,157	20,514,656
15 ALLOCATION FACTOR 22	100.000%	78.042%	0.512%	21.446%

1/ Excluding Regulatory Commission Expense PSC Fees

Columbia Gas of Kentucky, Inc.
Calculation of Revenue Requirement Classification Factor - Demand/Commodity Study
For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>Total Company</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>
1 PRODUCTION	343,696	0	341,557	2,139
2 DISTRIBUTION - O&M OPERATION	13,521,662	7,562,101	3,027,564	2,932,000
3 DISTRIBUTION - O&M MAINT.	4,947,314	1,105,365	1,921,894	1,920,057
4 CUSTOMER ACCOUNTS	5,539,212	5,539,212	0	0
5 CUSTOMER SERVICE & INFOR.	1,546,761	1,546,761	0	0
6 SALES	176,183	176,183	0	0
7 ADMINISTRATIVE & GENERAL 1/	18,844,010	10,788,523	3,875,253	4,180,234
8 DEPRECIATION & AMORTIZATION	15,939,787	9,155,554	3,392,118	3,392,118
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 EXPENSES AND OTHER TAXES	65,649,506	38,039,095	13,874,297	13,736,122
11 RATE BASE	253,360,780	72,360,386	69,617,593	111,382,801
12 INCOME TAX @ 0.0360350126	9,129,859	2,607,507	2,508,671	4,013,681
13 RETURN @ 0.0824	20,876,928	5,962,496	5,736,490	9,177,943
14 REVENUE REQUIREMENT	95,656,293	46,609,098	22,119,458	26,927,746
15 ALLOCATION FACTOR 22	100.000%	48.725%	23.124%	28.151%

1/ Excluding Regulatory Commission Expense PSC Fees

Columbia Gas of Kentucky, Inc.
Calculation of Revenue Requirement Classification Factor - Average Study
For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>Total Company</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>
1 PRODUCTION	343,696	0	341,557	2,139
2 DISTRIBUTION - O&M OPERATION	13,521,662	9,462,768	1,561,565	2,497,330
3 DISTRIBUTION - O&M MAINT.	4,947,314	2,350,040	961,866	1,635,407
4 CUSTOMER ACCOUNTS	5,539,212	5,539,212	0	0
5 CUSTOMER SERVICE & INFOR.	1,546,761	1,546,761	0	0
6 SALES	176,183	176,183	0	0
7 ADMINISTRATIVE & GENERAL 1/	18,844,012	13,276,201	1,956,492	3,611,322
8 DEPRECIATION & AMORTIZATION	15,939,787	11,354,490	1,696,059	2,889,238
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 EXPENSES AND OTHER TAXES	65,649,508	46,719,983	7,178,662	11,750,865
11 RATE BASE	253,360,781	117,450,953	34,838,908	101,070,924
12 INCOME TAX @ 0.0360350126	9,129,859	4,232,347	1,255,420	3,642,092
13 RETURN @ 0.0824	20,876,928	9,677,959	2,870,726	8,328,244
14 REVENUE REQUIREMENT	95,656,295	60,630,289	11,304,808	23,721,201
15 ALLOCATION FACTOR 22	100.000%	63.384%	11.818%	24.798%

1/ Excluding Regulatory Commission Expense PSC Fees

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

11. Describe the procedures Columbia uses to plan and approve construction projects.

Response:

Columbia's procedures for planning and approving construction projects begin by first developing the overall scope of the project. Columbia's engineering department develops the project scope based on the most cost effective way to complete the project. The engineering department will generally visit the proposed construction site to determine the preferred location to install new facilities. During this site visit, the engineering department determines if there are site conditions that would hinder the ability to effectively execute the project and then will make adjustments to proposed construction route as needed.

Columbia then completes or confirms its customer load studies through the use of hydraulic software which simulates the flow of gas through the system to ensure all proposed facilities are properly sized. With the proposed scope of the project completed and the size of the facilities determined, Columbia then

will generate the drawings or plans for that project that depicts the size and location of the proposed facilities for the project. After the drawings or plans are completed, Columbia's engineering department then develops the detailed project job order estimate in our work management system detailing the estimated company labor hours, material, company vehicles, contractor units, and other miscellaneous costs required to complete the project.

Once the detailed project estimate is completed, Columbia's engineering department reviews the project with the construction department to address any construction related challenges that may exist on the project and to make adjustments to the plan prior to the approval of the project. The final step in the process is the submittal and approval of the project. Based on the estimated cost, each project is submitted for budgetary review and approval within the engineering organization based on NiSource's capital governance policy. Any project with a total cost estimate in excess of \$1.5 million requires minimum signature approval by the Vice President Engineering & Construction.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

12. Provide Columbia's long-term construction planning program.

Response:

Columbia's long-term construction planning program focuses on the continued execution of the AMRP. From 2008 through 2015, Columbia retired approximately 88 miles of priority pipe. Columbia has approximately 416 miles of priority pipe remaining that will be retired over the course of the program.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

13. Concerning Columbia's construction projects:
 - a. For each project started during the last ten calendar years, provide the information requested in the format contained in Schedule 13a. For each project, include the amount of any cost variance and delay encountered, and explain in detail the reasons for such variances and delays.
 - b. Using the data included in Schedule 13a, calculate the annual "Slippage Factor" associated with those natural gas construction projects. The Slippage Factor should be calculated as shown in Schedule 13b.
 - c. In determining the capital additions reflected in the base period and forecasted test period, explain whether Columbia recognized a Slippage Factor.

Response:

Columbia's construction related capital expenditures are allocated and managed predominately across the following four budget classes: growth, betterment, replacement and public improvement. All capital construction projects involving the installation of distribution main and plant facilities have a unique capital work order assigned to track the total capital cost. These construction projects are considered capital design projects. Columbia budgets and monitors the variances associated with each of these projects over the entire duration of the project. Since many of these projects involve construction timeframes and capital expenditures which overlap a calendar or budget year, Columbia monitors variances after the project is completed when all expected capital charges have been captured.

There are other capital related construction activities that involve the installation of non-design facilities which represent a considerable portion of Columbia's overall capital budget. A key example of this type of construction activity involves the installation of new and replacement service lines less than three inches in diameter. The capital expenditures associated with non-design capital work is aggregated in budget categories based on the activity completed. Columbia aligns each of these activities under the appropriate budget class and

manages both the construction projects and non-design capital work at the budget class level.

Concerning Columbia's construction projects, see Attachment A to Staff 01-13 for Columbia's projects from 2006 – 2015. Concerning the annual slippage factor, Columbia witnesses Belle and Katko recognized the slippage factor in direct testimony. Columbia calculated its slippage factor based on total capital expenditures which include both construction projects and non-design construction related activities over the last 10 years. Columbia recognized this 10-year average slippage factor in determining the capital additions and retirements for the projected portion of the base period and the forecasted test period. See Attachment B to Staff 01-13 for Columbia's 10-year average slippage factor.

Project No.	Project Title/Description	Annual Actual	Annual Original	Variance in Dollars	Variance in %	Percent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
99026691800	INSTALL EAGLE RTU	-	-	-	-	0.44%	\$10,800.55	\$6,969.79	\$3,830.76	1/1/2005	12/31/2005	4/27/1999	1/1/2005	FACILITY FOR RTU HAD ALREADY BEEN CREATED FACILITY #356057
04026960100	REG STA 1211 SITE	-	-	-	-	0.00%	\$0.00	\$3,244.52	-\$3,244.52	1/1/2005	12/31/2005	3/1/2004	1/5/2005	COMPLETION REPORT NO SKETCH REQUIRED
04026978000	INSTALL 2110'-2"PIP MAIN	-	-	-	-	0.47%	\$11,527.07	\$28,611.03	-\$17,083.96	1/1/2005	12/31/2005	6/8/2004	1/10/2005	LAND SERVICES ESTIMATED CHARGES, UNDERRUN DUE TO ONLY HAD TO
04026981900	RELOCATE 135' OF 2"PMMP	-	-	-	-	0.22%	\$5,505.47	\$8,300.28	-\$2,794.81	1/1/2005	12/31/2005	7/6/2004	1/12/2005	ESTIMATED TO RECONNECT TWO SERVICES ON MAYSVILLE RD, THE SERVICES WAS
05026103300	REPLACE EFC	-	-	-	-	0.00%	\$115.12	\$51.49	\$63.63	1/1/2005	12/31/2005	1/12/2005	1/12/2005	COMPLETION/NO SKETCH REQUIRED
04026999000	INSTALL 392' OF 6"PMLP	-	-	-	-	0.39%	\$9,713.42	\$7,445.08	\$2,268.34	1/1/2005	12/31/2005	12/9/2004	1/25/2005	JOB REQUIRED 388 FEET OF 6 INCH PLASTIC AND 30 FEET OF 4" PLASTIC
04026997500	INSTALL APPROX. 325'/2"PMIP	-	-	-	-	0.56%	\$13,741.50	\$7,881.28	\$5,860.22	1/1/2005	12/31/2005	12/3/2004	1/25/2005	INSTALLED 300 FT. OF 2 IN. PIP AND 4 FT. OF 2 IN. IP STEEL MAIN.
04026990500	INSTALL 160'/2"PMMP	-	-	-	-	0.33%	\$8,227.13	\$7,181.68	\$1,208.45	1/1/2005	12/31/2005	9/23/2004	1/27/2005	INSTALLED 160 FT. OF 2 IN. PIP MAIN.
04026996500	INSTALL 630'-4"PLP MAIN	-	-	-	-	0.27%	\$6,795.74	\$7,990.45	-\$1,194.71	1/1/2005	12/31/2005	11/4/2004	1/31/2005	JOB REQUIRED LESS TIME THAN ESTIMATED, WAS ABLE TO DO STRAIGHT TIE IN
05026104400	INSTALL 210'/2"PMIP	-	-	-	-	0.25%	\$6,162.68	\$6,022.04	\$140.64	1/1/2005	12/31/2005	1/24/2005	1/31/2005	INSTALLED 215 FT. OF 2 IN. PIP MAIN
05026102500	INSTALL 100' - 2" PMIP	-	-	-	-	0.03%	\$685.13	\$1,357.76	-\$672.63	1/1/2005	12/31/2005	1/6/2005	2/7/2005	UNDERRUN DUE TO INSTALLATION BY COMPANY LABOR VS. CONTRACT LABOR
05026107700	REPLACE MAIN - LEAKAGE	-	-	-	-	0.11%	\$2,605.56	\$3,377.30	-\$771.74	1/1/2005	12/31/2005	3/3/2005	2/8/2005	LEAK CLEARED ON JOB ORDER 04-5869138-00DPI B345624
04026994700	INSTALL 762' OF 4" PMMP	-	-	-	-	0.80%	\$19,864.50	\$19,043.85	\$820.65	1/1/2005	12/31/2005	10/21/2004	2/11/2005	NO ROCK EXCAVATION AS ESTIMATED
04026995700	INSTALL 649' OF 4"PMMP	-	-	-	-	0.38%	\$9,289.53	\$12,115.46	-\$2,825.93	1/1/2005	12/31/2005	11/1/2004	2/11/2005	TWALKER/KY-KY PLANS IN FUTURE TO TIE IN NEW 4" PM ON SYSTEM 32010158 TODDS
04026976500	INSTALL 730'-2"PMP MAIN	-	-	-	-	0.18%	\$4,538.69	\$8,528.69	-\$3,990.00	1/1/2005	12/31/2005	6/3/2004	2/21/2005	JOB UNDERRUN DUE TO NO ROCK EXCAVATION REQUIRING LESS TIME
03026937700	INST 2471 8" WTHP AND 240'PMP	-	-	-	-	10.57%	\$261,728.52	\$255,344.80	\$6,383.72	1/1/2005	12/31/2005	9/24/2003	2/22/2005	8" PIPE ORDERED ON MATL JO #04-5862182-00
03026937600	INSTALL 8" PMP & WTMP SERVICE	-	-	-	-	0.64%	\$15,729.74	\$7,687.22	\$8,042.52	1/1/2005	12/31/2005	9/24/2003	2/22/2005	JOB OVERRAN DUE TO CHANGING LENGTH OF SERVICE. ESTIMATED AT 100' OF 8"
04026994600	INSTALL 950' OF 2" PMMP	-	-	-	-	0.18%	\$4,344.36	\$10,128.85	-\$5,784.49	1/1/2005	12/31/2005	10/21/2004	2/23/2005	UNDERRUN DUE TO NO ROCK OR EXTRA DEPTH NEEDED. LESS TIME THAN ESTIMATED
05026103800	RELOCATE 127' OF 2" PMMP	-	-	-	-	0.08%	\$2,031.23	\$6,593.08	-\$4,561.85	1/1/2005	12/31/2005	1/13/2005	2/23/2005	WAS ABLE TO STRIP OUT BOTH ENDS AND LOWER PIPE. THER WAS NO ROCK
04026101100	INSTALL 230'/2"PMIP	-	-	-	-	0.08%	\$1,976.16	\$2,229.76	-\$253.60	1/1/2005	12/31/2005	12/17/2004	3/1/2005	WORK DONE BY COMPANY EMPLOYEES
03026946700	INSTALL 3215' OF 2" PMMP	-	-	-	-	0.40%	\$9,903.41	\$13,780.36	-\$3,876.95	1/1/2005	12/31/2005	12/4/2003	3/2/2005	BLANE IN PROGRESS
05026108300	REPLACE MAIN - LEAKAGE	-	-	-	-	0.01%	\$220.52	\$0.00	\$220.52	1/1/2005	12/31/2005	3/7/2005	3/7/2005	JOB ORDER CREATED TO TRANSFER CHARGES FROM JO 02-0268943-00
04026991200	INSTALL 2680'-2"&455'-4"MAIN	-	-	-	-	0.70%	\$17,313.10	\$23,201.97	-\$5,888.87	1/1/2005	12/31/2005	10/4/2004	3/8/2005	JOB UNDER RAN...NO STREET CUTS OR SIDE WALK CUTS.REQUIRED LESS TIME TO INS
04026987000	RELOCATE 1250' OF 2" PMMP	-	-	-	-	0.86%	\$21,223.19	\$25,763.56	-\$4,540.37	1/1/2005	12/31/2005	8/11/2004	3/15/2005	JOB UNDER RAN DUE TO NO ROCK EXCAVATION OR EXTRA DEPTH. JOB COMPLETED IN
04000130900	GAS MEASUREMENT STREAMLINE	-	-	-	-	0.00%	\$0.00	\$1,726.00	-\$1,726.00	1/1/2005	12/31/2005	7/29/2004	3/15/2005	TWALKER/KY-NO SIGNED JOB ORDERS AND NO SKETCH FOR COMPLETION REPORT.
04026990200	INSTALL 4660'-2" & 2950'-4"PMIP	-	-	-	-	1.15%	\$28,489.80	\$42,484.80	-\$13,995.00	1/1/2005	12/31/2005	9/14/2004	3/22/2005	JOB IS IN PROGRESS, INSTALLED 1,034' OF PIPE PLUS A 30' ROAD BORE.
95026406400	PURCH & INST NETWORK EQUIP	-	-	-	-	0.15%	\$3,691.45	\$5,679.95	-\$1,988.50	1/1/2005	12/31/2005	2/28/1995	4/7/2005	EQUIPMENT WAS INSTALLED IN AUG & SEP 1995. JOB ORDER WAS NEVER EXECUTED
04026966100	INSTALL 3870/4" PMMP	-	-	-	-	5.00%	\$123,814.90	\$87,494.63	\$36,320.27	1/1/2005	12/31/2005	4/13/2004	4/8/2005	INSTALLED 4520 FT. OF 4 IN. MAIN.
99026726100	ACQUIRE REGULATOR SITE	-	-	-	-	0.53%	\$13,036.87	\$0.00	\$13,036.87	1/1/2005	12/31/2005	11/16/1999	4/11/2005	COMPLETION REPORT NO SKETCH REQUIRED
04026100600	RELOCATE 291' OF 2"PMIP	-	-	-	-	0.32%	\$7,824.00	\$11,344.34	-\$3,520.34	1/1/2005	12/31/2005	12/16/2004	4/15/2005	TWO 2 1/2 IN SST'S SPECIAL ORDERED. PAID CONTRACTOR ITEM #15-080 3"SST
05026102900	INSTALL 325'/3" PMIP MAIN	-	-	-	-	0.51%	\$12,676.14	\$8,439.42	\$4,236.72	1/1/2005	12/31/2005	1/11/2005	4/18/2005	INSTALLED 273 FT. OF 3 IN. PIP MAIN.
05026103000	INSTALL 25'/3" SERVICE LINE	-	-	-	-	0.13%	\$3,329.03	\$766.07	\$2,562.96	1/1/2005	12/31/2005	1/11/2005	4/18/2005	INSTALLED S/L
04026996900	RELOCATE 1193' OF 3" & 4"PMIP	-	-	-	-	1.70%	\$42,001.87	\$87,671.35	-\$45,669.48	1/1/2005	12/31/2005	11/18/2004	4/19/2005	JOB UNDER RAN DUE TO LESS TIME DUE TO LESS ROCK EXCAVATION, NO STREET PLATES
04026962800	INSTALL 600'-2"PMP MAIN	-	-	-	-	0.50%	\$12,486.57	\$6,900.24	\$5,586.33	1/1/2005	12/31/2005	3/19/2004	4/22/2005	JOB OVERRAN...LAND SERVICES ESTIMATED FOR \$1545.00 ACTUAL COST FOR LAND
05026104300	INSTALL 564'-4"P MAIN	-	-	-	-	0.42%	\$10,360.80	\$5,902.08	\$5,318.72	1/1/2005	12/31/2005	1/24/2005	4/25/2005	JOB OVERRAN DUE TO COULD NOT LOCATE END OF MAIN TO TIE IN...MAIN TOO DEEP
04026986000	RELOCATED 3609' OF 4",2" WT&P	-	-	-	-	5.99%	\$148,264.75	\$105,226.95	\$43,037.80	1/1/2005	12/31/2005	8/2/2004	4/28/2005	RECLAIMED 270 OF 4" STEEL THAT WAS RETIRED FOR CASING
05026105000	INSTALL 345'/2"PMIP	-	-	-	-	0.65%	\$16,057.70	\$9,491.78	\$6,565.92	1/1/2005	12/31/2005	1/31/2005	5/11/2005	THIS IS MAIN EXTENSION THROUGH PARKING LOT OF TENNIS CENTER. NO CENTER LINE
04026998400	REPLACE 640' OF 4" WTHP	-	-	-	-	1.48%	\$36,748.48	\$32,833.50	\$3,914.98	1/1/2005	12/31/2005	12/7/2004	5/13/2005	STEVE SAMPLES TO COMPLETE
05026124100	REPLACE MAIN - LEAKAGE	-	-	-	-	0.12%	\$2,874.77	\$4,007.13	-\$1,132.36	1/1/2005	12/31/2005	6/27/2005	5/24/2005	PAVING HAS BEEN COMPLETED BUT NOT INVOICED AS OF 7-7-05
05026120000	INSERT 40' OF 3" PLP	-	-	-	-	0.12%	\$2,938.06	\$2,966.10	-\$28.04	1/1/2005	12/31/2005	5/31/2005	5/31/2005	RECLAIMED 50' OF 4"STEEL PIPE FOR CASING
05026112700	INSTALL 665'/4" & 6" PMLP	-	-	-	-	0.92%	\$22,669.90	\$56,829.42	-\$34,159.52	1/1/2005	12/31/2005	4/21/2005	6/2/2005	UNDERRUN DUE TO REDUCED PAVING BY LOCATING MAIN IN GRASS AREAS AND BORING
05026109500	INSTALL 2012' OF 4"WTHP	-	-	-	-	2.62%	\$64,797.76	\$51,882.33	\$12,915.43	1/1/2005	12/31/2005	3/22/2005	6/9/2005	TWALKER/KY 07-20-06: JOB OVER RAN DUE TO CHANGE IN SEGA RATE AND LABOR
05026102600	INSTALL 540'/4"PMIP-LOCK LN	-	-	-	-	0.87%	\$21,549.71	\$19,817.56	\$1,732.15	1/1/2005	12/31/2005	1/7/2005	6/16/2005	INSTALLED 525 FT. OF 4 IN PIP AND 42 FT. OF 4 IN. STEEL.
05026111100	INSTALL 975' - 2" PMMP	-	-	-	-	0.27%	\$6,599.20	\$14,182.59	-\$7,583.39	1/1/2005	12/31/2005	4/6/2005	6/23/2005	INSTALLED 975 FT. OF 2 INCH PLASTIC MAIN
04026101600	INSTALL 560'/4"PM	-	-	-	-	1.01%	\$24,960.46	\$16,383.87	\$8,576.59	1/1/2005	12/31/2005	12/29/2004	6/24/2005	INSTALLED 610 FT. OF 4 IN. PLP MAIN.
05026112600	INSTALL 294'-2"PMMP MAIN	-	-	-	-	0.39%	\$9,535.76	\$4,605.21	\$4,930.55	1/1/2005	12/31/2005	4/21/2005	6/27/2005	DID NOT NEED RIGHT-A-WAY PER JEFF MOBLEY
05026123500	INSTALL 150'/2" LP & 170'/2"MP	-	-	-	-	0.24%	\$5,834.11	\$3,317.73	\$2,516.38	1/1/2005	12/31/2005	6/20/2005	6/28/2005	INSTALLED 150FT. OF 2IN. LP MAIN AND 170FT. OF 2IN. MP MAIN
05026107300	INSTALL 64' - 2" PMIP	-	-	-	-	0.47%	\$11,707.42	\$6,770.75	\$4,936.67	1/1/2005	12/31/2005	2/28/2005	6/28/2005	INSTALLED 60 FT. OF 2 IN. PIP MAIN.
05026121600	INSTALL 406'-2"PMMP	-	-	-	-	0.54%	\$13,465.63	\$7,939.83	\$5,525.80	1/1/2005	12/31/2005	6/7/2005	6/30/2005	TWALKER/KY 07-20-06: JOB OVER RAN DUE TO HIGHER SEGA RATES AND PROJECT
05026118100	INSTALL EFC	-	-	-	-	0.14%	\$3,362.99	\$3,047.70	\$315.29	1/1/2005	12/31/2005	5/20/2005	7/15/2005	COMPLETION REPORT--SKETCH NOT REQUIRED.ZS
05026124301	INSTALL RE-LIGHT KIT	-	-	-	-	0.00%	\$0.00	\$8,377.16	-\$8,377.16	1/1/2005	12/31/2005	11/21/2005	7/19/2005	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
05026117900	INSTALL EFC	-	-	-	-	0.11%	\$2,629.01	\$3,047.70	-\$418.69	1/1/2005	12/31/2005	5/20/2005	7/21/2005	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
05026108600	INSTALL 645' - 2" PMMP	-	-	-	-	0.32%	\$7,864.13	\$6,734.59	\$1,129.54	1/1/2005	12/31/2005	3/9/2005	7/22/2005	INSTALLED 675FT. OF 2 IN. PMP.
05026116700	INSTALL 3700'-6"PMMP & 400'-4"	-	-	-	-	2.57%	\$63,710.86	\$77,270.96	-\$13,560.10	1/1/2005	12/31/2005	5/11/2005	8/3/2005	TWALKER/KY 06-09-06: THE SYSTEM NUMBER CHANGED FROM 32010075 TO 32010158 AS
05026111900	INSTALL 3685'-4"PMMP MAIN	-	-	-	-	2.28%	\$56,440.35	\$37,275.59	\$19,164.76	1/1/2005	12/31/2005	4/11/2005	8/3/2005	TWALKER/KY 07-20-06: JOB OVER RAN DUE TO HIGHER SEGA RATE, PROJECT REQUIRED
05026100700	INST 1530'-4"/7592'-2"PMMP	-	-	-	-	2.28%	\$56,471.14	\$52,022.41	\$4,448.73	1/1/2005	12/31/2005	3/22/2005	8/4/2005	TWALKER/KY 06-09-06: JOB WAS DELAYED DUE TO RICHMOND ROAD UPRATE. SYSTEM
05026121100	RTU- INSTALL 80AH BATTERY BANK	-	-	-	-	0.05%	\$1,335.86	\$841.00	\$494.86	1/1/2005	12/31/2005	6/6/2005	8/9/2005	PER BILL WESTLING: THE OVER RUN WAS DUE TO ADDITIONAL
05026121300	RTU- INSTALL 80AH BATTERY BANK	-	-	-	-	0.05%	\$1,335.85	\$841.00	\$494.85	1/1/2005	12/31/2005	6/6/2005	8/9/2005	PER BILL WESTLING: THE OVER RUN WAS DUE TO ADDITIONAL
04026982600	INSTALL 5951'-4"P & 13760'-2"P	-	-	-	-	8.21%	\$203,177.79	\$138,523.78	\$64,654.01	1/1/2005	12/31/2005	7/7/2004	8/10/2005	ORIGINAL JOB ORDER NUMBER 03-0269170-00 VOIDED TO CREATE JOB WITH SPECIFIC
04026993600	INSTALL APPROX. 2550'/4"P	-	-	-	-	3.93%	\$97,243.30	\$71,920.46</						

Project No.	Project Title/Description	Ann Actual	An nu al	Vari an ce	Per cent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
05026119800	INSTALL 997' - 6" PMMP	-	-	-	1.63%	\$40,235.08	\$52,666.47	-\$12,431.39	1/1/2005	12/31/2005	5/30/2005	9/2/2005	TWALKER/KY-JOB LOWER COST DUE TO LESS PAVING REPAIRS THAN ORIGINAL ESTIMATE
05026116100	RELOCATE GAS MAIN & VALVE	-	-	-	0.90%	\$22,222.03	\$14,673.33	\$7,548.70	1/1/2005	12/31/2005	5/4/2005	9/2/2005	TWALKER/KY-ADDED 2" GATE VALVE AS NON-STOCK ITEM, VALVE WAS INSTALLED AT
05026133200	INSTALL 100/3"PMMP	-	-	-	0.09%	\$2,232.34	\$2,678.37	-\$446.03	1/1/2005	12/31/2005	9/6/2005	9/13/2005	INSTALLED 100 FEET OF 3 INCH PLASTIC PIPE
05026127800	INSTALL 356' - 4" PM	-	-	-	0.84%	\$20,755.88	\$15,409.30	\$5,346.58	1/1/2005	12/31/2005	7/22/2005	9/14/2005	INSTALLED 365 FT. OF 4 IN. PLP AND 5 FT. OF 3 IN. PLP MAIN
04026999700	INSTALL 15'-4" PMMP S/L	-	-	-	0.04%	\$956.65	\$1,944.94	-\$988.29	1/1/2005	12/31/2005	12/13/2004	9/19/2005	INSTALLED 4 IN. PMP S/L.
05026119500	INSTALL 1260' - 8" PMMP	-	-	-	1.43%	\$35,484.68	\$34,364.77	\$1,119.91	1/1/2005	12/31/2005	5/26/2005	9/21/2005	MADE TAPS FOR THIS JOB.
05026132900	INSTALL 171' OF 1 1/4" PM	-	-	-	0.12%	\$3,085.54	\$3,253.60	-\$168.06	1/1/2005	12/31/2005	9/2/2005	9/21/2005	TWALKER/KY-DUE TO WMS UPDATE LOC NUMBER CHANGED FROM 2627 TO 2629.
05026135000	REPLACE MAIN - LEAKAGE	-	-	-	0.96%	\$23,654.72	\$17,682.26	\$5,972.46	1/1/2005	12/31/2005	9/16/2005	9/23/2005	PAVING HAS NOT BEEN COMPLETED AND INVOICED 11-02-05.
05026133100	INSTALL 150/2" PMMP	-	-	-	0.11%	\$2,825.76	\$2,143.10	\$682.66	1/1/2005	12/31/2005	9/6/2005	9/26/2005	INSTALLED 150FT./ 2IN. PMMP
04026999600	INSTALL 60' - 4" PMMP	-	-	-	0.26%	\$6,372.45	\$4,340.87	\$2,031.58	1/1/2005	12/31/2005	12/13/2004	10/4/2005	INSTALLED 60 FT. OF PMP MAIN.
05026111200	INSTALL 588' OF 2"PMMP	-	-	-	0.85%	\$21,075.31	\$19,325.66	\$1,749.65	1/1/2005	12/31/2005	4/6/2005	10/12/2005	TWALKER/KY 12-12-05: THE FOLLOWING PSID WERE CHANGED TO MP ON THIS UPRATE
05026105800	INSTALL 1240'-4" & 1240'-2"PM	-	-	-	2.51%	\$62,122.21	\$44,249.30	\$17,872.91	1/1/2005	12/31/2005	2/3/2005	10/13/2005	TWALKER/KY-10-25-05: HIGHER COST DUE TO ROCK ONSITE AND NEED FOR EXTRA
05026125000	INSTALL 425' 2" PMMP	-	-	-	0.25%	\$6,220.90	\$3,072.89	\$3,148.01	1/1/2005	12/31/2005	6/30/2005	10/13/2005	TWALKER/KY-10-31-05: JOB COST OVER RAN DUE TO FOOTAGE LESS THAN 400' AND
04026960300	INSTALL FENCE REG STA 1211	-	-	-	0.02%	\$603.46	\$547.52	\$55.94	1/1/2005	12/31/2005	3/1/2004	10/15/2005	INVOICE FOR FENCE WAS PAID WITH PAPER INVOICE NOT THUR WMS PER ZANE SALYERS
04026983800	INSTALL FENCE	-	-	-	0.07%	\$1,800.86	\$1,587.69	\$213.17	1/1/2005	12/31/2005	7/19/2004	10/15/2005	INVOICE FOR RIO GRANDE FENCE WAS PAID ON PAPER INVOICE NOT THRU WMS PER
05026106400	RELOCATE 276 OF 4"PMMP	-	-	-	0.42%	\$10,289.48	\$7,708.13	\$2,581.35	1/1/2005	12/31/2005	2/9/2005	10/17/2005	TWALKER/KY 07-20-06: JOB OVER RAN DUE TO GREATER LAND SERVICE COSTS TRANSFE
05026121700	INST.FLOW AUTOMATION 202 MODEM	-	-	-	0.00%	\$11.37	\$1,261.00	-\$1,249.63	1/1/2005	12/31/2005	6/13/2005	10/17/2005	REASON FOR UNDERRUN: NOT ALL CHARGES HAVE HIT JOB ORDER.
05026121900	INST.FLOW AUTOMATION 202 MODEM	-	-	-	0.00%	\$11.37	\$1,261.00	-\$1,249.63	1/1/2005	12/31/2005	6/13/2005	10/17/2005	REASON FOR UNDERRUN: NOT ALL CHARGES HAVE HIT JOB ORDER.
05026122100	INST.FLOW AUTOMATION 202 MODEM	-	-	-	0.00%	\$11.37	\$1,261.00	-\$1,249.63	1/1/2005	12/31/2005	6/13/2005	10/17/2005	REASON FOR UNDERRUN: NOT ALL CHARGES HAVE HIT JOB ORDER.
05026120700	RTU- INSTALL 80AH BATTERY BANK	-	-	-	0.04%	\$1,108.10	\$841.00	\$267.10	1/1/2005	12/31/2005	6/6/2005	10/18/2005	PER BILL WESTLING: THE OVER RUN WAS DUE TO ADDITIONAL
05026120900	RTU- INSTALL 80AH BATTERY BANK	-	-	-	0.04%	\$1,108.09	\$841.00	\$267.09	1/1/2005	12/31/2005	6/6/2005	10/18/2005	PER BILL WESTLING: THE OVER RUN WAS DUE TO ADDITIONAL
05026128100	INSTALL 435'-2"PMMP	-	-	-	0.39%	\$9,701.58	\$4,406.09	\$5,295.49	1/1/2005	12/31/2005	7/25/2005	10/24/2005	TWALKER/KY-10-31-05: THE JOB WAS PLANNED ON THE OVER 400' FISHEL CONTRACT
05026138500	REPLACE EFC	-	-	-	0.20%	\$4,912.35	\$3,440.40	\$1,471.95	1/1/2005	12/31/2005	10/6/2005	10/24/2005	COMPLETION REPORT--NO SKETCH.ZS
05026138000	INSTALL 5'OF 6"PM INSULATOR	-	-	-	0.21%	\$5,086.92	\$3,918.69	\$1,168.23	1/1/2005	12/31/2005	10/6/2005	10/24/2005	6" BOLTED COUPLINGS SSN 21-69-049 ORDERED ON MATERIAL JO # 05-6289989-00
05026130800	INSTALL 295' OF PMMP	-	-	-	0.11%	\$2,645.45	\$5,055.69	-\$2,410.24	1/1/2005	12/31/2005	8/11/2005	10/27/2005	TWALKER/KY-10-31-05: JOB UNDER RAN DUE TO LOWER CONTRACT LABOR EXPENSE THA
08026285400	INSTALL CATALYTIC HEATER	-	-	-	0.07%	\$1,735.36	\$305.61	\$1,429.75	1/1/2005	12/31/2005	12/15/2008	10/27/2005	COMPLETION
05026132400	RELOCATE 40'-2"/190'-4"MAIN	-	-	-	0.96%	\$23,641.68	\$22,536.48	\$1,105.20	1/1/2005	12/31/2005	8/26/2005	10/28/2005	PS&I JOB ORDER 04-0269749-00 OUTSDIE LABOR COST OF \$ 7198.00
05026130200	INSTALL 640/16"WTHP & 4" PMIP	-	-	-	4.98%	\$123,278.90	\$121,205.12	\$2,073.78	1/1/2005	12/31/2005	8/8/2005	10/31/2005	INSTALLED 565 FT. OF 4 IN. PIP MAIN AND 571 FT. OF 16 IN. ST.HP MAIN.
05026138900	INSTALL 200' OF 2" PM	-	-	-	0.15%	\$3,626.79	\$4,135.69	-\$508.90	1/1/2005	12/31/2005	10/7/2005	11/4/2005	TWALKER/KY-APPLIED FOR CITY PERMIT ON 10-25-05 CONFIRM NUMBER 7806.
05026127501	REPLACE W/825'-6"PM & 34'-8"PM	-	-	-	3.42%	\$84,599.46	\$79,850.53	\$4,748.93	1/1/2005	12/31/2005	8/4/2005	11/4/2005	JOB ORDER WAS ESTIMATED FOR CONTRACTORS TO DO WORK. COMPANY EMPLOYEES
05026123200	INST. TRANSMITTER - MAVITY	-	-	-	0.16%	\$3,988.45	\$5,422.29	-\$1,433.84	1/1/2005	12/31/2005	6/17/2005	11/10/2005	TWALKER/KY 03-05-07: NO SKETCH FOR COMPLETION REPORT.
05026131700	INSTALL 200' - 2" PMIP	-	-	-	0.26%	\$6,321.93	\$3,308.19	\$3,013.74	1/1/2005	12/31/2005	8/17/2005	11/11/2005	OVERRUN DUE TO INCREASED FOOTAGE. END OF EXISTING MAIN NOT WHERE
05026137200	INSTALL 100/2" PM	-	-	-	0.25%	\$6,097.63	\$2,670.06	\$3,427.57	1/1/2005	12/31/2005	10/3/2005	11/14/2005	INSTALLED 50 FT. OF 4 IN. AND 78 FT. OF 2 IN. OF PLP MAIN.
05026131300	RELOCATE 150'-8"WTHP	-	-	-	0.44%	\$10,962.66	\$19,127.72	-\$8,165.06	1/1/2005	12/31/2005	8/15/2005	11/16/2005	TWALKER/KY 11-18-05-THE TWO 8" SPH AND 8" ELL'S CAME FROM PROPANE PLANT
05026135300	INSTALL 336' OF NEW WTHP MAIN	-	-	-	0.77%	\$19,176.00	\$25,057.91	-\$5,881.91	1/1/2005	12/31/2005	9/19/2005	11/16/2005	TWALKER/KY 07-20-06: JOB SHOWS \$6676 CREDIT FOR STEEL PIPE AND SPH THAT WER
05026136400	INSTALL 150' - 2" PMMP	-	-	-	0.29%	\$7,290.89	\$2,867.06	\$4,423.83	1/1/2005	12/31/2005	9/27/2005	11/17/2005	INSTALLED 200 FT. OF PMP MAIN.
04026991300	INSTALL APPROX. 1230/2" PMMP	-	-	-	0.35%	\$8,776.57	\$11,828.99	-\$3,052.42	1/1/2005	12/31/2005	10/5/2004	11/18/2005	TWALKER/KY-JOB UNDERRAN DUE TO NO ROCK ONSITE WHICH RESULTED IN LOWER CONT
05026141600	INSTALL 3" PL SERVICE LINE	-	-	-	0.27%	\$6,780.28	\$4,017.19	\$2,763.09	1/1/2005	12/31/2005	10/28/2005	11/18/2005	COMPLETED BY JEFF SWEARINGEN
05026138800	INSTALL 184'-2"PMMP	-	-	-	0.17%	\$4,323.87	\$5,308.93	-\$985.06	1/1/2005	12/31/2005	10/7/2005	11/21/2005	JOB FINISHED AND WORK ORDER POUCH COMPLETED AND GIVEN TO GREG HATTON.
05026108700	INSTALL 1942' OF 2"PMMP	-	-	-	0.56%	\$13,745.54	\$14,551.59	-\$806.05	1/1/2005	12/31/2005	3/14/2005	11/23/2005	GAS ON 5-17-05 IN PHASE #1.
05026141900	INSTALL 80'-2"PMMP MAIN	-	-	-	0.07%	\$1,797.77	\$388.51	\$1,409.26	1/1/2005	12/31/2005	11/1/2005	12/1/2005	JOB ORDER COMPLETED AND POUCHED FILLED OUT AND TURNED IN TO GREG,
05026147200	INSTALL EFC	-	-	-	0.11%	\$2,791.39	\$3,436.39	-\$645.00	1/1/2005	12/31/2005	12/7/2005	12/7/2005	COMPLETION REPORT--SKETCH NOT REQUIRED. ZS
05026140200	INSTALL INSULATOR - KDMC	-	-	-	0.42%	\$10,277.62	\$2,581.03	\$7,696.59	1/1/2005	12/31/2005	10/17/2005	12/9/2005	INSTALLED 6 IN. INSULATOR IN BURIED H/L.
05026139500	INSTALL 240'-2"PMMP	-	-	-	0.26%	\$6,437.83	\$5,255.31	\$1,182.52	1/1/2005	12/31/2005	10/13/2005	12/12/2005	KBOTKINS-8 HRS PAID FOR CONTRACT CREW WAS DUE TO DEPTH OF MAIN AND
04026974600	INSTALL 1025'-2"PMMP MAIN	-	-	-	0.54%	\$13,445.31	\$11,006.37	\$2,438.94	1/1/2005	12/31/2005	5/28/2004	12/13/2005	EXTENDED 2" PMP MAIN 109 FEET TO THE END OF THE EXISTING CURB AND PAVEMENT
05026115000	INSERT 12" W/2" PLASTIC	-	-	-	0.79%	\$19,465.78	\$11,503.89	\$7,961.89	1/1/2005	12/31/2005	5/3/2005	12/13/2005	TWALKER/KY 12-22-05: JOB OVER RAN DUE TO HIGHER CONTRACT LABOR COST, JOB W
05026120200	REPLACE 30' OF 4" MJ	-	-	-	0.15%	\$3,699.23	\$4,844.21	-\$1,144.98	1/1/2005	12/31/2005	6/1/2005	12/14/2005	INSTALLED 26 FT OF 4 INCH PLASTIC MAIN TO RELACE LEAKING 4 INCH STEEL SECTI
05026130600	REPLACE TOPWORKS	-	-	-	0.66%	\$16,268.50	\$12,117.23	\$4,151.27	1/1/2005	12/31/2005	8/11/2005	12/14/2005	REPLACED TOPWORKS IN HP RUN
05026129300	INSTALL PRESSURE CONTROLLERS	-	-	-	0.71%	\$17,596.22	\$20,335.57	-\$2,739.35	1/1/2005	12/31/2005	7/29/2005	12/15/2005	OVERRUN DUE TO SEGA COSTS BEING INCLUDED IN ORIGINAL ESTIMATE IN ERROR.
05026129800	REPLACE 2" W/4" GAS MAIN	-	-	-	1.80%	\$44,434.44	\$29,889.24	\$14,545.20	1/1/2005	12/31/2005	8/3/2005	12/16/2005	TWALKER/KY 12-28-05: JOB OVER RAN DUE TO CREWS HITTING ROCK, HAD TO REMOVE
05026128400	INSTALL MAIN - LEAKAGE	-	-	-	0.63%	\$15,662.81	\$9,476.62	\$6,186.19	1/1/2005	12/31/2005	7/26/2005	12/20/2005	TWALKER/KY 12-21-05: JOB OVER RAN DUE TO MP MAIN WAS RUNNING THRU A SECTIO
05026126500	INSTALL 650'-6"PMPL/4'-10"WTL	-	-	-	3.68%	\$90,973.15	\$55,711.27	\$35,261.88	1/1/2005	12/31/2005	7/12/2005	12/20/2005	TWALKER/KY 12-30-05: JOB UNDER RAN DUE TO LESS SIDEWALK/CURB REPAIRED/REPL
05026141500	INSTALL 275/4"PMPL	-	-	-	0.56%	\$13,815.44	\$6,203.66	\$7,611.78	1/1/2005	12/31/2005	10/26/2005	12/22/2005	INSTALLED 290 FT. OF 4 IN. PLP MAIN.
05026149100	INSTALL 70' - 3" PL	-	-	-	0.16%	\$3,887.53	\$3,500.37	\$387.16	1/1/2005	12/31/2005	12/21/2005	12/27/2005	OVER RUN DUE TO DIRECTION BORE OF MAIN RATHER THAN OPEN CUT.
05026132000	INSTALL 6355'-4"&6" PMMP	-	-	-	3.29%	\$81,322.10	\$96,534.87	-\$15,212.77	1/1/2005	12/31/2005	8/19/2005	12/29/2005	TWALKER/KY 07-20-06: JOB UNDER RAN DUE TO THE CHANGE IN SEGA RATES.
						2005 Construction Project Budget	\$2,475,077.02						TWALKER/KY 1-16-06: JOB UNDER RAN DUE TO NO ROCK ENCOUNTERED AS PLANNED
05026125900	INSTALL 2510' 2"PMMP	-	-	-	0.52%	\$32,334.44	\$24,962.17	\$7,372.27	1/1/2006	12/31/2006	7/6/2005	1/9/2006	INSTALLED 1760 FT.OF 2 IN. PMP MAIN AND 2 FT. OF ST. MP MAIN.
05026141700	INSTALL 1680' - 2" PMMP	-	-	-	0.75%	\$46,911.83	\$60,238.55	-\$13,326.72	1/1/2006	12/31/2006	10/31/2005	1/10/2006	TWALKER/KY 1-16-06: THE 4" CASING THAT WAS USED ON THIS JOB WAS THE OLD
05026146600	INSERT 510'-3"PMMP	-	-	-	0.20%	\$12,477.73	\$7,939.61	\$4,538.12	1/1/2006	12/31/2006	12/2/2005	1/10/2006	TWALKER/KY 07-20-06: JOB OVER RAN BECAUSE JOB WAS PLANNED BASED ON 2 INCH
05026146900	INSTALL 1350' OF 4" PMMP	-	-	-	0.39%	\$24,244.72	\$16,526.22	\$7,718.50	1/1/2006	12/31/2006	12/6/2005	1/13/2006	TWALKER/KY 1-23-06: JOB OVER RAN DUE TO CREEK CROSSING WHICH REQUIRED MORE

Project No.	Project Title/Description	Ann Actual	An nu al	Vari an ce	Per cent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
04026994900	INSTALL 660'-8"PMMP MAIN	-	-	-	0.90%	\$55,792.77	\$34,386.47	\$21,406.30	1/1/2006	12/31/2006	10/25/2004	1/17/2006	JOB COSTS OVER RAN DUE TO ROCK EXCAVATION AND HAD TO SWITCH SIDES OF THE
05026123000	INSTALL 1612' 2" PMMP	-	-	-	0.35%	\$21,852.46	\$15,346.26	\$6,506.20	1/1/2006	12/31/2006	6/16/2005	1/18/2006	REPLACED GROUND BED
05026137000	REPLACE DEPLETED GROUND BED	-	-	-	0.18%	\$11,148.80	\$9,183.29	\$1,965.51	1/1/2006	12/31/2006	10/3/2005	1/19/2006	REPLACED GROUND BED
05026142100	REPLACE GROUNDBED	-	-	-	0.05%	\$3,136.41	\$8,729.67	-\$5,593.26	1/1/2006	12/31/2006	11/4/2005	1/19/2006	TWALKER/KY-JOB OVER RAN DUE TO DIRECTIONAL BORE REQUIRED WHICH WAS NOT PLAN
05026136001	INSTALL 570'-2"PMMP	-	-	-	0.19%	\$11,944.50	\$7,104.23	\$4,840.27	1/1/2006	12/31/2006	1/16/2006	1/20/2006	USED PRETESTED PIPE 05631517100 SOAP TESTED TIE-INS 1-19-2006 SPRICE
06026149800	REPLACE MAIN - LEAKAGE	-	-	-	0.03%	\$2,059.57	\$2,297.72	-\$238.15	1/1/2006	12/31/2006	1/3/2006	1/20/2006	LAYED 1792 FOOT OF NEW 2" PLASTIC.
05026142601	INSTALL 1960' OF 2"PMMP	-	-	-	0.15%	\$9,169.93	\$17,474.13	-\$8,304.20	1/1/2006	12/31/2006	1/16/2006	1/23/2006	TWALKER/KY 01-31-06: JOB WAS PLANNED FOR CONTRACT CREW-FISHEL BUT ALL WORK
05026136700	INSTALL 15'-2"PMMP	-	-	-	0.16%	\$10,253.64	\$5,251.56	\$5,002.08	1/1/2006	12/31/2006	9/30/2005	1/27/2006	JOB COMPLETED, GAVE WIPE SAMPLE TO G HATTON.
05026145000	RELOCATE 233'-6"PMMP/1'WT	-	-	-	0.45%	\$28,011.82	\$33,976.75	-\$5,964.93	1/1/2006	12/31/2006	11/17/2005	1/30/2006	TWALKER/KY 06-09-06: JOB EXECUTE WAS DELAYED DUE TO RICHMOND ROAD UPRATE
05026116601	INSTALL 2830'-2"PMMP	-	-	-	0.30%	\$18,485.97	\$17,325.64	\$1,160.33	1/1/2006	12/31/2006	12/5/2005	2/2/2006	COMPLETED MAIN INSTALLATION AND PUT TEST ON, WITH AN OVERNIGHT CHART. WILL
04026982501	INSTALL 2685' OF 2" PMMP MAIN	-	-	-	0.19%	\$11,869.91	\$20,927.45	-\$9,057.54	1/1/2006	12/31/2006	12/1/2005	2/3/2006	JOB OVER RAN DUE TO ROCK AND NECESSARY PADDING FOR DITCH. KBOTKINS
05026128000	INSTALL 558'-4"PM MAIN	-	-	-	0.27%	\$17,084.57	\$10,895.31	\$6,189.26	1/1/2006	12/31/2006	7/25/2005	2/7/2006	NO SKETCH REQUIRED. ZS
06026154000	INSTALL EFC	-	-	-	0.05%	\$3,058.22	\$279.83	\$2,778.39	1/1/2006	12/31/2006	2/9/2006	2/9/2006	SKETCH NOT REQUIRED. ZS
05026118300	INSTALL EFC	-	-	-	0.04%	\$2,585.51	\$3,047.70	-\$462.19	1/1/2006	12/31/2006	5/20/2005	2/10/2006	COMPLETION REPORT. NO SKETCH REQUIRED.
04026984000	INSTALL FENCE	-	-	-	0.08%	\$5,069.51	\$5,677.11	-\$607.60	1/1/2006	12/31/2006	7/19/2004	2/11/2006	BUILDING TORE DOWN
05026128801	INSTALL NEW FENCE REG 1229	-	-	-	0.04%	\$2,283.41	\$2,355.43	-\$72.02	1/1/2006	12/31/2006	10/20/2005	2/11/2006	TWALKER/KY 07-20-06: JOB OVER RAN DUE TO HIGHER SEGA RATES AND PROJECT
05026117100	RELOCATE EXSITING MAIN - UK	-	-	-	0.48%	\$29,694.37	\$19,576.09	\$10,118.28	1/1/2006	12/31/2006	5/16/2005	2/13/2006	TWALKER/KY 06-09-06: JOB COST MORE THAN ESTIMATED DUE TO CHANGE IN FISHEL C
06026151900	INSTALL 2650'-2"84"PMMP	-	-	-	0.63%	\$39,261.58	\$27,027.15	\$12,234.43	1/1/2006	12/31/2006	1/23/2006	2/20/2006	INSTALLED 240 FT. OF 2 IN. PIP MAIN.
05026141000	INSTALL 235'(2"PMIP	-	-	-	0.05%	\$2,976.70	\$4,320.06	-\$1,343.36	1/1/2006	12/31/2006	10/21/2005	2/21/2006	INSTALLED 247 FT. OF 2 IN. PIP MAIN.
05026143100	INSTALL 220' - 2" PMIP	-	-	-	0.06%	\$3,472.31	\$2,799.08	\$673.23	1/1/2006	12/31/2006	11/11/2005	2/23/2006	NONE, ORDER COMPLETE
05026145700	INSTALL 90' OF 3"PM	-	-	-	0.09%	\$5,906.62	\$3,276.40	\$2,630.22	1/1/2006	12/31/2006	11/22/2005	2/23/2006	MUST COMPLETE TIE IN AND TESTING OF MAIN.
05026143400	INSTALL 130'2"PMMP	-	-	-	0.06%	\$3,992.31	\$4,079.40	-\$87.09	1/1/2006	12/31/2006	11/11/2005	2/28/2006	LEAK ON DP1811297 WAS MADE SAFE ON 2-17-06 BY INSTALLING 4" FULL SEAL
06026155700	INSERT 612'-3"PMMP	-	-	-	0.11%	\$6,675.12	\$7,695.84	-\$1,020.72	1/1/2006	12/31/2006	2/22/2006	3/10/2006	COMPLETED MAIN EXTENSION AND THERE IS GAS ON THE MAIN, BUT THE SERVICE LINE
05026140800	INSTALL 540' OF 2"PMMP	-	-	-	0.12%	\$7,768.91	\$4,674.93	\$3,093.98	1/1/2006	12/31/2006	10/19/2005	3/20/2006	INSTALLED 900 FT. OF 4 IN PLP AND 4 FT. OF 4 IN LP STEEL.
06026155300	INSTALL 525' - 4" PM	-	-	-	0.43%	\$26,683.28	\$17,849.31	\$8,833.97	1/1/2006	12/31/2006	2/21/2006	3/20/2006	TWALKER/KY 03-28-06: JOB OVER RAN DUE TO CHANGE IN FISHEL CONTRACT (COST
06026151700	REPLACE MAIN - LEAKAGE	-	-	-	1.51%	\$94,101.75	\$45,343.15	\$48,758.60	1/1/2006	12/31/2006	1/20/2006	3/23/2006	TWALKER/KY-JOB WAS REQUIRED DUE TO 04-0629581-00 TO RETIRE 3" STEEL SERVICE
06026158100	INSTALL 5' OF 4" PM	-	-	-	0.03%	\$1,670.21	\$3,288.45	-\$1,618.24	1/1/2006	12/31/2006	3/24/2006	3/23/2006	COMPLETION REPORT - NO SKETCH REQUIRED
05026136100	INSTALL CHAINLINK FENCE/CLEAR	-	-	-	0.16%	\$9,648.68	\$10,252.16	-\$603.48	1/1/2006	12/31/2006	9/26/2005	4/3/2006	INSTALL FOOTAGE: 440' - 4" PL
06026155000	INSTALL 433' - 4" PMIP	-	-	-	0.32%	\$19,991.31	\$13,122.26	\$6,869.05	1/1/2006	12/31/2006	2/20/2006	4/8/2006	JOB OVER RUN DUE TO NEW CONTRACT PRICES, ORIGINAL WAS ESTIMATED ON OLD
05026147400	INSTALL 100'(2" PL LP MAIN	-	-	-	0.11%	\$6,708.72	\$3,542.66	\$3,166.06	1/1/2006	12/31/2006	12/7/2005	4/17/2006	JOB WAS NOT INSERTED, PLEASE CHANGE ALL HOUSES OVER TO NEW M.P. SYSTEM NUMB
05026138600	REPLACE MAIN - LEAKAGE	-	-	-	0.53%	\$32,734.12	\$28,552.03	\$4,182.09	1/1/2006	12/31/2006	10/7/2005	4/18/2006	THIS JOB WAS INSERTED INSTEAD OF DIGGING ALL THE WAY THRU SIDEWALK.
06026157400	REPLACE MAIN - LEAKAGE	-	-	-	0.42%	\$25,935.57	\$35,296.76	-\$9,361.19	1/1/2006	12/31/2006	3/21/2006	4/18/2006	NO CENTER LINE MEASUREMENTS, MAIN IN FIELD.
05026114600	INSTALL 455'(4" PMIP MAIN	-	-	-	0.35%	\$21,636.31	\$13,369.31	\$8,267.00	1/1/2006	12/31/2006	4/29/2005	4/26/2006	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
06026164600	INSTALL EFC	-	-	-	0.10%	\$6,252.10	\$3,663.21	\$2,588.89	1/1/2006	12/31/2006	5/2/2006	5/9/2006	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
06026166500	INSTALL EFC	-	-	-	0.00%	\$61.56	\$3,663.21	-\$3,601.65	1/1/2006	12/31/2006	5/8/2006	5/10/2006	COMPLETED JOB, AND ALL PAPERWORK.
06026156500	INSTALL 450' OF 2" PMMP	-	-	-	0.10%	\$6,468.00	\$4,848.04	\$1,619.96	1/1/2006	12/31/2006	3/3/2006	5/16/2006	JOB COMPLETED AND PAPERWORK FINISHED.
06026157800	INSTALL 1055' OF 2" PMMP	-	-	-	0.45%	\$28,254.79	\$13,180.84	\$15,073.95	1/1/2006	12/31/2006	3/22/2006	5/16/2006	JOB OVER RUN DUE TO CHANGE IN CONTRACT PRICES ON NEW CONTRACT AND ALSO
06026150100	INSTALL 1045'-2"PMIP	-	-	-	0.31%	\$19,381.98	\$10,262.63	\$9,119.35	1/1/2006	12/31/2006	1/4/2006	5/22/2006	TWALKER/KY 05-25-06: JOB UNDER RAN DUE TO NO ROCK ONSITE AS PLANNED WHICH
06026156100	INSTALL 2600'-2"PMMP	-	-	-	0.38%	\$23,864.84	\$30,838.68	-\$6,973.84	1/1/2006	12/31/2006	2/24/2006	5/22/2006	INSTALLED ON 05-19-06 THIS IS A MERCURY 904 31 DAY GAUGE S/N 0517222
05026130400	INSTALL DUAL RECORDING GAUGE	-	-	-	0.09%	\$5,570.93	\$2,497.58	\$3,073.35	1/1/2006	12/31/2006	8/10/2005	5/23/2006	WORK CO. ON 05-19-06 MERCURY 905 GAUGE WITH 31 DAY CHART 1850
05026130500	INSTALL NEW RECORDING GAUGE	-	-	-	0.04%	\$2,384.02	\$3,181.64	-\$797.62	1/1/2006	12/31/2006	8/11/2005	5/23/2006	JOB UNDER RAN BECAUSE THERE WAS PAVEMENT RESTORATION COSTS ESTIMATED
06026164900	INSTALL 140'-2"PMMP	-	-	-	0.06%	\$3,554.85	\$4,726.72	-\$1,171.87	1/1/2006	12/31/2006	5/4/2006	5/24/2006	CURRENT UNDERRUN DUE TO ALL LABOR & MATERIAL COSTS NOT BOOKED AS OF 7/31/06
06026159600	INSTALL 2- 36AH RTU BATTERIES	-	-	-	0.01%	\$864.67	\$926.00	-\$61.33	1/1/2006	12/31/2006	4/3/2006	5/31/2006	COMPLETION REPORT NO SKETCH REQUIRED
06026169900	REPL 3 TRANS/1-RTU INPUT CARD	-	-	-	0.08%	\$5,114.46	\$4,884.00	\$230.46	1/1/2006	12/31/2006	6/7/2006	6/1/2006	INSTALLED 100 FT. OF 2 IN. PLP MAIN.
06026158500	INSTALL 100'(2" PL LP MAIN	-	-	-	0.03%	\$1,695.50	\$1,556.05	\$139.45	1/1/2006	12/31/2006	3/27/2006	6/5/2006	INSTALL FOOTAGE: 664' - 2" PL
05026147700	INSTALL 650'-2"PMMP MAIN	-	-	-	0.27%	\$16,518.17	\$20,547.39	-\$4,029.22	1/1/2006	12/31/2006	12/12/2005	6/14/2006	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
06026170600	INSTALL EFC	-	-	-	0.01%	\$342.32	\$3,663.21	-\$3,320.89	1/1/2006	12/31/2006	6/13/2006	6/14/2006	INSTALLED 2610 FT. OF 4 IN. PMP MAIN.
05026147500	INSTALL 2725'-4"P & 480'-2"P	-	-	-	1.92%	\$119,443.80	\$125,565.56	-\$6,121.76	1/1/2006	12/31/2006	12/10/2005	6/19/2006	JOB OVER RAN BECAUSE FISHEL WAS PAID 4 HRS CREW TIME WHEN MAIN COULD NOT
06026164800	INSTALL 335'-2"PMMP	-	-	-	0.14%	\$8,590.67	\$7,038.07	\$1,552.60	1/1/2006	12/31/2006	5/3/2006	6/21/2006	INSTALLED 5 FT. OF 4 IN. PLP AND 70 FT. OF 2 IN. PLP MAIN.
06026168600	INSTALL 5'-4" PM & 65' - 2" PM	-	-	-	0.06%	\$3,658.45	\$2,750.82	\$907.63	1/1/2006	12/31/2006	5/30/2006	6/21/2006	JOB COMPLETED
05026140700	INSTALL 730'-2"PMMP	-	-	-	0.15%	\$9,149.86	\$9,394.86	-\$245.00	1/1/2006	12/31/2006	10/18/2005	6/28/2006	TWALKER/KY 07-10-06: JOB OVER RAN DUE TO STREET BORE REQUIRED WHICH NOT EST
06026169100	INSTALL 40' OF 3" SERVICE LINE	-	-	-	0.07%	\$4,609.47	\$2,545.72	\$2,063.75	1/1/2006	12/31/2006	6/1/2006	6/29/2006	TWALKER/KY 07-10-06: JOB OVER RAN DUE TO ROCK ENCOUNTERED WHICH RESULTED IN
06026152300	INSTALL 60' OF 2" PMMP	-	-	-	0.12%	\$7,672.27	\$1,651.04	\$6,021.23	1/1/2006	12/31/2006	1/26/2006	7/7/2006	TWALKER/KY 07-14-06: JOB WAS PLANNED AS TWO SEPERATE INSTALL PROJECT WHICH
05026142300	INSTALL 635' OF 4" PMMP	-	-	-	0.45%	\$27,833.05	\$16,939.57	\$10,893.48	1/1/2006	12/31/2006	11/7/2005	7/11/2006	REPLACED 30' OF 3" S MAIN
06026174800	REPLACE MAIN - LEAKAGE	-	-	-	0.11%	\$6,624.90	\$5,751.66	\$873.24	1/1/2006	12/31/2006	7/17/2006	7/19/2006	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
06026154600	INSTALL RECORDING GAUGE	-	-	-	0.04%	\$2,671.03	\$2,278.05	\$392.98	1/1/2006	12/31/2006	2/16/2006	7/21/2006	TWALKER/KY 07-31-06: JOB OVER RAN DUE TO RAIN DAYS BEING CHARGED TO JOB
06026154500	INSTALL 8" INSULATOR WITH T/S	-	-	-	0.27%	\$16,894.22	\$11,159.99	\$5,734.23	1/1/2006	12/31/2006	2/9/2006	7/21/2006	TWALKER/KY 09-12-06: PROJECT OVERAN DUE TO HIGHER LABOR COST, WE HAD TO
06026164400	NEW DISTRICT REG STATION #1856	-	-	-	0.14%	\$8,452.76	\$5,981.05	\$2,471.71	1/1/2006	12/31/2006	4/28/2006	7/27/2006	JOB ORDER OVER RAN DUE TO ORIGINAL ESTIMATE DONE ON OLD CONTRACT COSTS.
06026150400	INSTALL 800'-2"PMMP	-	-	-	0.15%	\$9,111.02	\$7,178.64	\$1,932.38	1/1/2006	12/31/2006	1/9/2006	8/1/2006	CURRENT UNDERRUN DUE TO ALL LABOR & MATERIAL COSTS NOT BOOKED AS OF 10/5/06
06026158800	INSTALL 2- 80AH RTU BATTERIES	-	-	-	0.01%	\$607.04	\$976.00	-\$368.96	1/1/2006	12/31/2006	3/31/2006	8/1/2006	CURRENT UNDERRUN DUE TO ALL LABOR & MATERIAL COSTS NOT BOOKED AS OF 10/5/06
06026159000	INSTALL 2- 80AH RTU BATTERIES	-	-	-	0.02%	\$1,055.43	\$976.00	\$79.43	1/1/2006	12/31/2006	4/3/2006	8/1/2006	CURRENT UNDERRUN DUE TO ALL LABOR & MATERIAL COSTS NOT BOOKED AS OF 10/5/06
06026159800	INSTALL 2- 36AH RTU BATTERIES	-	-	-	0.02%	\$951.85	\$926.00	\$25.85	1/1/2006	12/31/2006	4/3/2006		

Project No.	Project Title/Description	Ann Actual	An nu al	Vari an ce	Per cent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
06026160800	INSTALL 2- 36AH RTU BATTERIES	-	-	-	0.02%	\$939.99	\$926.00	\$13.99	1/1/2006	12/31/2006	4/3/2006	8/2/2006	CURRENT UNDERRUN DUE TO ALL LABOR & MATERIAL COSTS NOT BOOKED AS OF 10/5/06
06026161000	INSTALL 2- 36AH RTU BATTERIES	-	-	-	0.02%	\$946.55	\$926.00	\$20.55	1/1/2006	12/31/2006	4/3/2006	8/2/2006	CURRENT UNDERRUN DUE TO ALL LABOR & MATERIAL COSTS NOT BOOKED AS OF 10/5/06
06026161200	INSTALL 2- 36AH RTU BATTERIES	-	-	-	0.01%	\$585.55	\$926.00	-\$340.45	1/1/2006	12/31/2006	4/3/2006	8/2/2006	CURRENT UNDERRUN DUE TO ALL LABOR & MATERIAL COSTS NOT BOOKED AS OF 10/5/06
06026161400	INSTALL 2- 36AH RTU BATTERIES	-	-	-	0.02%	\$940.00	\$926.00	\$14.00	1/1/2006	12/31/2006	4/3/2006	8/2/2006	CURRENT UNDERRUN DUE TO ALL LABOR & MATERIAL COSTS NOT BOOKED AS OF 10/5/06
06026161600	INSTALL 2- 36AH RTU BATTERIES	-	-	-	0.02%	\$940.39	\$926.00	\$14.39	1/1/2006	12/31/2006	4/3/2006	8/2/2006	OVER-RUN DUE TO INCREASED LABOR HOURS FOR OPEN CUT / REPAIR OF STREETS
06026168300	INSTALL 350' - 2" PM	-	-	-	0.23%	\$14,608.08	\$6,180.85	\$8,427.23	1/1/2006	12/31/2006	5/24/2006	8/7/2006	TWALKER/KY 08-21-06: JOB COST WILL BE HIGHER DUE TO PROJECT BEING PLANNED
04026962700	INSTALL 280'-2"PMP MAIN	-	-	-	0.12%	\$7,314.10	\$2,126.97	\$5,187.13	1/1/2006	12/31/2006	3/17/2004	8/21/2006	JOB OVER RUN DUE TO NEW CONTRACT SINCE JOB WAS ESTIMATED AND JOB TOOK
05026146700	INSTALL 3"PSER	-	-	-	0.11%	\$6,724.13	\$5,471.71	\$1,252.42	1/1/2006	12/31/2006	12/5/2005	8/21/2006	INSTALLED WELD INSULATOR IN PLACE OF GV C-50.FILLED OUT CAPITAL JO POUCH
06026154400	INSTALL 8" INSULATOR & T/S	-	-	-	0.16%	\$9,753.00	\$10,199.72	-\$446.72	1/1/2006	12/31/2006	2/9/2006	8/21/2006	REPLACED 28' OF 4" STEEL WITH 4" PLASTIC PIPE
06026177800	REPLACE MAIN - LEAKAGE	-	-	-	0.12%	\$7,538.12	\$7,965.82	-\$427.70	1/1/2006	12/31/2006	8/15/2006	8/22/2006	TWALKER/KY 08-30-06: JOB WAS PLANNED ON THE 2005 FISHEL CONTRACT BUT PAID
05026145400	RELOCATE 8" PM MAIN	-	-	-	0.26%	\$16,212.57	\$10,947.40	\$5,265.17	1/1/2006	12/31/2006	11/21/2005	8/23/2006	TWALKER/KY 09-13-06: PROJECT COST CHANGED BECAUSE THE JOB WAS PLANNED TO
06026162500	INSTALL 2265' OF 2" WT/PM MAIN	-	-	-	0.90%	\$56,074.46	\$30,949.29	\$25,125.17	1/1/2006	12/31/2006	4/13/2006	8/30/2006	KBOTKINS-9-29-06. PROJECT WAS PLANNED AS A MINIMUM SPEND EMERGENCY
06026171900	REP HP MAIN/VALVE RR CROSSING	-	-	-	0.72%	\$44,848.65	\$52,731.27	-\$7,882.62	1/1/2006	12/31/2006	6/28/2006	8/31/2006	CURRENT UNDERRUN DUE TO ALL LABOR & MATERIAL COSTS NOT BOOKED BY 10/31/06
06026159200	INSTALL 2- 36AH RTU BATTERIES	-	-	-	0.02%	\$940.29	\$926.00	\$14.29	1/1/2006	12/31/2006	4/3/2006	8/31/2006	CURRENT UNDERRUN DUE TO ALL LABOR & MATERIAL COSTS NOT BOOKED BY 10/31/06
06026159400	INSTALL 2- 36AH RTU BATTERIES	-	-	-	0.02%	\$940.57	\$926.00	\$14.57	1/1/2006	12/31/2006	4/3/2006	8/31/2006	CURRENT UNDERRUN DUE TO ALL LABOR & MATERIAL COSTS NOT BOOKED BY 10/31/06
06026160200	INSTALL 2- 36AH RTU BATTERIES	-	-	-	0.02%	\$940.43	\$926.00	\$14.43	1/1/2006	12/31/2006	4/3/2006	8/31/2006	CURRENT UNDERRUN DUE TO ALL LABOR & MATERIAL COSTS NOT BOOKED BY 10/31/06
06026160400	INSTALL 2- 36AH RTU BATTERIES	-	-	-	0.02%	\$940.43	\$926.00	\$14.43	1/1/2006	12/31/2006	4/3/2006	8/31/2006	COMPLETED A 90' 2"PMP MAIN EXTENSION, WHICH WAS INSTALLED AND IN SERVICE ON
06026178600	INSTALL 90'-2"PMMP	-	-	-	0.03%	\$1,938.03	\$2,231.43	-\$293.40	1/1/2006	12/31/2006	8/18/2006	9/11/2006	TWALKER/KY 09-20-06: PROJECT OVER RAN DUE TO MORE ROCK ONSITE THAN PLANNED
05026149000	INSTALL 1205'-4"PM/4000'-2"PM	-	-	-	1.24%	\$76,994.64	\$67,404.86	\$9,589.78	1/1/2006	12/31/2006	12/20/2005	9/12/2006	INSERTED 3" PLA THRU 4" CAST IRON MAIN.
05026143500	REPLACE MAIN - LEAKAGE	-	-	-	0.21%	\$13,040.22	\$6,221.46	\$6,818.76	1/1/2006	12/31/2006	11/14/2005	9/12/2006	CLEAR LEAK BY CAPING MAIN ON 09-15-06
06026181300	REPLACE MAIN - LEAKAGE	-	-	-	0.15%	\$9,039.38	\$6,551.56	\$2,487.82	1/1/2006	12/31/2006	9/18/2006	9/18/2006	TWALKER/KY 09-29-06 - CUSTOMER LIST INCLUDED IN CONSTRUCTION POUCH, ALL
06026162300	INSTALL 1625' OF 2" PMMP	-	-	-	0.78%	\$48,723.85	\$65,062.65	-\$16,338.80	1/1/2006	12/31/2006	4/6/2006	9/24/2006	TWALKER/KY 09-29-06: EXISTING 265' OF 2"PMP SERVICE LINE FOR ARBY'S
06026177100	INSTALL 100'-2"PMMP MAIN	-	-	-	0.02%	\$1,468.43	\$2,006.33	-\$537.90	1/1/2006	12/31/2006	8/4/2006	9/26/2006	JOB OVER RAN DUE TO NEW CONTRACT COSTS, JOB WAS ESTIMATED IN 2005 BUT
05026141300	INSTALL 714'-6"PMMP	-	-	-	0.54%	\$33,457.29	\$23,548.71	\$9,908.58	1/1/2006	12/31/2006	10/25/2005	9/28/2006	TWALKER/KY-JOB UNDER RAN DUE TO PROJECT BEING COMPLETE QUICKER THAN PLANNED
06026175800	RELOCATE 4" WTHP LINE	-	-	-	0.41%	\$25,752.32	\$21,267.21	\$4,485.11	1/1/2006	12/31/2006	7/26/2006	9/28/2006	TWALKER/KY 02-20-07: NO SKETCH FOR COMPLETION REPORT
06026180700	LAND FOR NEW REGULATOR SITE	-	-	-	0.00%	\$0.00	\$1,143.00	-\$1,143.00	1/1/2006	12/31/2006	9/13/2006	9/29/2006	TWALKER/KY 10-13-06: JOB UNDER RAN LESS ROCK IN AREA THAN PLANNED WHICH RES
06026157301	INSTALL 1125' OF 2" WT/PMMP	-	-	-	0.25%	\$15,254.18	\$29,716.54	-\$14,462.36	1/1/2006	12/31/2006	6/22/2006	10/2/2006	TWALKER/KY 06-28-06: JOB OVER RAN DUE TO \$6000 IN LAND SERVICE PLANNED
06026171600	INSTALL NEW REG STATION #1857	-	-	-	0.20%	\$12,382.52	\$6,097.11	\$6,285.41	1/1/2006	12/31/2006	6/23/2006	10/4/2006	INSTALLED 100' OF 2" PLASTIC IP MAIN
06026179200	INSTALL 100' - 2" PMIP	-	-	-	0.03%	\$2,000.50	\$1,413.22	\$587.28	1/1/2006	12/31/2006	8/28/2006	10/6/2006	UNABLE TO MAKE CONTACT ONSITE, BUT MAINTAINED CONTACT BY RADIO.
06026156400	INSTALL 1480'-2"PMMP	-	-	-	0.26%	\$16,121.75	\$26,074.54	-\$9,952.79	1/1/2006	12/31/2006	3/3/2006	10/10/2006	TWALKER/KY 02-01-07: JOB OVER RAN DUE TO DIRECTIONAL BORE REQUIRED FOR
06026182300	INSTALL 86'-3"PM	-	-	-	0.08%	\$5,045.15	\$4,576.24	\$468.91	1/1/2006	12/31/2006	10/5/2006	10/10/2006	OVERRUN DUE TO ROCK EXCAVATION
06026150500	INSTALL 845' - 4" PM	-	-	-	0.54%	\$33,792.05	\$29,574.37	\$4,217.68	1/1/2006	12/31/2006	1/11/2006	10/13/2006	TWALKER/KY 10-16-06: JOB WAS COMPLETED AND DISPATCHING RADIO EQUIPMENT
95026413300	VEGA CONTROL UNIT FOR WINCHEST	-	-	-	0.07%	\$4,648.64	\$2,351.92	\$2,296.72	1/1/2006	12/31/2006	4/10/1995	10/16/2006	JEFF MOBLEY IS ONSITE.
06026179900	FINISH INSTALL 1532'-2"PMMP	-	-	-	0.23%	\$14,234.25	\$13,551.11	\$683.14	1/1/2006	12/31/2006	9/6/2006	10/18/2006	TWALKER/KY 11-01-06: JOB WAS PLANNED FOR CONTRACT LABOR-FISHEL CO. ALL
06026152800	REPLACE MAIN - LEAKAGE	-	-	-	0.98%	\$60,712.69	\$54,037.64	\$6,675.05	1/1/2006	12/31/2006	1/30/2006	10/25/2006	TWALKER/KY 02-20-07: NO SKETCH FOR COMPLETION
06026180600	NEW REGULATOR SITE	-	-	-	0.00%	\$0.00	\$1,060.00	-\$1,060.00	1/1/2006	12/31/2006	9/12/2006	10/31/2006	TWALKER/KY 11-06-06: JOB COST UNDER RAN DUE TO NO PAVING REPAIR NEEDED AS
06026183500	INSTALL 480'-6"PMMP	-	-	-	0.19%	\$11,939.02	\$14,904.25	-\$2,965.23	1/1/2006	12/31/2006	10/6/2006	11/2/2006	60 VOLT DC/25AMP DC RECTIFIER INSTALLED WITH 300'DEEPWELL GROUNDBED
00026787900	INSTALL RECTIFIER & GROUND BED	-	-	-	0.79%	\$48,982.10	\$31,815.51	\$17,166.59	1/1/2006	12/31/2006	12/4/2000	11/6/2006	COMPLETION REPORT
06026167400	INSTAL RTU, IN/OUT TRANSDUCERS	-	-	-	0.49%	\$30,518.35	\$40,995.00	-\$10,476.65	1/1/2006	12/31/2006	5/15/2006	11/7/2006	TWALKER/KY 03-07-07:JOB UNDER RAN DUE TO COMPANY CREWS DID WORK VS PLANNED
06026172100	INSTALL 323' - 4" PMIP	-	-	-	0.13%	\$8,119.11	\$24,003.55	-\$15,884.44	1/1/2006	12/31/2006	6/28/2006	11/14/2006	REPLACED 12' OF 4" STEEL MAIN ON W MAIN ST WITH 4" PLASTIC AND ABANDONED
06026184600	INSTALL 15'-4"PMPL	-	-	-	0.14%	\$8,453.15	\$7,371.03	\$1,082.12	1/1/2006	12/31/2006	10/18/2006	11/15/2006	CREW WENT TO JOB SITE TO WORK ON LEAK AND IT WAS DETERMINE THAT MAIN
06026187700	INSTALL 40'4" PMPL	-	-	-	0.06%	\$4,000.07	\$4,367.88	-\$367.81	1/1/2006	12/31/2006	11/17/2006	11/17/2006	TWALKER/KY 12-26-06: PROJECT WAS PLANNED FOR FISHEL-CONTRATOR ALL WORK WAS
06026182000	INSTALL 172'-4"PM MAIN	-	-	-	0.34%	\$20,901.05	\$15,157.85	\$5,743.20	1/1/2006	12/31/2006	9/28/2006	11/28/2006	TWALKER/KY-NO SKETCH FOR COMPLETION REPORT 1-9-07
07026192900	INSTALL MECHANICAL GAUGE	-	-	-	0.00%	\$237.63	\$121.15	\$116.48	1/1/2006	12/31/2006	1/4/2007	11/28/2006	TWALKER/KY 02-28-07: PROJECT WAS PLANNED FOR 2005 FISHEL CONTRACT PRICE
05026109000	RELOCATE 97' OF 12"WTHP	-	-	-	0.68%	\$42,165.90	\$30,485.42	\$11,680.48	1/1/2006	12/31/2006	3/15/2005	12/4/2006	PLANNED JOB FOR 1800' OF SEED AND STRAW. ONLY HAD TO SEED AND STRAW
05026145801	INSTALL 1780'OF 2" & 6"PMMP	-	-	-	0.44%	\$27,362.97	\$29,079.56	-\$1,716.59	1/1/2006	12/31/2006	7/18/2006	12/5/2006	TWALKER/KY 12-08-06:JOB OVER RAN DUE TO CKY AND CONTRACTOR CREWS HAVING TO
06026166800	RELOCATE EXISTING GAS MAIN	-	-	-	1.01%	\$62,588.56	\$61,223.84	\$1,364.72	1/1/2006	12/31/2006	5/10/2006	12/5/2006	JOB LABOR COSTS WERE MUCH LESS DUE TO COMPANY INSPECTOR WATCHING
06026181000	INSTALL 5610' OF 4" PMMP	-	-	-	0.91%	\$56,317.18	\$75,524.50	-\$19,207.32	1/1/2006	12/31/2006	9/15/2006	12/6/2006	COMPLETION REPORT--NO SKETCH REQUIRED. Z5
06026189300	REPLACE EFC	-	-	-	0.00%	\$203.95	\$3,383.94	-\$3,179.99	1/1/2006	12/31/2006	12/4/2006	12/7/2006	TWALKER/KY 03-05-07: JOB OVER RAN DUE TO LAND SERVICE COSTS.
06026168000	INSTALL 805' - 4" PMMP	-	-	-	0.23%	\$14,192.25	\$10,746.78	\$3,445.47	1/1/2006	12/31/2006	5/17/2006	12/12/2006	PRE-TESTED PIPE
06026191500	REPLACE MAIN - LEAKAGE	-	-	-	0.03%	\$2,018.74	\$2,753.39	-\$734.65	1/1/2006	12/31/2006	12/15/2006	12/13/2006	TWALKER/KY 12-27-06: CONTRACTOR STANLEY PIPELINE WAS PAID ON 06-6693856-00
06026191300	INSTALL 2 BY-PASS VALVES	-	-	-	0.04%	\$2,402.26	\$4,220.91	-\$1,818.65	1/1/2006	12/31/2006	12/15/2006	12/19/2006	TWALKER/KY 01-08-07: JOB UNDER RAN DUE TO NO ROCK ONSITE AS PLANNED WHICH
05026148900	INSTALL 2700' OF 2" PMMP	-	-	-	0.30%	\$18,943.22	\$30,575.67	-\$11,632.45	1/1/2006	12/31/2006	12/20/2005	12/22/2006	PAVING COSTS AND LAND SERVICES COSTS HAVE NOT BEEN APPLIED AS OF 05/25/07..
05026122800	INSTALL 650' OF 6" PM/WT	-	-	-	0.74%	\$45,722.44	\$64,070.94	-\$18,348.50	1/1/2006	12/31/2006	6/16/2005	12/22/2006	PAVING COSTS HAVE NOT BEEN APPLIED AS OF 05/25/07..JMP
06026190200	INSTALL 300' - 4" PM	-	-	-	0.29%	\$18,316.89	\$20,846.12	-\$2,529.23	1/1/2006	12/31/2006	12/6/2006	12/22/2006	OVERRUN IN MATERIAL DUE TO INCREASE IN PIPE COSTS FROM ESTIMATE AND THE
05026123100	INSTALL 38,500 12" DE EXT	-	-	-	114.96%	\$7,148,383.02	\$4,386,398.56	\$2,761,984.46	1/1/2006	12/31/2006	6/16/2005	12/29/2006	CONTRACTOR USED THE ENTIRE DAY ON BACKFILL AND CLEAN UP AND DID NOT GET
						2006 Construction Project Budget	\$6,218,169.36						
06026184200	INSTALL 3490'-2"PMMP	-	-	-	0.49%	\$28,088.70	\$35,998.39	-\$7,909.69	1/1/2007	12/31/2007	10/16/2006	1/3/2007	TWALKER/KY 01-09-07:JOB UNDER RAN DUE TO LESS TIME REQUIRED TO COMPLETE
06026177200	INSTALL 40'-4"MP	-	-	-	0.08%	\$4,368.80	\$7,275.30	-\$2,906.50	1/1/2007	12/31/2007	8/8/2006	1/3/2007	TWALKER/KY 05-25-07: PROJECT OVER RAN DUE TO PROJECT WAS LOCATED IN
06026186100	INSTALL 130'-3" & 4"PMMP	-	-	-	0.35%	\$19,751.71	\$13,331.21	\$6,420.50	1/1/2007	12/31/2007	11/1/2006	1/5/2007	TWALKER/KY 01-11-07: JOB WAS PLANNED FOR CONTRACTOR CKY CREWS DID WORK
06026182200	INSTALL 525'-4"PMMP	-	-	-	0.10%	\$5,							

Project No.	Project Title/Description	Ann Actual	An nu al	Vari an ce	Per cent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
06026189500	RELOCATE 4" PMMP MAIN	-	-	-	0.29%	\$16,694.69	\$19,661.79	-\$2,967.10	1/1/2007	12/31/2007	12/4/2006	1/10/2007	TWALKER/KY 07-20-06: THIS PROJECT IS NOT COMPLETE AS THIS TIME THE CORRECT
06026188900	INSTALL 245'-2"PMMP	-	-	-	0.05%	\$2,689.47	\$4,574.62	-\$1,885.15	1/1/2007	12/31/2007	12/1/2006	1/24/2007	UNLOAD TAPPING EQUIPMENT OFF BOOM TRUCK
04026978900	INSTALL 2565'-2"PMMP MAIN	-	-	-	0.28%	\$15,922.51	\$24,443.84	-\$8,521.33	1/1/2007	12/31/2007	6/10/2004	1/27/2007	PREFAB METEL BUILDING INSTALLED FOR TCO AS PART OF A POD AGREEMENT
06026177600	RELOCATE 8"WTHP & 4"PMMP	-	-	-	3.26%	\$186,102.22	\$246,434.69	-\$60,332.47	1/1/2007	12/31/2007	8/14/2006	1/31/2007	INSTALLED 218' OF 2" PLASTIC PIPE. HIT SOLID ROCK AT DEPTH OF 6" FOR 92'
05026140600	INSTALL NEW PRE-FAB BUILDING	-	-	-	0.24%	\$13,864.54	\$13,519.19	\$345.35	1/1/2007	12/31/2007	10/18/2005	2/7/2007	CONTACTED RCT/PLANT ACCOUNTING ABOUT PROBLEM WITH MATERIAL COSTS. AT FIRST
07026196200	INSTALL 250' OF 2"PMMP	-	-	-	0.18%	\$10,364.86	\$7,316.86	\$3,048.00	1/1/2007	12/31/2007	1/23/2007	2/9/2007	INSTALLED 317' OF 2" PLA FROM THE SOUTH P/L OF 368 VILLAGE DR TO THE SOUTH
06026179000	INSTALL 2356'-4" PMIP& ST	-	-	-	0.60%	\$34,499.36	\$30,494.05	\$4,005.31	1/1/2007	12/31/2007	8/22/2006	2/12/2007	OVER RUN EXPLANATION: PROJECT OVER RAN DUE TO 786 EXTRA UNITS IN PAVING RES
07026197200	INSTALL 325' OF 2"PMMP	-	-	-	0.13%	\$7,184.91	\$7,415.57	-\$230.66	1/1/2007	12/31/2007	1/26/2007	2/28/2007	REPLACED 224' OF 2" STEEL MAIN WITH 2" PLASTIC PIPE
07026198100	INSTALL 300' - 8" & 2" LP MAIN	-	-	-	0.53%	\$30,238.07	\$17,006.64	\$13,231.43	1/1/2007	12/31/2007	2/7/2007	3/8/2007	COMPLETED TIE IN, GAS IS NOW ON MAIN. HAD TO REMOVE A 4' X 4' SECTION OF
07026199000	REPLACE MAIN - LEAKAGE	-	-	-	0.28%	\$15,950.46	\$14,122.80	\$1,827.66	1/1/2007	12/31/2007	2/19/2007	3/12/2007	OVERRUN EXPLANATION: APPROXIMATELY \$6,000 MORE PAVING WAS REQUIRED THAN EST
06026192500	INSTALL 500' OF 2"PMMP	-	-	-	0.11%	\$6,323.23	\$7,007.62	-\$684.39	1/1/2007	12/31/2007	12/28/2006	3/20/2007	TWALKER/KY 03-29-07: PROJECT WAS PLANNED FOR GENERAL UTILITY STRIP BUT
07026200500	REPLACE MAIN - LEAKAGE	-	-	-	0.56%	\$32,134.30	\$25,700.07	\$6,434.23	1/1/2007	12/31/2007	3/5/2007	3/20/2007	TWALKER/KY 03-29-07: JOB OVER RAN DUE TO FOR MAIN NEED TO SERVE PROJECT
06026179100	INSTALL 1400' OF 6"PMMP	-	-	-	0.67%	\$38,181.26	\$43,437.90	-\$5,256.64	1/1/2007	12/31/2007	8/24/2006	3/21/2007	TWALKER/KY 05-25-07: PROJECT COST WERE LOWER DUE TO CHANGE IN SEGA RATE
06026192100	INSTALL 850' OF 2"PMMP	-	-	-	0.42%	\$23,905.58	\$12,302.21	\$11,603.37	1/1/2007	12/31/2007	12/21/2006	3/21/2007	TWALKER/KY 03-22-07: NO SIGNED JOB ORDER COPY AND NO SKETCH FOR COMPLETION
06026165600	REPLACE MAIN - LEAKAGE	-	-	-	0.50%	\$28,716.74	\$29,769.92	-\$1,053.18	1/1/2007	12/31/2007	5/8/2006	3/21/2007	TWALKER/KY 03-22-07: NO SIGNED JOB ORDER COPY AND NO SKETCH FOR COMPLETION
03000125300	EMDCS - HARDWARE	-	-	-	0.00%	\$0.00	\$10,313.00	-\$10,313.00	1/1/2007	12/31/2007	8/19/2003	3/22/2007	TWALKER/KY 03-22-07: NO SIGNED JOB ORDER COPY AND NO SKETCH FOR COMPLETION
03000126400	HARDWARE	-	-	-	0.00%	\$0.00	\$4,845.00	-\$4,845.00	1/1/2007	12/31/2007	9/3/2003	3/22/2007	TWALKER/KY 03-22-07: NO SIGNED JOB ORDER COPY AND NO SKETCH FOR COMPLETION
04000128300	NLRS REWRITE (HARDWARE)	-	-	-	0.00%	\$0.00	\$450.00	-\$450.00	1/1/2007	12/31/2007	2/12/2004	3/22/2007	TWALKER/KY 03-22-07: THIS PROJECT WAS CREATED BY A CKY OFI TEAM WHOSE
04000129400	REPLACE CDC NOMINATION SYS	-	-	-	0.00%	\$0.00	\$3,003.00	-\$3,003.00	1/1/2007	12/31/2007	2/19/2004	3/22/2007	OVERRUN DUE TO INCREASED LABOR / CONTRACTOR HOURS.
99026713000	INSTALL SCADA EQUIPMENT	-	-	-	0.16%	\$9,396.74	\$5,347.83	\$4,048.91	1/1/2007	12/31/2007	9/8/1999	3/22/2007	TWALKER/KY 04-26-07: JOB COST LOWER THAN PLANNED SINCE COMPANY LABOR WAS
07026200100	INSTALL 111' - 8" WTMP	-	-	-	1.19%	\$68,074.40	\$29,411.74	\$38,662.66	1/1/2007	12/31/2007	2/23/2007	4/2/2007	REPLACED 167' OF 4" STEEL MAIN WITH 4" PLASTIC
07026199700	RELOCATE 332'-6"PMMP	-	-	-	0.38%	\$21,644.45	\$27,350.45	-\$5,706.00	1/1/2007	12/31/2007	2/22/2007	4/6/2007	CONTRACTOR NEEDS ADDITIONAL LOCATES AND HE ALSO NEEDS A BIGGER DIRECTIONAL
07026200700	REPLACE MAIN - LEAKAGE	-	-	-	0.29%	\$16,565.20	\$13,579.45	\$2,985.75	1/1/2007	12/31/2007	3/6/2007	4/25/2007	LENGTH OF PROJECT INCREASED FROM 1750' TO 2156' DUE TO RESTRICTIONS PLACED
07026202900	INSTALL 250'-2"PMIP	-	-	-	0.16%	\$9,273.01	\$4,473.62	\$4,799.39	1/1/2007	12/31/2007	3/20/2007	4/27/2007	OVERRUN EXPLANATION: JOB WAS ESTIMATED USING THE DEFAULT OH RATE OF 28% WH
06026179600	INSTALL 1600' - 3" PMIP	-	-	-	1.01%	\$57,530.09	\$45,450.56	\$12,079.53	1/1/2007	12/31/2007	9/1/2006	5/2/2007	OVERRUN DUE TO INCREASED LABOR HOURS TO CALIBRATE ODORIZER FLOW.
06026189800	RELOCATE 6" DKT-N HP MAIN	-	-	-	1.53%	\$87,410.67	\$98,738.71	-\$11,328.04	1/1/2007	12/31/2007	12/5/2006	5/11/2007	INSTALLED PART OF LINE TIED IN PULLED OFF, RETURNED TO INSTALL THE REST
06026184300	INSTALL YZ ODORIZER	-	-	-	0.46%	\$26,405.78	\$22,458.15	\$3,947.63	1/1/2007	12/31/2007	10/17/2006	5/12/2007	POWER PLANT INDICATES A JOB ORDER COST OF \$6,669.46 WHILE WMS INDICATES A B
07026193600	INSTALL 3100'-4"PMMP	-	-	-	0.68%	\$38,898.02	\$40,760.08	-\$1,862.06	1/1/2007	12/31/2007	1/9/2007	5/16/2007	TWALKER/KY 05-24-07: JOB UNDER RAN DUE TO NO ROCK ENCOUNTER ONSITE WHICH
07026200900	REPLACE MAIN - LEAKAGE	-	-	-	0.14%	\$8,216.62	\$8,538.72	-\$322.10	1/1/2007	12/31/2007	5/23/2007	5/17/2007	TWALKER/KY 05-23-07: JOB OVER RAN DUE TO EXISTING BARE STEEL MAIN WAS TO
06026184500	INSTALL 5461'-2"PMMP MAIN	-	-	-	0.76%	\$43,496.05	\$64,130.32	-\$20,634.27	1/1/2007	12/31/2007	10/17/2006	5/22/2007	OVER RUN DO TO UNEXPECTED PAVING
07026202000	REPLACE MAIN - LEAKAGE	-	-	-	0.37%	\$20,912.30	\$12,185.76	\$8,726.54	1/1/2007	12/31/2007	3/16/2007	5/22/2007	COMPLETION REPORT NO SKETCH REQUIRED
07026210400	REPLACE MAIN - LEAKAGE	-	-	-	0.10%	\$5,971.14	\$2,341.31	\$3,629.83	1/1/2007	12/31/2007	5/24/2007	5/25/2007	POWER PLANT INDICATES A COST OF \$5,207.89 WHILE WMS INDICATES A COST OF \$0.
06026167500	INSTAL BRISTOL FLOW CONTROLLER	-	-	-	0.21%	\$11,931.85	\$24,020.00	-\$12,088.15	1/1/2007	12/31/2007	5/15/2006	5/25/2007	REPALCED DAIL-UP MODEM WITH NEW CDMA MODEM
07026210900	REPLACE MAIN - LEAKAGE	-	-	-	0.10%	\$5,796.96	\$5,974.37	-\$177.41	1/1/2007	12/31/2007	5/29/2007	5/31/2007	LAYED 316 FEET OF PIPE AFTER A LATE START, ALSO ENCOUNTERED ROCK ON THE
06026167700	INSTALL NEW CDMA MODEM	-	-	-	0.01%	\$685.69	\$2,767.00	-\$2,081.31	1/1/2007	12/31/2007	5/15/2006	6/1/2007	OVERRUN DUE TO INCREASED PIPE FOOTAGE, AND INCREASED PAVING. INVENTORY
06026190500	INSTALL 850' OF 2" PMMP	-	-	-	0.17%	\$9,485.49	\$11,602.21	-\$2,116.72	1/1/2007	12/31/2007	12/8/2006	6/4/2007	COMPLETED PIPE INSTALLATION, BUT IS NOT EQUIPPED TO TO COMPLETE THE TIE-IN.
07026198401	INSTALL 1860' - 4" & 2" PM	-	-	-	2.15%	\$122,622.47	\$9,979.20	\$112,643.27	1/1/2007	12/31/2007	11/28/2007	6/11/2007	MUST BORE SHORT STREET AND MAKE TIE-IN THERE TO COMPLETE ORDER.
07026206200	INSTALL 350'-2"PMIP	-	-	-	0.09%	\$5,398.32	\$5,162.40	\$235.92	1/1/2007	12/31/2007	4/23/2007	6/12/2007	INSTALLED PHONE SYSTEM IN ASHLAND
07026207300	INSTALL 440'-2"PMMP	-	-	-	0.14%	\$8,092.06	\$16,386.71	-\$8,294.65	1/1/2007	12/31/2007	5/4/2007	6/18/2007	TWALKER/KY 07-11-07: PROJECT WAS PLANNED FOR CONTRACTOR BUT ALL CONSTRUCTIO
95026460700	NORSTAR PHONE SYS ASHLAND,KY	-	-	-	0.25%	\$14,145.58	\$13,303.87	\$841.71	1/1/2007	12/31/2007	12/5/1995	6/27/2007	TWALKER/KY 08-09-07: JOB COST WERE LOWER DUE TO CHANGE IN SEGA RATE FROM
07026204500	INSTALL 328'-2"PMMP MAIN	-	-	-	0.15%	\$8,393.25	\$7,103.17	\$1,290.08	1/1/2007	12/31/2007	4/5/2007	6/28/2007	PUT 90 LB AIR TEST ON 500 FEET OF 4" PLA MAIN. WILL TIE-IN ON MONDAY APR
06026179300	RELOCATE 8,6 & 2" WTHP MAIN	-	-	-	9.41%	\$536,718.84	\$594,806.22	-\$58,087.38	1/1/2007	12/31/2007	8/29/2006	6/28/2007	OVERRUN DUE TO INCREASED PAVING COSTS. UNABLE TO INSTALL REPL. MAIN
07026199500	INSTALL 1200' OF 4"PM	-	-	-	1.45%	\$82,762.42	\$89,928.31	-\$7,165.89	1/1/2007	12/31/2007	2/21/2007	6/29/2007	KBOTKINS 5/01/08 JOB OVER RAN DUE TO 130 SQ FT OF SIDEWALK REPAIR BEING
07026201400	INSTALL 655' - 2" PMMP	-	-	-	0.61%	\$35,054.16	\$20,872.65	\$14,181.51	1/1/2007	12/31/2007	3/9/2007	7/6/2007	TWALKER/KY 07-30-07: JOB UNDER RAN DUE TO LESS LAND SERVICES THAN PLANNED
07026213200	INSTALL 200'-4"PMIP	-	-	-	0.32%	\$18,408.36	\$10,431.57	\$7,976.79	1/1/2007	12/31/2007	6/6/2007	7/9/2007	PROJECT OVERRAN BECAUSE SAND AND STONE WAS UNDER ESTIMATED. IN ADDITION, PR
06026187300	INSTALL 1070'-4" GAS MAIN	-	-	-	0.24%	\$13,469.17	\$17,295.82	-\$3,826.65	1/1/2007	12/31/2007	11/14/2006	7/12/2007	TWALKER/KY 08-29-07: KY DOT CONTRACTED FISHEL COMPANY TO INSTALL MAIN AND
07026221400	REPLACE MAIN - LEAKAGE	-	-	-	0.33%	\$18,907.76	\$6,617.01	\$12,290.75	1/1/2007	12/31/2007	7/20/2007	7/20/2007	OVERRUN DUE TO INCREASED PAVING. PIPELINE INSTALLED UNDER THE EDGE OF THE
06026191800	RELOCATE 2180'-2"PMIP	-	-	-	0.07%	\$3,746.53	\$6,603.55	-\$2,857.02	1/1/2007	12/31/2007	12/19/2006	7/20/2007	TWALKER/KY 08-08-07: CONSTRUCTION HIT MORE ROCK ON PROJECT THAN PLAN
07026216500	INSTALL 670' - 6" PM	-	-	-	0.90%	\$51,534.47	\$34,766.29	\$16,768.18	1/1/2007	12/31/2007	6/20/2007	7/20/2007	INSTALLED 1323' 4" PLASTIC AND 25' 3" PLASTIC PIPE
07026207700	RELOCATED 400' OF 6"PMMP	-	-	-	0.55%	\$31,279.82	\$19,620.09	\$11,659.73	1/1/2007	12/31/2007	5/8/2007	7/26/2007	C.G.I, TOO WET AND MUDDY TO MANUEVER EQUIPMENT.
07026217000	INSTALL 1355' - 4" PM	-	-	-	0.97%	\$55,219.10	\$37,781.22	\$17,437.88	1/1/2007	12/31/2007	6/26/2007	7/27/2007	TWALKER/KY 08-28-07: PROJECT WAS PLANNED FOR CONTRACTOR TO INSTALL MAIN
07026213700	INSTALL 350'-2"PMMP	-	-	-	0.15%	\$8,561.94	\$5,505.95	\$3,055.99	1/1/2007	12/31/2007	6/7/2007	7/31/2007	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
07026204100	INSTALL 1785'-4"PMMP	-	-	-	0.64%	\$36,355.49	\$35,973.07	\$382.42	1/1/2007	12/31/2007	3/30/2007	8/8/2007	TWALKER/KY 08-29-07: JOB OVER DUE TO 2" PM MAIN WAS ORDER INSTEAD OF 4" PM
07026222500	REPLACE EFC	-	-	-	0.04%	\$2,434.36	\$3,270.28	-\$835.92	1/1/2007	12/31/2007	7/26/2007	8/8/2007	TWALKER/KY 08-28-07: NO PAVING TO REMOVE AS PLANNED RESULTED IN FASTER
07026195200	INSTALL 9700'-2" PMMP	-	-	-	1.69%	\$96,328.46	\$85,564.40	\$10,764.06	1/1/2007	12/31/2007	1/17/2007	8/14/2007	SEE HARD COPY ABOUT TEST CHART COULD'NT INSERT AS PLAN-
07026214100	RELOCATE 50' OF 2"PMMP	-	-	-	0.07%	\$3,938.69	\$6,527.72	-\$2,589.03	1/1/2007	12/31/2007	6/8/2007	8/14/2007	JOB OVER RAN BECAUSE IT WAS ESTIMATED UNDER FISHEL'S HOURLY CONTRACT, BUT W
06026175300	REPLACE MAIN - LEAKAGE	-	-	-	0.77%	\$43,849.27	\$27,457.80	\$16,391.47	1/1/2007	12/31/2007	7/21/2006	8/17/2007	TWALKER/KY 08-31-07: PROJECT UNDER RAN DUE TO LESS PAVING/SIDEWALK REPAIRS
06026184000	INSERT 273' 3"PL	-	-	-	0.28%	\$15,690.28	\$6,967.65	\$8,722.63	1/1/2007	12/31/2007	10/16/2006	8/24/2007	TWALKER/KY 09-04-07: JOB UNDER RAN PLANNED FOR CONTRACTOR BUT ALL WORK DONE
07026216300	RELOCATE 4" & 6" WTMP MAINS	-	-	-	0.88%	\$50,457.59	\$47,073.61	\$3,383.98	1/1/2007	12/31/2007	6/20/2007	8/27/2007	TWALKER/KY 09-07-07: PROJECT OVER RAN DUE TO PLANNED BORE FAILED DUE TO
07026206900	INSTALL 1090'-4"PMMP	-	-	-	0.31%	\$17,834.58	\$17,237.72	\$596.86	1/1/2007	12/31/2007	5/3/2007	8/28/2007	NEW GROUND BED INSTALLED AND RECTIFIER MOVED.
07026203800	REPLACE AND LOWER 8" MAIN												

Project No.	Project Title/Description	Ann Actual	An nu al	Vari an ce	Per cent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
07026215900	INSTALL 3330' - 2" & 4" PMIP	-	-	-	0.85%	\$48,199.66	\$42,646.91	\$5,552.75	1/1/2007	12/31/2007	6/18/2007	9/18/2007	USED PRE-TESTED PIPE AND SOAP TESTED
07026194800	INSTALL 505' OF 6" PMMP	-	-	-	0.89%	\$50,839.53	\$30,197.82	\$20,641.71	1/1/2007	12/31/2007	1/16/2007	9/20/2007	INSTALLED 100' - 2" PLASTIC MAIN
07026223000	INSTALL 6'-8" PM	-	-	-	0.10%	\$5,919.16	\$5,891.50	\$27.66	1/1/2007	12/31/2007	7/31/2007	9/25/2007	TWALKER/KY 03-25-08:JOB UNDER RAN DUE TO APPRX 500' LESS PIPE WAS INSTALLED
07026228800	INSTALL 100' - 2" PM	-	-	-	0.23%	\$13,360.91	\$1,387.22	\$11,973.69	1/1/2007	12/31/2007	9/6/2007	9/26/2007	COMPLETION REPORT NO SKETCH REQUIRED
07026197700	INSTALL 4750' OF 2" PMMP	-	-	-	0.88%	\$50,151.70	\$58,525.90	-\$8,374.20	1/1/2007	12/31/2007	1/30/2007	9/27/2007	TWALKER/KY 10-02-07: AS PART OF PROJECT WE DISCOVERED THAT 285 FEET OF
07026212400	INSTALL PRIVACY FENCE	-	-	-	0.06%	\$3,302.82	\$2,351.32	\$951.50	1/1/2007	12/31/2007	6/4/2007	9/27/2007	INSTALED 2314' - 4"PMIP JHODGSON
07026213800	INSTALL 165' OF 4"PMMP	-	-	-	0.20%	\$11,622.22	\$14,529.33	-\$2,907.11	1/1/2007	12/31/2007	6/7/2007	10/2/2007	REPLACED PORTION OF 4" SERVICE LINE
07026203000	INSTALL 2280' - 4" PMIP	-	-	-	0.68%	\$38,876.85	\$35,388.20	\$3,488.65	1/1/2007	12/31/2007	3/22/2007	10/5/2007	INSTALLED 4" PLASTIC TEE AND TEST STATION
07026201300	RELOCATE & REPLACE 4" WTMP S/L	-	-	-	0.22%	\$12,607.64	\$12,407.22	\$200.42	1/1/2007	12/31/2007	3/9/2007	10/5/2007	EXTENDED 4" PMP MAIN 129', BUTT WELDING THE TIE-IN AND USING A 4" PLA CAP,
07026222900	INSTALL 8'-4"PM	-	-	-	0.18%	\$10,528.58	\$5,138.32	\$5,390.26	1/1/2007	12/31/2007	7/31/2007	10/8/2007	TWALKER/KY 11-14-07: PROJECT WAS PLANNED UNDER FISHEL CONTRACT BUT ALL
07026233300	INSTALL 125' OF 4"PMMP	-	-	-	0.05%	\$2,801.91	\$4,988.50	-\$2,186.59	1/1/2007	12/31/2007	10/2/2007	10/12/2007	TWALKER/KY 10-25-07: PROJECT COST ARE SHOWING UNDER RUN BUT ALL LAND
07026195000	LIBERTY/TODDS MAIN RELOCATION	-	-	-	3.63%	\$207,223.61	\$203,772.16	\$3,451.45	1/1/2007	12/31/2007	1/17/2007	10/23/2007	JOB UNDER DUE TO ROUTE CHANGES MADE IN CONSTRUCTION THAT REDUCED THE
07026213900	MAIN LINE RELOCATION PROJECT	-	-	-	0.80%	\$45,697.83	\$51,318.05	-\$5,620.22	1/1/2007	12/31/2007	6/7/2007	10/23/2007	TWALKER/KY 10-26-07: PROJECT OVER RAN CREWS INSTALLED ADDITIONAL 45 FEET
07026203600	INSTALL 3120'-2" & 4"PMMP	-	-	-	0.70%	\$39,731.68	\$35,459.42	\$4,272.26	1/1/2007	12/31/2007	3/28/2007	10/24/2007	LAND ACQUISITION ONLY NO IN SERVICE DATE.
07026218800	INSTALL 100' OF 2" PMMP	-	-	-	0.05%	\$2,670.79	\$1,890.14	\$780.65	1/1/2007	12/31/2007	7/3/2007	10/25/2007	TWALKER/KY 11-02-07: JOB OVER RAN DUE TO APPRX 200' ADDITIONAL PIPE INSTALL
07026229100	ACQUIRE SITE FOR STATION 1212	-	-	-	0.03%	\$1,986.50	\$4,115.00	-\$2,128.50	1/1/2007	12/31/2007	9/7/2007	10/25/2007	TWALKER/KY 11-7-07: JOB UNDER RUN DUE TO PLANNED FOR CONTRACTOR BUT ALL
07026206500	INSTALL 4500' OF 2"PMMP	-	-	-	1.00%	\$57,045.75	\$46,907.90	\$10,137.85	1/1/2007	12/31/2007	4/25/2007	11/2/2007	TWALKER/KY 11-07-07: JOB OVER RUN DUE TO LP MAIN WAS MAPPED INCORRECTLY
07026224600	INSTALL 175'-4"PMMP MAIN	-	-	-	0.09%	\$5,126.83	\$4,920.22	\$906.61	1/1/2007	12/31/2007	8/13/2007	11/2/2007	TWALKER/KY 11-13-07: JOB UNDER RAN DUE TO NO ROCK ON SITE AS EXPECTED AND
07026200900	REPLACE MAIN - LEAKAGE	-	-	-	1.05%	\$59,850.78	\$35,517.14	\$24,333.64	1/1/2007	12/31/2007	3/6/2007	11/2/2007	GAS IN SERVICE 11-09-07. COMPLETION DATE LATER DUE TO INCOMPLETE PAPER
06026172800	INSTALL 2150' OF 6"/2" PMMP	-	-	-	0.57%	\$32,683.04	\$47,403.06	-\$14,720.02	1/1/2007	12/31/2007	7/11/2006	11/9/2007	REPAIRED DAMAGED COATING TO MAIN AND PURCHASED MATERIAL TO USED AS A ROCK
07026226300	INSTALL 210'-2"PMMP	-	-	-	0.13%	\$7,545.37	\$9,572.74	-\$2,027.37	1/1/2007	12/31/2007	8/20/2007	11/20/2007	1ST PHASE COMPLETE 08-10-2007 2ND PHASE 2 TO 4 WEEKS OUT MAYBE MORE ALLEN
07026206000	RELOCATE HP & MP MAIN FOR UK	-	-	-	3.72%	\$212,011.18	\$148,194.33	\$63,816.85	1/1/2007	12/31/2007	4/23/2007	11/26/2007	OVERRUN EXPLANATION: PROJECT WAS ESTIMATED USING THE BLANKET CONTRACTOR'S R
07026219000	RELOCATE 4" & 8" PMMP MAIN	-	-	-	0.63%	\$36,128.54	\$28,553.90	\$7,574.64	1/1/2007	12/31/2007	7/9/2007	11/26/2007	TWALKER/KY 12-14-07: PROJECT WAS PLANNED FOR CONTRACTOR BUT ALL WORK WAS
07026241300	REPLACE MAIN - LEAKAGE	-	-	-	0.32%	\$18,051.29	\$11,954.89	\$6,096.40	1/1/2007	12/31/2007	11/30/2007	12/7/2007	TWALKER/KY 12-18-07: JOB OVER RAN BECAUSE CREWS HIT ROCK WHICH RESULTED IN
07026230000	INSTALL 3"PIF	-	-	-	0.10%	\$5,525.25	\$6,571.71	-\$1,046.46	1/1/2007	12/31/2007	9/13/2007	12/7/2007	TWALKER/KY 12-18-07: JOB UNDER RAN DUE TO APPRX 600' LESS MAIN LINE INSTALL
07026204801	INSTALL 400'-2"PMMP	-	-	-	0.27%	\$15,376.21	\$7,407.21	\$7,969.07	1/1/2007	12/31/2007	11/6/2007	12/11/2007	ESTIMATED OVERRUN DUE TO INCREASED PAVING ONCE ACTUAL TIE-IN LOCATION
07026216100	INSTALL 2200'-2"PMMP	-	-	-	0.24%	\$13,722.31	\$20,404.32	-\$6,682.01	1/1/2007	12/31/2007	6/19/2007	12/13/2007	TWALKER/KY 12-26-07: PROJECT COST WHERE HIGHER THAN PLAN DUE TO AMOUNT OF
07026240700	INSTALL 180' - 3" PMIP	-	-	-	0.31%	\$17,854.56	\$10,175.64	\$7,678.92	1/1/2007	12/31/2007	11/16/2007	12/19/2007	TWALKER/KY 03-03-08: JOB OVER RAN DUE TO CHG IN SEGA RATE EST RATE WAS
07026235000	INSTALL 375' OF 2"PMMP	-	-	-	0.32%	\$18,299.57	\$13,017.19	\$5,282.38	1/1/2007	12/31/2007	10/12/2007	12/21/2007	TWALKER/KY 01-11-08: JOB UNDER RAN DUE TO ALL WORK WAS DONE BY COMPANY
07026231100	REPLACE MAIN - LEAKAGE	-	-	-	14.04%	\$800,426.85	\$678,139.27	\$122,287.58	1/1/2007	12/31/2007	9/20/2007	12/26/2007	TWALKER/KY 02-14-08: PROJECT UNDER RAN DUE TO NO PAVING/SIDEWALK REPAIRS
07026241500	INSTALL 150' OF 2"PM	-	-	-	0.05%	\$2,799.34	\$4,187.19	-\$1,387.85	1/1/2007	12/31/2007	12/3/2007	12/27/2007	TWALKER/KY 01-29-08: PROJECT COST UNDER RAN DUE TO PLANNED FOR STANLEY
						2007 Construction Project Budget	\$5,702,984.78						INCLEMENT WEATHER.
07026240500	RELOCATE 25' OF 2" MP MAIN	-	-	-	0.06%	\$4,739.74	\$6,178.49	-\$1,438.75	1/1/2008	12/31/2008	11/15/2007	1/9/2008	INSTALLED 809' - 2" PM MAIN & 4' - 2" WT
07026230100	INSTALL 1000' OF 2"PMMP MAIN	-	-	-	0.56%	\$42,805.09	\$47,792.05	-\$4,986.96	1/1/2008	12/31/2008	9/13/2007	1/10/2008	TWALKER/KY 02-26-08: PROJECT WAS PLANNED FOR STANLEY PIPELINE BUT ALL WORK
07026239200	INSTALL 990'-2"PMMP	-	-	-	0.15%	\$11,485.50	\$9,767.97	\$1,717.53	1/1/2008	12/31/2008	11/5/2007	1/15/2008	PAID TIME FOR:
07026243900	INSTALL 802' 2" PM LP MAIN	-	-	-	0.22%	\$17,291.11	\$18,268.94	-\$977.83	1/1/2008	12/31/2008	12/20/2007	1/18/2008	OVERRUN DUE TO INCREASED R/W COSTS, INCLEMENT WEATHER DURING CONSTRUCTION,
07026233100	REPLACE MAIN - LEAKAGE	-	-	-	0.58%	\$44,258.36	\$79,062.28	-\$34,803.92	1/1/2008	12/31/2008	10/1/2007	1/30/2008	TWALKER/KY 4-28-08: PROJECT OVER RAN BECAUSE PROJECT WAS PLAN FOR THE 06
07026243700	REPLACE MAIN - LEAKAGE	-	-	-	0.30%	\$22,849.97	\$53,252.94	-\$30,402.97	1/1/2008	12/31/2008	12/20/2007	2/5/2008	CUSTOMER DOESN'T HAVE HIS HOUSE LINE DONE.
06026176600	INST. 9775'-3" & 1210'-2" PMMP	-	-	-	3.20%	\$246,634.59	\$165,049.70	\$81,584.89	1/1/2008	12/31/2008	8/1/2006	2/7/2008	JOB OVER RAN FOR THE FOLLOWING REASONS: PIPE DEPTH AT TIE IN LOCATION
06026183700	INSTALL NEW MAIN FOR BOILER	-	-	-	2.09%	\$160,586.18	\$85,082.88	\$75,503.30	1/1/2008	12/31/2008	10/9/2006	2/11/2008	KBOTKINS/CKY/6/30/2008. YEAR END SEGA CHARGES CAUSED JOB TO OVER RUN
07026243400	INSTALL 100'-4"PLP SERVICE	-	-	-	0.09%	\$6,565.07	\$3,714.50	\$2,850.57	1/1/2008	12/31/2008	12/17/2007	2/15/2008	INSTALLED 327' OF 2" PLASTIC MAIN
07026230800	INSTALL 80'-12"WTMP	-	-	-	0.31%	\$23,903.75	\$29,487.46	-\$5,583.71	1/1/2008	12/31/2008	9/20/2007	2/20/2008	STANLEY PIPELINE NEEDS TO GO BACK AND DO CLEAN FROM START TO FINISH OF JOB.
07026207900	INSTALL 23,617'-2" & 8"PMMP	-	-	-	8.41%	\$647,475.60	\$603,135.56	\$44,340.04	1/1/2008	12/31/2008	5/9/2007	2/22/2008	PROBLEMS WITH CASING BORE CAUSE THIS PROJECT TO EXTEND BEYOND THE COMMIT DA
07026240000	INSTALL 350' OF 2"PMMP	-	-	-	0.13%	\$10,126.55	\$7,992.62	\$2,133.93	1/1/2008	12/31/2008	11/14/2007	2/26/2008	LOCATES HAVE BEEN DONE, NO BORES ARE INVOLVED FOR THE MAIN LINE.
07026201900	INSTALL 2640'-4"PMMP	-	-	-	0.86%	\$66,286.72	\$54,668.21	\$11,618.51	1/1/2008	12/31/2008	3/16/2007	2/29/2008	C.G.I., INCLEMENT WEATHER. BLDG HAS ALREADY POURED A NEW DRIVEWAY APRON IN
07026240200	INSTALL 545' 2" PMIP-DRIFT BR	-	-	-	0.55%	\$42,099.89	\$31,572.14	\$10,527.75	1/1/2008	12/31/2008	11/14/2007	3/3/2008	KBOTKINS 4/21/08 JOB ORDER ON SOX REPORT BUT WAS NOT COMPLETED UNTIL
07026240400	INSTALL 70'-2"PMMP	-	-	-	0.03%	\$2,688.32	\$2,529.30	\$159.02	1/1/2008	12/31/2008	11/15/2007	3/4/2008	TWALKER/KY 04-16-09: JOB UNDER RUN DUE TO ONLY 2719' MAIN OF THE PLANNED
07026242800	INSTALL 170'-2"PMMP	-	-	-	0.05%	\$3,571.31	\$2,934.86	\$636.45	1/1/2008	12/31/2008	12/13/2007	3/4/2008	TWALKER/KY 04-03-08: JOB UNDER RAN CREWS WERE ABLE TO BORE SECTION OF MAIN
06026178200	INSTALL 14,255'-4" & 2" PL	-	-	-	2.39%	\$183,612.36	\$178,238.65	\$5,373.71	1/1/2008	12/31/2008	8/17/2006	3/7/2008	COMPLETION REPORT--SKETCH NOT REQUIRED. ZS
07026205900	INSTALL 4035' OF 2" PMMP MAIN	-	-	-	0.48%	\$37,040.67	\$43,741.31	-\$6,700.64	1/1/2008	12/31/2008	4/19/2007	3/7/2008	INSTALLED 12' - 2" WTMP & 2" GV C-18
07026235100	INSTALL 165' OF 2"PM	-	-	-	0.10%	\$7,908.98	\$7,845.51	\$63.47	1/1/2008	12/31/2008	10/16/2007	3/11/2008	OVER RUN EXPLNATION: 241' MORE 4" PIPE WAS REQUIRED THAN ESTIMATED PLUS A
08026250200	INSTALL EFC (MERCURY MINI-AT)	-	-	-	0.02%	\$1,894.80	\$4,973.09	-\$3,078.29	1/1/2008	12/31/2008	2/13/2008	3/13/2008	INSTALLED 250' - 2"PM
08026252900	INSTALL 12'-2"WTMP & 2" GV	-	-	-	0.09%	\$7,203.04	\$6,513.71	\$689.33	1/1/2008	12/31/2008	3/4/2008	3/14/2008	JOB COMPLETED AFTER COMMIT DATE.
07026216200	RECOMMENDED FOR BCC 6/4/2"	-	-	-	1.13%	\$86,732.52	\$80,055.79	\$6,680.73	1/1/2008	12/31/2008	6/20/2007	3/25/2008	JOB REQUIRED TO RETIRE 164 ADDITIONAL FOOTAGE OF 4" BARE STEEL MAIN
08026250500	INSTALL 180' - 2" PM	-	-	-	0.12%	\$9,492.12	\$3,728.54	\$5,763.58	1/1/2008	12/31/2008	2/13/2008	3/27/2008	TWALKER/KY 04-15-08: JOB OVER RAN DUE TO AMOUNT OF ROCK WAS DOUBLE WHAT
07026227700	INSTALL 2235'-2"PMMP	-	-	-	0.27%	\$20,511.88	\$24,945.08	-\$4,433.20	1/1/2008	12/31/2008	8/30/2007	3/31/2008	PIPELINE LAID OUTSIDE OF PAVED AREA. ESTIMATE INCLUDED PAVING COSTS
07026230500	INSTALL 1340' - 4" PMMP	-	-	-	0.78%	\$59,852.10	\$66,911.34	-\$7,059.24	1/1/2008	12/31/2008	9/17/2007	4/9/2008	OVERRUN DUE TO INCREASED SEGA AND DIRECTIONAL BORE FOOTAGE.
07026234600	RELOCATE 500' OF 12" WTHP MAIN	-	-	-	1.56%	\$120,442.59	\$91,023.10	\$29,419.49	1/1/2008	12/31/2008	10/10/2007	4/10/2008	KBOTKINS-PER JTOY LUMB SUM AND CREW RATE PAID BECAUSE WORK DONE ON
08026256300	INSTALL 232' - 2" PMMP	-	-	-	0.11%	\$8,545.67	\$11,389.17	-\$2,843.50	1/1/2008	12/31/2008	3/28/2008	4/17/2008	KBOTKINS-PER JTOY LUMB SUM AND HOURLY RATE PAID BECAUSE REPAIR PLAN
07026205100	INSTALL 440' - 2" PMMP	-	-	-	0.18%	\$13,773.88	\$6,426.84	\$7,347.04	1/1/2008	12/31/2008	4/17/2007	4/25/2008	OVERRUN DUE TO EXTRA DEPTH AT TIE-INS AND SEWER CROSSING AND ADDITIONAL
08026259100	INSTALL 40												

Project No.	Project Title/Description	Ann Actual	An nu al	Vari an ce	Per cent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
08026254900	INSTALL 352' - 4" PL & WT IP	-	-	-	0.76%	\$58,858.29	\$28,465.69	\$30,392.60	1/1/2008	12/31/2008	3/20/2008	4/30/2008	LAID 500+ FEET OF 2" PLA MAIN.
08026257000	INSTALL 125' - 2" PM	-	-	-	0.05%	\$3,637.47	\$8,627.73	-\$4,990.26	1/1/2008	12/31/2008	3/28/2008	5/9/2008	INSTALLED 648' - 6" PMMP & 19' - 4" PMMP / TN
06026187000	INSTALL 1234'-2"PMMP MAIN	-	-	-	0.10%	\$7,934.16	\$24,139.41	-\$16,205.25	1/1/2008	12/31/2008	11/13/2006	5/19/2008	ESTIMATED APPROPRIATELY USING A CONTRACT CREW. IC ELECTED TO USE COMPANY
07026215000	INSTALL 1120'-2"84" PMMP	-	-	-	0.23%	\$17,747.86	\$13,853.49	\$3,894.37	1/1/2008	12/31/2008	6/14/2007	5/23/2008	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
07026211901	INSTALL 650' - 6" PMMP	-	-	-	1.38%	\$106,158.32	\$78,432.46	\$27,725.86	1/1/2008	12/31/2008	10/24/2007	5/30/2008	INSTALLED 2' ZINCH SST AND 2' ZINCH GV
07026208300	INSTALL 1583' -2",3" & 4" MP	-	-	-	0.51%	\$39,211.50	\$30,495.61	\$8,715.89	1/1/2008	12/31/2008	5/11/2007	5/30/2008	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
08026262800	INSTALL EFC (MERCURY MINI-AT)	-	-	-	0.01%	\$683.32	\$3,121.46	-\$2,438.14	1/1/2008	12/31/2008	6/2/2008	6/3/2008	TWALKER/KY 07-22-08: PROJECT UNDER RAN DUE TO CKY NOT HAVING TO RESTORE
08026255900	INSTALL 2 EA 2" SST & 2" GV	-	-	-	0.13%	\$9,937.95	\$8,050.43	\$1,887.52	1/1/2008	12/31/2008	3/25/2008	6/6/2008	PLAT REQUIRED FOR LOT FROM LAND SERVICES FROM RECORDED DEED BY TONY TIPTON.
08026258600	INSTALL EFC	-	-	-	0.02%	\$1,830.01	\$3,329.06	-\$1,499.05	1/1/2008	12/31/2008	4/14/2008	6/9/2008	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
08026255700	INSTALL 785' OF 4"PM	-	-	-	0.44%	\$34,247.49	\$61,149.96	-\$26,902.47	1/1/2008	12/31/2008	3/24/2008	6/10/2008	OVERRUN EXPLANATION: MATERIAL OVER BECAUSE 300' FEET MORE PIPE THAN
07026220100	ACQUIRE NEW REG SITE	-	-	-	0.12%	\$9,425.03	\$7,941.00	\$1,484.03	1/1/2008	12/31/2008	7/13/2007	6/10/2008	TWALKER/KY 06-20-08: JOB OVER RAN DUE TO CKY INSTALL EXTRA 320' OF MAIN
08026258400	INSTALL EFC	-	-	-	0.02%	\$1,880.32	\$3,329.06	-\$1,448.74	1/1/2008	12/31/2008	4/14/2008	6/10/2008	TWALKER/KY 07-08-08: JOB UNDER RAN APPRX \$20,000 BECAUSE PROJECT WAS
07026202400	REPLACE MAIN - LEAKAGE	-	-	-	1.14%	\$87,591.13	\$79,403.14	\$8,187.99	1/1/2008	12/31/2008	3/19/2007	6/11/2008	PAID CONTRACTOR FOR 47" BORE WITH NO PIPE, PAID AS REGULAR BORE
07026227800	INSTALL 505' OF 4" PMMP MAIN	-	-	-	0.19%	\$14,692.68	\$11,039.69	\$3,652.99	1/1/2008	12/31/2008	8/30/2007	6/12/2008	JOB WILL UNDER RUN DUE TO ALL MATERIALS/CONTRACTOR COST PAID ON JOB ORDER #
07026208600	RELOCATE/REPLACE 3" STEEL MAIN	-	-	-	0.58%	\$44,588.09	\$67,320.55	-\$22,732.46	1/1/2008	12/31/2008	5/14/2007	6/20/2008	INCLEMMENT WEATHER.
07026194200	INSTALL 1740'4" PL	-	-	-	1.21%	\$93,269.55	\$147,890.46	-\$54,620.91	1/1/2008	12/31/2008	1/12/2007	6/25/2008	PROJECT OVER RUN DUE TO ADDITIONAL DIRECTIONAL BORE OF 2" & 8" + DUST TONAG
08026269600	INSTALL 30'-8"PMMP	-	-	-	0.00%	\$196.94	\$896.29	-\$699.35	1/1/2008	12/31/2008	8/7/2008	7/2/2008	JOB UNDER RAN DUE TO COMPANY LABOR BEING LESS THAN ESTIMATED
04026982400	INSTALL 11460'-2"PMMP MAIN	-	-	-	0.83%	\$63,612.65	\$58,292.06	\$5,320.59	1/1/2008	12/31/2008	7/7/2004	7/7/2008	REPLACED VALVE
07026236600	INST 13000'-8"81260'-2"PMMP	-	-	-	5.66%	\$435,283.40	\$504,041.19	-\$68,757.79	1/1/2008	12/31/2008	10/25/2007	7/7/2008	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
08026257300	INSTALL 56'-2"84" PMIP	-	-	-	0.12%	\$9,068.77	\$10,980.12	-\$1,911.35	1/1/2008	12/31/2008	4/1/2008	7/25/2008	JOB ORDER ESTIMATED TO USE CONTRACTOR FOR INSTALLATION, UNDER RUN DUE TO CO
08026258800	REPLACE CRIT. VLV C139-C	-	-	-	0.09%	\$6,627.35	\$9,193.91	-\$2,566.56	1/1/2008	12/31/2008	4/17/2008	7/25/2008	HOURLY RATE FOR FINDING MAIN ON BENSON AVE. LOCATED MAIN IN STREET AND IN
08026266800	INSTALL EFC	-	-	-	0.03%	\$2,265.91	\$3,123.78	-\$857.87	1/1/2008	12/31/2008	7/14/2008	7/25/2008	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
08026264800	INSTALL 150'-2"PMMP GAS MAIN	-	-	-	0.04%	\$3,114.25	\$6,324.33	-\$3,210.08	1/1/2008	12/31/2008	6/20/2008	7/28/2008	TRIED TO KEEP DRIVEWAY OPEN BY COMPLETING MAIN INSTALLATION IN THAT AREA,
07026228400	INSTALL 8895' 2" PMMP	-	-	-	6.49%	\$499,682.26	\$694,388.70	-\$194,706.44	1/1/2008	12/31/2008	9/5/2007	7/29/2008	COMPLETION REPORT NO SKETCH REQUIRED.
08026271600	INSTALL MECHANICAL GAUGE	-	-	-	0.00%	\$112.69	\$51.47	\$61.22	1/1/2008	12/31/2008	8/20/2008	7/30/2008	INSTALLED 106' 4" WTMP STEEL SERVICE LINE TO NEW BOILER PLANT BEHIND STATE
08026249700	RELOCATE 270' OF 2"PMMP MAIN	-	-	-	0.18%	\$13,719.53	\$15,007.42	-\$1,215.89	1/1/2008	12/31/2008	2/12/2008	8/1/2008	OVERRUN EXPLANATION: JOB WAS PLANNED FOR INSTALLATION IN THE SOIL AT NORMAL
08026268500	REPLACE INLET/OUTLET VALVES	-	-	-	0.01%	\$604.37	\$1,537.98	-\$933.61	1/1/2008	12/31/2008	7/28/2008	8/2/2008	COMPLETED FINAL TIE-IN AND INSTALLED CHART GAUGE, BEGINNING TEST AT 5:00 PM
08026263200	INSTALL 100'-4"WTMP S/L	-	-	-	0.31%	\$23,720.20	\$13,656.65	\$10,063.55	1/1/2008	12/31/2008	6/6/2008	8/6/2008	TWALKER/KY 08-20-08: JOB UNDER RAN DUE TO CREWS WERE ABLE TO BORE SIDEWALK
07026193700	INSTALL/RELOCATE 80'-8"WTMP	-	-	-	1.02%	\$78,237.66	\$37,325.48	\$40,912.18	1/1/2008	12/31/2008	1/10/2007	8/8/2008	PROJECT CAME IN UNDER BUDGET DUE TO FOLLOWING ITEMS: 1) OPEN TRENCHING METH
07026197100	INSTALL 2930' OF 2" & 4" PMMP	-	-	-	0.56%	\$43,191.20	\$48,445.11	-\$5,253.91	1/1/2008	12/31/2008	1/25/2007	10/2/2008	UNDERRUN EXPLANATION: 1600 HOURS WAS INCORRECTLY ESTIMATED FOR A BACKHOLE. T
07026226400	INSTALL 191' 4" PLP	-	-	-	0.10%	\$7,976.91	\$12,537.98	-\$4,561.07	1/1/2008	12/31/2008	8/21/2007	8/13/2008	MET WITH BRIAN SLOAN AND BILL HARP TO REVIEW PROPOSED PROJECT.
07026234100	REPL LP MAIN, LEAKAGE 2"PMMP	-	-	-	0.58%	\$45,012.29	\$55,497.12	-\$10,484.83	1/1/2008	12/31/2008	10/5/2007	8/13/2008	4" SERVICE TESTED VIA JO 07-0262165-00
08026256000	INSTALL 640' - 2" PMMP	-	-	-	0.11%	\$8,207.34	\$37,557.68	-\$29,350.34	1/1/2008	12/31/2008	3/26/2008	8/14/2008	TWALKER/KY 06-12-09: JOB UNDER RUN TO PLANNED COMPANY LABOR 96 HOURS VS
08026252100	RELOCATE 655' OF 2"PMMP	-	-	-	0.19%	\$14,682.26	\$12,126.92	\$2,555.34	1/1/2008	12/31/2008	2/25/2008	8/20/2008	TWALKER/KY 08-28-08: CKY WAS ABLE TO LOWER EXISTING PLASTIC MAIN IN PLACE
07026216700	INSTALL 115' - 3" PL SERVICE	-	-	-	0.03%	\$2,436.40	\$4,661.92	-\$2,225.52	1/1/2008	12/31/2008	6/22/2007	8/21/2008	GSULLI: UNDER RUN EXPLANATION: PROJECT ESTIMATING USING CONTRACT RESOURCES
07026215400	INSTALL 66'-6"LP & 72'-4"PM	-	-	-	0.55%	\$42,659.68	\$41,198.04	\$1,461.64	1/1/2008	12/31/2008	6/15/2007	8/28/2008	TWALKER/KY 09-19-08: A TEMP REG STATION WAS USED FOR TIE IN TO AVOID SHUTTI
08026265200	RELOCATE 80' OF 4"PMMP	-	-	-	0.05%	\$4,212.57	\$7,818.65	-\$3,606.08	1/1/2008	12/31/2008	6/25/2008	8/28/2008	JOB ORDER OVER RAN 1,610.95 DUE TO ESTIMATED ON 07 CONTRACT AND PAID ON
08026266100	INSTALL 620'-2"PMMP	-	-	-	0.11%	\$8,500.22	\$14,376.47	-\$5,876.25	1/1/2008	12/31/2008	7/7/2008	9/4/2008	OPENED DITCH, BUT NO PIPE HAS BEEN LAID.
07026225900	25' 4" WTMP & 30' 2" PMMP	-	-	-	0.21%	\$16,167.23	\$12,029.40	\$4,137.83	1/1/2008	12/31/2008	8/20/2007	9/4/2008	INSTALLED 300 FT PLASTIC MAIN
07026241600	RELOCATE 1800'-4"PMMP	-	-	-	0.70%	\$54,045.31	\$32,022.39	\$22,022.92	1/1/2008	12/31/2008	12/3/2007	9/11/2008	INSTALLED 217FT OF "2 PLASTIC MAIN
07026236100	INSTALL 6500' OF 2" PMMP	-	-	-	0.61%	\$47,222.80	\$78,751.95	-\$31,529.15	1/1/2008	12/31/2008	10/23/2007	9/17/2008	EXTENDED 2" PMP, 81' TO SERVE UNITS 3521 AND 3523 ON RABBITS FOOT TL.
08026269400	INST 300'-2"PMMP MAIN/PRIVATE	-	-	-	0.09%	\$7,184.27	\$7,717.10	-\$532.83	1/1/2008	12/31/2008	8/6/2008	9/26/2008	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
08026269500	INST 200'-2"PMMP	-	-	-	0.06%	\$4,755.44	\$5,838.10	-\$1,082.66	1/1/2008	12/31/2008	8/6/2008	9/26/2008	TWALKER/KY 04-16-09: JOB OVER RAN BECAUSE COMPANY LABOR HOURS WERE 125 ACTU
08026276600	INSTALL 80'-2"PMMP	-	-	-	0.02%	\$1,914.98	\$1,882.95	\$32.03	1/1/2008	12/31/2008	10/1/2008	10/2/2008	JOB OVER RAN BECAUSE IT WAS ESTIMATED ON CONTRACT UNITS WITH STANLEY
08026277600	INSTALL NEW EFC	-	-	-	0.04%	\$3,073.53	\$3,324.41	-\$250.88	1/1/2008	12/31/2008	10/3/2008	10/6/2008	CONTRACTOR WAS LOOKING FOR MAIN IN STREET AND WAS UNABLE TO FIND THE
08026272100	INSTALL 18' OF 12"WTMP MAIN	-	-	-	0.48%	\$36,747.93	\$27,289.59	\$9,458.34	1/1/2008	12/31/2008	8/22/2008	10/13/2008	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
08026245100	INSTALL 90'-2"84"WTMP&WTIP	-	-	-	0.26%	\$19,936.75	\$14,629.17	\$5,307.58	1/1/2008	12/31/2008	1/7/2008	10/17/2008	OVERRUN DUE TO POOR WEATHER...INCREASED FOOTAGE TO BRING VALVES INTO
08026274300	INSTALL 150'-2"PMMP	-	-	-	0.13%	\$10,316.44	\$4,968.53	\$5,347.91	1/1/2008	12/31/2008	9/9/2008	10/23/2008	TWALKER/KY 04-16-09: JOB UNDER RAN DUE TO ALL MAIN WAS INSTALLED BY OPEN
08026274500	INSTALL EFC	-	-	-	0.03%	\$2,647.14	\$4,114.33	-\$1,467.19	1/1/2008	12/31/2008	9/12/2008	10/23/2008	CONTRACT LABOR OVERRAN BECAUSE ROCK WAS UNDER ESTIMATED. DUE TO THIS
08026261300	INSTALL 90'4" PMIP	-	-	-	0.51%	\$39,482.92	\$13,329.77	\$26,153.15	1/1/2008	12/31/2008	5/16/2008	10/29/2008	TWALKER/KY 11-10-08: JOB UNDER RAN DUE TO PLANNED 160' FOR ROCK BORE
08026260800	INSTALL 1250' OF 2"PMMP	-	-	-	0.32%	\$24,496.15	\$26,073.35	-\$1,577.20	1/1/2008	12/31/2008	5/1/2008	11/4/2008	JOB WAS ORIGINALLY ON JOB TYPE 583 JOB ORDER NUMBER 08-026264-00
07026272900	REPLACE MAIN - LEAKAGE	-	-	-	2.48%	\$190,953.49	\$127,314.88	\$63,638.61	1/1/2008	12/31/2008	8/31/2007	11/4/2008	INCORRECT 12" SPHERICALS ORDERED (SSN 42-25-338) RE-ORDERED
08026272300	INSTALL 450' OF 12"WTMP MAIN	-	-	-	1.25%	\$96,396.02	\$111,083.64	-\$14,687.62	1/1/2008	12/31/2008	8/25/2008	11/5/2008	TWALKER/KY 10-17-08: NO SKETCH FOR COMPLETION REPORT.
09026286800	INSTALL NEW REG STAT	-	-	-	0.90%	\$69,315.13	\$88,804.53	-\$19,489.40	1/1/2008	12/31/2008	1/8/2009	11/7/2008	TWALKER/KY 04-16-09: JOB UNDER RAN DUE TO NO ROCK ONSITE AND EXPECTED OTHER
07026234300	REPLACE MAIN - LEAKAGE	-	-	-	27.62%	\$2,125,589.00	\$2,044,044.00	\$81,544.96	1/1/2008	12/31/2008	10/5/2007	11/11/2008	TWALKER/KY 06-18-09: PROJECT WILL UNDER RUN DUE TO SLOW DOWN IN ECONOMY AND
07026212300	INSTALL NEW METAL BUILDING	-	-	-	0.22%	\$16,780.61	\$19,753.00	-\$2,972.39	1/1/2008	12/31/2008	6/4/2007	11/13/2008	RECTIFIER AND GROUNDBED INSTALLED
08026268700	INSTALL 262' OF 6"PMMP MAIN	-	-	-	0.17%	\$12,934.16	\$17,999.98	-\$5,065.82	1/1/2008	12/31/2008	7/28/2008	11/18/2008	REPAIRED SERVICE
08026265900	INSTALL 1800'-2"PMMP MAIN	-	-	-	0.24%	\$18,215.98	\$31,881.17	-\$13,665.19	1/1/2008	12/31/2008	7/2/2008	11/19/2008	REQUIRED KDOT PERMIT - UNABLE TO START PROJECT UNTIL PERMIT RECEIVED.
08026268400	RECTIFIER/GROUNDBED INSTALL	-	-	-	0.12%	\$9,109.38	\$41,273.02	-\$32,163.64	1/1/2008	12/31/2008	7/28/2008	11/9/2008	JOB OVERRAN DUE TO CONSTRUCTION INSTALLING 255 FEET BY DIRECTIONAL BORE
08026260200	INSTALL 627-M BYPASS REG	-	-	-	0.01%	\$1,090.39	\$2,570.74	-\$1,480.35	1/1/2008	12/31/2008	4/29/2008	11/21/2008	INSTALLED FISHER 1805-19 RELIEF VALVE 150.0 DESIGN PRESSURE
08026278600	INSTALL 115' - 2" PMMP	-	-	-	0.01%	\$1,135.09	\$3,						

Project No.	Project Title/Description	Ann Actual	An nu al	Vari an ce	Per cent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
08026257500	INSTALL 250' OF 4"PM - LEAKAGE	-	-	-	0.53%	\$40,616.69	\$19,846.98	\$20,769.71	1/1/2008	12/31/2008	4/2/2008	12/15/2008	TWALKER/KY 04-16-09: PROJECT OVER RAN DUE TO DELAYS FROM LFUCG CITY GOVERN
07026193200	REPLACE MAIN - LEAKAGE	-	-	-	5.23%	\$402,787.96	\$354,779.02	\$48,008.94	1/1/2008	12/31/2008	1/8/2007	12/16/2008	INSTALLED 349' - 2" PLASTIC MAIN
08026282400	REPLACE CATALYTIC HEATER	-	-	-	0.02%	\$1,908.58	\$2,482.69	-\$574.11	1/1/2008	12/31/2008	11/12/2008	12/16/2008	INSTALLED 10' OF 6" PLASTIC PIPE(INSULATOR)
08026254300	INSTALL 1700' OF 2"/4"PMMP	-	-	-	1.34%	\$103,015.07	\$73,973.54	\$29,041.53	1/1/2008	12/31/2008	3/17/2008	12/17/2008	INCLEMENT WEATHER.
08026267700	INSTALL 400' OF 2"PM MAIN	-	-	-	0.14%	\$11,058.87	\$17,010.39	-\$5,951.52	1/1/2008	12/31/2008	7/23/2008	12/24/2008	TWALKER/KY 01-13-09: JOB OVER RAN DUE TO AMOUNT OF ROCK ENCOUNTER ONSITE
08026277700	INSTALL 10' OF 6" PIF	-	-	-	0.08%	\$6,370.82	\$6,212.06	\$158.76	1/1/2008	12/31/2008	10/6/2008	12/31/2008	REPLACED 28' OF 4" BARE STEEL MAIN
						2008 Construction Project Budget	\$7,696,345.39						ESTIMATED FOR INSERTION OF PIPE LINE FOR LARGE PART OF PROJECT. CONSTRUCTIO
08026283800	INSTALL 80' OF 4"PM	-	-	-	0.08%	\$4,668.57	\$4,853.18	-\$184.61	1/1/2009	12/31/2009	12/3/2008	1/8/2009	UNDERRUN DUE TO COMPANY LABOR INSTALLATION VS CONTRACTOR ESTIMATED.
08026251500	REPLACE 85'OF 4" EXPOSED MAIN	-	-	-	0.32%	\$18,221.11	\$10,321.42	\$7,899.69	1/1/2009	12/31/2009	2/21/2008	1/9/2009	JOB OVER RAN DUE TO THE FOLLOWING: PART OF INSTALLATION HAD TO BE DONE IN
09026286200	REPLACE MAIN - LEAKAGE	-	-	-	0.07%	\$3,745.06	\$3,931.88	-\$186.82	1/1/2009	12/31/2009	1/7/2009	1/16/2009	EXTRA BORE PAID 40' OF 2 INCH
08026252500	REPL 5210'-2"PMMP/12'-4"	-	-	-	3.98%	\$226,239.42	\$308,869.27	-\$82,629.85	1/1/2009	12/31/2009	2/28/2008	1/19/2009	RELOCATED 4" MAIN
08026285700	INSTALL 200' - 4" PMIP	-	-	-	0.04%	\$2,525.18	\$3,573.68	-\$1,048.50	1/1/2009	12/31/2009	12/22/2008	1/21/2009	JOB OVER RUN COMMENTS: LAND SERVICES CONTRACT ITEMS WERE ESTIMATED AT
08026273000	INSTALL 1600'-2"PMMP	-	-	-	0.54%	\$30,547.61	\$20,354.35	\$10,193.26	1/1/2009	12/31/2009	9/2/2008	1/23/2009	TWALKER/KY 02-10-09: JOB UNDER RAN DUE TO NO ROCK HIT DURING CONSTRUCTION
08026247900	INSTALL 12500'-2" & 4" PMMP	-	-	-	10.66%	\$606,089.32	\$450,330.65	\$155,758.67	1/1/2009	12/31/2009	1/28/2008	1/27/2009	REPLACED 400 FT OLD ST MAIN
07026228900	RELOCATE 400' OF LP MAIN	-	-	-	0.41%	\$23,086.38	\$17,917.69	\$5,168.69	1/1/2009	12/31/2009	9/7/2007	1/29/2009	INSTALLED 225 FT 4 IN PL MAIN
08026260701	INSTALL 4400'4"PMMP BETTERMENT	-	-	-	1.79%	\$101,554.37	\$89,961.09	\$11,593.28	1/1/2009	12/31/2009	9/19/2008	2/2/2009	TWALKER/KY 02-16-09: JOB OVER RAN DUE TO ICE AND STORM STORM WHICH DELAYED
08026283300	INSTALL 2200' OF 2"PMMP	-	-	-	0.39%	\$22,041.30	\$27,839.91	-\$5,798.61	1/1/2009	12/31/2009	11/25/2008	2/3/2009	INSTALLED NEW 8" HP STEEL MAIN
08026280700	INSTALL 400' - 4" PM	-	-	-	0.74%	\$42,142.99	\$33,401.01	\$8,741.98	1/1/2009	12/31/2009	11/3/2008	2/11/2009	COMPLETION REPORT--NO SKETCH REQUIRED. ZS
09026286500	INSTALL 260' - 4" PM	-	-	-	0.36%	\$20,518.58	\$14,700.72	\$5,817.86	1/1/2009	12/31/2009	1/8/2009	2/11/2009	INSTALLED 369' - 2" PMMP & 4' - 3" WTMP
07026218200	6'-4" WTMP & 78'-4" PMMP	-	-	-	0.31%	\$17,795.86	\$12,528.95	\$5,266.91	1/1/2009	12/31/2009	6/28/2007	2/12/2009	OVERRUN DUE TO EXTRA SAND / STONE. UNABLE TO USE SPOIL FROM DITCH.JMP
07026204200	INSTALL 160'-8"WTHP	-	-	-	1.12%	\$63,433.18	\$32,652.79	\$30,780.39	1/1/2009	12/31/2009	4/3/2007	2/24/2009	HOURL PAID FOR STEEL GOING TO RS 1108
08026284300	INSTALL EFC	-	-	-	0.09%	\$5,196.68	\$3,117.35	\$2,079.33	1/1/2009	12/31/2009	12/8/2008	2/24/2009	INSTALLED 28' - 3" PLASTIC MAIN
08026258100	INSTALL 392' - 2" PMMP	-	-	-	0.40%	\$22,708.98	\$21,673.37	\$1,035.61	1/1/2009	12/31/2009	4/10/2008	3/4/2009	EQUIPMENT FAILURE, WAITING FOR REPAIR PARTS.
08026278900	RELOCATE 470' 3"&4" PMMP MAIN	-	-	-	0.68%	\$38,623.86	\$22,637.47	\$15,986.39	1/1/2009	12/31/2009	10/17/2008	3/4/2009	JOB OVERRAN-JOB WAS ESTIMATED TO DO DIRECTIONAL BORE ON NICHOLASVILLE RD
07026231300	INSTALL 10069'-4"&6"PMMP	-	-	-	9.04%	\$514,014.95	\$404,887.59	\$109,127.36	1/1/2009	12/31/2009	9/21/2007	3/11/2009	TWALKER/KY 03-19-09: NO SKETCH FOR COMPLETION REPORT.
07026231700	INSERT 40' OF 3"PM MAIN	-	-	-	0.08%	\$4,284.60	\$5,264.17	-\$979.57	1/1/2009	12/31/2009	9/25/2007	3/11/2009	HARD COPIES ARE NEEDED.
08026280300	INSTALL 250' -2"PMMP	-	-	-	0.21%	\$12,058.41	\$7,471.18	\$4,587.23	1/1/2009	12/31/2009	10/28/2008	3/12/2009	TWALKER/KY 03-26-09: JOB UNDER RUN DUE TO CITY OF FRANKFORT WILL BE REPAVIN
08026253700	INSTALL 7443'-2",4",6"&8"PMMP	-	-	-	9.49%	\$539,876.19	\$367,143.05	\$172,733.14	1/1/2009	12/31/2009	3/6/2008	3/12/2009	JOB OVER RAN DUE TO THE FOLLOWING: JOB ESTIMATED FOR 10% ROCK AND
09026288100	INSTALL NEW FENCE AT REG # 1640	-	-	-	0.06%	\$3,629.01	\$3,638.69	-\$9.68	1/1/2009	12/31/2009	1/27/2009	3/18/2009	SYSTEM UPGRADE AND INSTALLED 2" CRITICAL VALVE
08026275900	INSTALL 385'-2"PMIP	-	-	-	0.22%	\$12,642.00	\$7,628.63	\$5,013.37	1/1/2009	12/31/2009	9/26/2008	3/23/2009	PROJECT OVER RAN DUE TO LAND SERVICES BEING \$7K HIGHER THAN ESTIMATED. THIS
07026232900	REPLACE MAIN - LEAKAGE	-	-	-	0.78%	\$44,387.43	\$79,531.82	-\$35,144.39	1/1/2009	12/31/2009	9/28/2007	3/25/2009	ACQUIRED NEW SITE FOR EXISTING REG STATION 1030. EXHIBIT DRAWING ATTACHED.
09026288000	INSTALL 510' 2" PMMP	-	-	-	0.26%	\$14,638.25	\$9,582.23	\$5,056.02	1/1/2009	12/31/2009	1/26/2009	3/31/2009	INSTALLED 326' OF 4" PLASTIC MAIN & 274' OF 2" PLASTIC MAIN
08026264300	INSTALL NEW 2" CRITICAL VALVE	-	-	-	0.08%	\$4,500.07	\$3,457.23	\$1,042.84	1/1/2009	12/31/2009	6/17/2008	3/31/2009	INSTALLED 2630' OF 4" PLASTIC MAIN & 350' OF 2" PLASTIC MAIN
07026217400	REPLACE 188'-2"PLP	-	-	-	0.35%	\$20,051.11	\$12,715.36	\$7,335.75	1/1/2009	12/31/2009	6/26/2007	4/1/2009	RELOCATED EXISTING MAIN, ABANDONED THE OLD MAIN.
08026259800	NEW SITE FOR REG STA 1213	-	-	-	0.32%	\$18,319.61	\$14,074.00	\$4,245.61	1/1/2009	12/31/2009	4/28/2008	4/3/2009	REPLACED 6" BARE STEEL MAIN WITH 12" COATED STEEL.
05026111600	INSTALL 9600'-4"&2" PMMP MAIN	-	-	-	1.61%	\$91,395.59	\$72,930.65	\$18,464.94	1/1/2009	12/31/2009	4/8/2005	4/8/2009	TWALKER/KY 04-30-09: PROJECT OVER RUN DUE TO COLD TEMPS AND RAIN WHICH
08026284900	INSTALL 2900'-2"&4"PMMP	-	-	-	0.71%	\$40,104.88	\$51,604.62	-\$11,499.74	1/1/2009	12/31/2009	12/12/2008	4/8/2009	REPLACED 13' OF 3" STEEL MAIN WITH 3" PLASTIC PIPE WORK COMPLETED 4/22 &
08026276400	INSTALL 260' OF 4"PMMP	-	-	-	0.26%	\$14,947.53	\$19,278.98	-\$4,331.45	1/1/2009	12/31/2009	10/1/2008	4/13/2009	REPLACED MAINS ON MORRISON AVE & GRANARD AVE
07026233500	* AMRP * INSTALL 1961'-12"WTHP	-	-	-	5.08%	\$289,108.06	\$288,824.27	\$283.79	1/1/2009	12/31/2009	10/4/2007	4/21/2009	CGI, NEW CURBS, SIDEWALK AND WHEEL CHAIR RAMPS HAVE RECENTLY BEEN POURED.
07026211500	INSERT 628' OF 4"PMMP MAIN	-	-	-	0.63%	\$35,959.09	\$31,369.91	\$4,589.18	1/1/2009	12/31/2009	5/30/2007	4/28/2009	CONTRACTOR PAID HOURLY FOR JOB, NO PAY ITEM TO INSERT 4" PLASTIC PIPE INTO
09026293600	INSTALL 20' OF 3"PM-LEAKAGE	-	-	-	0.09%	\$5,079.29	\$6,931.11	-\$1,851.82	1/1/2009	12/31/2009	4/23/2009	5/8/2009	TWALKER/KY 06-10-09: NO SKETCH FOR COMPLETION REPORT.
09026289200	INSTALL 750' OF 4"PM MAIN	-	-	-	0.56%	\$31,626.83	\$42,572.09	-\$10,945.26	1/1/2009	12/31/2009	2/9/2009	5/12/2009	REPLACED 20' OF 4" STEEL MAIN WITH 4" PLASTIC PIPE WORK DONE ON 6/9, 6/10
09026294000	INSTALL 200' OF 2"PMMP	-	-	-	0.10%	\$5,610.17	\$7,180.43	-\$1,570.26	1/1/2009	12/31/2009	4/24/2009	5/13/2009	INSTALLED 6" PLASTIC MAIN
09026293100	INST 390'-2"PM	-	-	-	0.50%	\$28,659.13	\$35,274.76	-\$6,615.63	1/1/2009	12/31/2009	4/15/2009	6/8/2009	INSTALLED NEW 2" PLASTIC MAIN TO INSIGHT GENERATOR
09026294600	INSTALL NEW FENCE AT REG# 1594	-	-	-	0.02%	\$862.61	\$2,421.00	-\$1,558.39	1/1/2009	12/31/2009	4/29/2009	6/10/2009	COMPLETION REPORT ONLY NO SKETCH REQUIRED.
09026301000	REPLACE MAIN - LEAKAGE	-	-	-	0.19%	\$10,724.83	\$13,583.70	-\$2,858.87	1/1/2009	12/31/2009	6/9/2009	6/11/2009	JOB UNDER RUN DUE TO THE FOLLOWING: AFTER CONSULTATION WITH CONSTRUCTION
09026294300	INSTALL 90' OF 6"PMMP	-	-	-	0.18%	\$10,443.63	\$16,491.95	-\$6,048.32	1/1/2009	12/31/2009	4/28/2009	6/15/2009	INSTALLED 6" PLASTIC MAIN
09026287800	INSTALL 275' OF 2"PMMP	-	-	-	0.33%	\$18,703.77	\$17,555.86	\$1,147.91	1/1/2009	12/31/2009	1/23/2009	6/17/2009	TWALKER/KY-07-27-09: JOB UNDER RUN DUE TO NO ROCK DURING CONSTRUCTION AS
09026299700	INSTALL NEW PRIVACY FENCE	-	-	-	0.03%	\$1,975.72	\$1,789.00	\$186.72	1/1/2009	12/31/2009	5/21/2009	6/19/2009	TWALKER/KY 07-27-09: JOB OVER RAN DUE TO AMERICAN WIRE-CUSTOMER UNABLE
09026289400	INSTALL 1636'-2"PMMP	-	-	-	1.13%	\$64,504.83	\$99,230.38	-\$34,725.55	1/1/2009	12/31/2009	2/11/2009	7/13/2009	RAN 42' 4" STEEL CASEING UNDER LEXINGTON AV, ENTIRE SERVICE IS 3' PLASTIC.
09026297400	INSTALL 50' OF 6"PM MAIN	-	-	-	0.14%	\$8,043.50	\$8,852.86	-\$809.36	1/1/2009	12/31/2009	5/11/2009	7/15/2009	MATERIALS OVERRUN COST DUE TO LOCAL PURCHASE OF HP FITTINGS FOR BY-PASS, NO
07026236200	INSTALL 5375' OF 2" PMMP MAIN	-	-	-	0.88%	\$50,244.72	\$68,045.24	-\$17,800.52	1/1/2009	12/31/2009	10/24/2007	7/22/2009	JOB OVER RAN DUE TO THE FOLLOWING: DECISION MADE IN THE FIELD TO INSTALL
09026300500	INSTALL NEW 4" STEEL S/L	-	-	-	0.39%	\$22,411.14	\$9,491.29	\$12,919.85	1/1/2009	12/31/2009	6/2/2009	7/23/2009	PIPELINE WORK COMPLETED ON 08/06/09 - PAPERWORK COMPLETED ON 09/03/09
09026300700	INST 180'-3"PM S/L NBL	-	-	-	0.12%	\$6,936.33	\$14,600.60	-\$7,664.27	1/1/2009	12/31/2009	6/5/2009	7/28/2009	UNDERRAN DUE COMPANY CREW DOING THE WORK INSTEAD OF CONTRACTOR AS ESTIMATED
09026302200	INSTALL 150'-1/2"/4"WTHP MAIN	-	-	-	0.88%	\$50,170.21	\$27,362.29	\$22,807.92	1/1/2009	12/31/2009	6/17/2009	8/31/2009	UNDERRUN DUE TO REDUCED NUMBER OF SERVICE LINE RECONNECTS VS REPLACEMENT
09026304000	INSTALL 120'-2"PMMP	-	-	-	0.24%	\$13,902.33	\$8,858.40	\$5,043.93	1/1/2009	12/31/2009	7/1/2009	8/31/2009	TWALKER/KY 10-14-09: JOB OVER RUN DUE TO LOCATION OF LEAK AT OFF SET IN
09026308500	INSTALL 156' - 2" PMIP	-	-	-	0.08%	\$4,799.99	\$8,290.63	-\$3,490.64	1/1/2009	12/31/2009	8/10/2009	9/3/2009	JOB OVER RAN DUE TO THE FOLLOWING: PART OF THIS INSTALLATION WAS DONE
04026995100	INSTALL APPROX 1295'-4"PL	-	-	-	0.80%	\$45,708.45	\$64,371.61	-\$18,663.16	1/1/2009	12/31/2009	10/26/2004	9/15/2009	OVERRUN WAS HOURLY PAID TO LOCATE AND TEST EXISTING 2" PLASTIC. (ACCORDING
08026269800	INSTALL 3871' - 2" PMMP	-	-	-	2.60%	\$147,907.66	\$133,290.78	\$14,616.88	1/1/2009	12/31/2009	8/7/2008	9/16/2009	UNDERRUN APPEARS TO BE BECAUSE OF NO ROCK PAID/ENCOUNTERED AS ESTIMATED.
09026292900	INSERT 101' OF 3"PM LP MAIN	-	-	-	0.34%	\$19,457.72	\$9,305.56	\$10,152.16	1/1/2009	12/31/2009	4/15/2009	9/17/2009	JOB UNDER RAN DUE TO LESS LABOR HOURS, DIRECTIONAL BORE FOR SIX LANES AT
09026292100	INSTALL 405'-6"&2"PMMP	-	-	-	0.90%	\$50,904.43	\$44,798.26	\$6,106.17	1/1/2009				

Project No.	Project Title/Description	Ann Actual	An nu al	Vari an ce	Per cent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments	
07026228600	INSTALL 740' - 8" PMMP MAIN	-	-	-	1.12%	\$63,789.22	\$69,162.76	-\$5,373.54	1/1/2009	12/31/2009	9/5/2007	9/29/2009	TWALKER/KY 10-13-09: 76' OF 4" WTHP MAIN ALONG WITH TIE INS WAS PAID HOURLY	
09026310300	INSTALL 500' - 2" PMMP MAIN	-	-	-	0.18%	\$10,401.38	\$14,394.82	-\$3,993.44	1/1/2009	12/31/2009	8/28/2009	9/30/2009	BAGGED OFF LINE TO ASSIST M&R DEPT	
08026270400	INSTALL 2621' - 2" PMMP	-	-	-	2.51%	\$142,998.80	\$88,007.69	\$54,991.11	1/1/2009	12/31/2009	8/12/2008	10/1/2009	UNDERRUN DUE TO NO ROCK EXCAVATED AS ESTIMATED	
09026309300	INSTALL SOLAR RECTIFIER	-	-	-	0.09%	\$5,259.69	\$5,127.99	\$131.70	1/1/2009	12/31/2009	8/19/2009	10/2/2009	S/N 19031867 3/8 ORFICE 5-20 PSIG SPRING SET AT 12.0 PSIG	
08026272600	INSTALL 2900'-12"WTHP & 8"PMMP	-	-	-	16.23%	\$923,012.13	\$710,474.77	\$212,537.36	1/1/2009	12/31/2009	8/28/2008	10/7/2009	CHECKED ACCOUNTS AFTER LP MAIN WAS BAGGED OFF ,NO OUTAGES OK.	
09026306600	INSTALL NEW REGULATORS	-	-	-	0.22%	\$12,666.84	\$9,486.79	\$3,180.05	1/1/2009	12/31/2009	7/28/2009	10/8/2009	TWALKER/KY 11-09-09: JOB UNDER RUN DUE TO MILLER PIPELINE BORING MOST	
09026311600	INSTALL 750' - 2" PMMP MAIN	-	-	-	0.25%	\$14,406.80	\$16,677.35	-\$2,270.55	1/1/2009	12/31/2009	9/22/2009	10/29/2009	LP SECTION IN-SERVICE 9-10-09, MP IN-SERVICE 10-21-09 PER RHUMPHREYS.	
09026299500	INSTALL F-627-M/627-R	-	-	-	0.03%	\$1,943.87	\$2,697.25	-\$753.38	1/1/2009	12/31/2009	5/20/2009	10/30/2009	TWALKER/KY 03-17-10: PROJECT OVER RUN DUE TO ADDITIONAL \$5000 SEGA COST	
08026267900	INST 264'-4"PMMP	-	-	-	0.30%	\$16,968.04	\$18,413.32	-\$1,445.28	1/1/2009	12/31/2009	7/25/2008	11/2/2009	TWALKER/KY 12-01-09: JOB UNDER RUN BECAUSE WE WERE ABLE TO DIRECTIONAL BORE	
08026275000	AMRP * INSTALL 19000'-2"/4" MN	-	-	-	10.99%	\$625,139.09	\$572,598.52	\$52,540.57	1/1/2009	12/31/2009	7/21/2008	11/6/2009	INSTALLED 339' OF 2"PMMP	
07026227401	INSTALL 1325' OF 6" LP/MP MN	-	-	-	3.79%	\$215,535.73	\$120,582.92	\$94,952.81	1/1/2009	12/31/2009	6/4/2009	11/12/2009	INSERTED 102' 4" PLASTIC LP MAIN	
08026281900	INSTALL 650' OF 8"PMMP	-	-	-	0.79%	\$45,191.66	\$38,424.21	\$6,767.45	1/1/2009	12/31/2009	11/10/2008	11/13/2009	TWALKER/KY 12-09-09: JOB OVER RUN DUE TO CORRISON DEPT CHANGING LOCATION	
09026314600	INSTALL 150' OF 2"PMMP	-	-	-	0.09%	\$5,242.76	\$9,147.51	-\$3,904.75	1/1/2009	12/31/2009	10/29/2009	11/30/2009	2" IN-SERVICE 10/28/09 PER RWILLI2. ALREADY HAD IN-SERVICE DATE OF	
09026309700	INSTALL 270'-2"PMMP	-	-	-	0.07%	\$4,003.31	\$4,135.55	-\$132.24	1/1/2009	12/31/2009	8/25/2009	12/3/2009	FILLED IN FOR JEFF MOBLEY WHO WAS OFF SICK TODAY.	
09026296700	INSERT 101' OF 4"PM MAIN	-	-	-	0.22%	\$12,243.30	\$9,505.48	\$2,737.82	1/1/2009	12/31/2009	5/8/2009	12/3/2009	RON WILLIAMS HAS COMPLETED THIS ORDER.	
09026306000	INSTALL 2-8" WELD INSULATORS	-	-	-	0.78%	\$44,341.40	\$40,539.57	\$3,801.83	1/1/2009	12/31/2009	7/24/2009	12/4/2009	IN SERVICE 12-17-09 PER DOUG KINDER	
09026308200	INSTALL 1150' OF 2"/4" LP/MP	-	-	-	2.18%	\$123,785.97	\$116,034.13	\$7,751.84	1/1/2009	12/31/2009	8/10/2009	12/8/2009	RCVD FROM FIELD 1-22-10	
08026259600	4545'-8"WTHP, 1900'-6"8/4"PMMP	-	-	-	14.67%	\$834,499.89	\$633,213.39	\$201,286.50	1/1/2009	12/31/2009	4/25/2008	12/18/2009	6" PL IN SERVICE 1-13-10 PER DKINDER.	
07026232400	INSTALL 2850' OF 2"/4" ST/PMMP	-	-	-	2.73%	\$155,248.93	\$91,836.24	\$63,412.69	1/1/2009	12/31/2009	9/25/2007	12/21/2009	INSERTED 2" PLASTIC THROUGH THE OLD 4" C.I. CASING.	
09026305400	INSTALL 50' OF 3"PM S/L	-	-	-	0.17%	\$9,392.47	\$8,695.47	\$697.00	1/1/2009	12/31/2009	7/20/2009	12/22/2009	NEW MAIN @ DUDLEY AND FONTAINE IS IN SERVICE 09-0262955-00DREFFET.	
						2009 Construction Project Budget	\$5,686,639.77							
09026318600	INSTALL 100' - 2" PMIP	-	-	-	0.12%	\$2,447.87	\$2,189.80	\$258.07	1/1/2010	12/31/2010	12/14/2009	1/18/2010	GAS ON MAIN AT 200 BOILING SPRINGS DR @ MEADOWTHORPE DR 1/20/10 RHUMPHR.	
09026310900	INST 184'-6"PIF - PMMP	-	-	-	0.86%	\$18,151.44	\$18,507.25	-\$355.81	1/1/2010	12/31/2010	9/14/2009	1/18/2010	IN SERVICE 1-28-10 PER ALLEN KELLEY	
09026291600	INSTALL 1250' OF 2"/6"/8" MAIN	-	-	-	3.13%	\$65,735.79	\$82,407.49	-\$16,671.70	1/1/2010	12/31/2010	3/17/2009	1/19/2010	GAS IS ON NEW MAIN, SPRINGRIDGE DR 09-0263164-00DREFFET 1/28/10. REPAIRED LEAKAGE AREA ON O&M JOB BY COMPANY CREW	
09026295500	INSTALL 70'-4" PMLP	-	-	-	1.06%	\$22,218.77	\$6,011.07	\$16,207.70	1/1/2010	12/31/2010	5/5/2009	1/25/2010	CLEARED SHORT ON INSULATOR 01/12/10 BY TNEWMAN / CJHUGHES	
09026295700	INSTALL 80'-4"PMPL	-	-	-	0.77%	\$16,173.18	\$6,927.42	\$9,245.76	1/1/2010	12/31/2010	5/5/2009	1/27/2010	PROJECT OVERRAN BECAUSE 196 HOUR WERE REQUIRED VS THE 40 HOURS INDICATED BY	
09026314100	INSTALL 105'-4"PMPL BETTERMENT	-	-	-	0.63%	\$13,314.92	\$15,769.03	-\$2,454.11	1/1/2010	12/31/2010	10/26/2009	1/29/2010	INSTALLED NEW 3" SERVICE	
09026316400	INSTALL 44' OF 4"PM MAIN	-	-	-	0.93%	\$19,532.34	\$10,692.35	\$8,839.99	1/1/2010	12/31/2010	11/20/2009	2/5/2010	IN-SERVICE 3-16-10 PER JROSSER.	
09026317300	INSTALL 496' - 2" PM MAIN	-	-	-	1.74%	\$36,654.03	\$24,187.26	\$12,466.77	1/1/2010	12/31/2010	12/3/2009	2/5/2010	IN-SERVICE 3/9-10 PER CHRIS HUNGATE.	
09026315800	INSTALL 6" PIF	-	-	-	0.07%	\$1,452.24	\$4,401.40	-\$2,949.16	1/1/2010	12/31/2010	11/13/2009	2/9/2010	IN-SERVICE 3-11-10 PER TNEWMAN.	
09026309500	INSTALL 304'-2"8"PMMP	-	-	-	2.86%	\$60,134.13	\$28,722.00	\$31,412.13	1/1/2010	12/31/2010	8/24/2009	2/15/2010	IN SERVICE 3/17-10 PER CHUNGATE.	
10026320100	INSTALL 75' - 3" PM SERVICE	-	-	-	0.31%	\$6,482.33	\$5,125.56	\$1,356.77	1/1/2010	12/31/2010	1/7/2010	3/15/2010	IN-SERVICE 3-29-10 PER CHUNGAT.	
10026325000	INSTALL 290'-2"PMMP	-	-	-	0.23%	\$4,734.04	\$6,825.46	-\$2,091.42	1/1/2010	12/31/2010	3/10/2010	3/16/2010	JOB WAS WORKED IN TWO PHASES. THE FOLLING ARE REASONS FOR OVER RUN.	
09026298400	REPL 2100'-8"8/125'-2"PMMP	-	-	-	7.23%	\$151,859.25	\$149,430.34	\$2,428.91	1/1/2010	12/31/2010	5/14/2009	3/22/2010	JOB UNDER RUN DUE TO 10% ROCK ESTIMATED AND BORE INSTALLATION ESTIMATED	
09026301700	INSTALL 955' - 2"8/4" PM	-	-	-	2.86%	\$60,163.77	\$40,014.87	\$20,148.90	1/1/2010	12/31/2010	6/12/2009	3/22/2010	165' IN SERVICE 2-23-10 PER AKELLEY.	
10026320200	INSTALL 475'-2"PMMP	-	-	-	0.79%	\$16,646.01	\$9,453.60	\$7,192.41	1/1/2010	12/31/2010	1/8/2010	3/23/2010	TWALKER/KY 05-04-10: JOB OVER RUN DUE TO MAIN LINE IN BEING IN SUCH BAD	
10026324900	INSTALL 45' OF 4"PM S/L	-	-	-	0.31%	\$6,545.66	\$9,322.02	-\$2,776.36	1/1/2010	12/31/2010	3/10/2010	3/29/2010	TWALKER/KY 09-28-10: PROJECT OVER RUN DUE TO EXTRA 94' OF STEEL GAS MAIN	
09026304100	INSTALL 385' OF 2"/4"PMMP	-	-	-	2.75%	\$57,758.24	\$25,909.22	\$31,849.02	1/1/2010	12/31/2010	7/1/2009	4/5/2010	TWALKER/KY 08-24-11: JOB OVER RUN DUE TO EXTRA 50' OF PAVING REQUIRED	
09026315400	INSTALL 990'-2"PMMP	-	-	-	0.92%	\$19,406.48	\$28,413.37	-\$9,006.89	1/1/2010	12/31/2010	11/10/2009	4/20/2010	INSTALLED 180' - 2" PMMP MAIN.	
10026321201	INSTALL 237'-6"PMPL	-	-	-	3.65%	\$76,759.53	\$72,749.20	\$4,010.33	1/1/2010	12/31/2010	4/9/2010	4/22/2010	INSTALL/CALIBRATE NEW PRESS. RECORDER.	
10026323700	INSERT 200' OF 4"PMMP MAIN	-	-	-	1.42%	\$29,806.69	\$22,703.61	\$7,103.08	1/1/2010	12/31/2010	2/24/2010	4/22/2010	THE NEW MAIN WAS INSTALLED IN THE SIDE WALK WHICH HAD TO BE REPLACED. THIS	
08026256700	INSTALL 560'-4" WTHP	-	-	-	7.03%	\$147,591.86	\$104,750.92	\$42,840.94	1/1/2010	12/31/2010	3/28/2008	4/29/2010	COMPLETED TAP	
09026296400	INSERT 300' OF 3"/4"PM & PMMP	-	-	-	3.92%	\$82,353.11	\$74,548.34	\$7,804.77	1/1/2010	12/31/2010	5/7/2009	5/6/2010	TWALKER/KY 12-14-10: JOB UNDER RUN DUE TO PLANNED FOR CONTRACTORS TO	
10026322200	INSTALL 100' - 2" PMMP	-	-	-	0.56%	\$11,834.80	\$5,012.33	\$6,822.47	1/1/2010	12/31/2010	2/1/2010	6/9/2010	INCREASED PAVING COST AND AN INCREASE IN CONTRACT PAY ITEM COSTS CAUSED AN	
10026326000	INSTALL NEW PRESSURE RECORDER	-	-	-	0.13%	\$2,626.99	\$3,204.73	-\$577.74	1/1/2010	12/31/2010	3/24/2010	6/14/2010	TWALKER/KY 08-24-11: JOB OVER RUN DUE TO CORROSION CURRENT/PROBLEM WHICH	
08026273700	INSTALL 615'-4" PL MAIN	-	-	-	3.00%	\$62,940.61	\$38,510.70	\$24,429.91	1/1/2010	12/31/2010	9/4/2008	7/8/2010	JOB OVERRAN BECAUSE WE HAD TO PAY LAND OWNER AN EXTRA \$5K IN UNPLANNED ROW	
10026330200	REPLACE SL 3" PL	-	-	-	0.78%	\$16,484.31	\$9,726.66	\$6,757.65	1/1/2010	12/31/2010	5/20/2010	7/15/2010	TWALKER/KY 09-01-10: JOB UNDER RUN DUE TO CKY WAS OPEN CUT INSTALL MAIN	
10026335900	INSTALL 60' OF 2"PM MAIN	-	-	-	0.11%	\$2,394.87	\$7,368.67	-\$4,973.80	1/1/2010	12/31/2010	7/22/2010	7/23/2010	TWALKER 03-17-11: JOB UNDER RUN DUE TO \$3000 LESS THAN PLANNED PAVING/HARD	
09026303800	INSTALL 420' - 2" PMIP	-	-	-	0.98%	\$20,563.45	\$13,692.24	\$6,871.21	1/1/2010	12/31/2010	6/30/2009	7/29/2010	SECOND TEST LISTED ON CONVERSATION 11 WAS ENTERED IN FIELD BY COORDINATOR.	
10026326700	INSTALL 165' OF 4"WTHP MAIN	-	-	-	2.24%	\$46,969.85	\$41,497.88	\$5,471.97	1/1/2010	12/31/2010	3/26/2010	8/5/2010	TWALKER/KY 09-23-10: THIS PROJECT RESULTED IN SYSTEM 32010089 BEING	
09026290100	INSTALL 700' OF 12"WTHP MAIN	-	-	-	15.64%	\$328,550.21	\$236,414.55	\$92,135.66	1/1/2010	12/31/2010	2/16/2009	8/17/2010	JOB WAS PLANNED WITH NO PAVING RESTORATION. WAS SUPPOSED TO BE DONE BY	
09026313500	INSTALL 3000' OF 2"PMMP/4"PM	-	-	-	6.36%	\$133,612.01	\$147,849.86	-\$14,237.85	1/1/2010	12/31/2010	10/20/2009	8/31/2010	INSTALL FOOTAGE: 2010' - 4" PL	
10026329000	INSTALL 140' OF 2"PMMP	-	-	-	0.67%	\$14,123.96	\$21,799.48	-\$7,675.52	1/1/2010	12/31/2010	4/26/2010	8/31/2010	THIS IS AN EMERGENCY LEAK REPAIR WHERE CONTRACT CREWS WORKED OVER NIGHT TO	
09026307300	INSTALL 720'-2"PMPL	-	-	-	1.99%	\$41,722.12	\$45,203.29	-\$3,481.17	1/1/2010	12/31/2010	8/3/2009	9/8/2010	TWALKER/KY 03-17-11: JOB UNDER RUN DUE TO \$2300 LESS IN SEGA AND CONTRACT C	
10026339100	REPAIR OF R-1088	-	-	-	1.17%	\$24,644.83	\$24,215.45	\$429.38	1/1/2010	12/31/2010	8/23/2010	9/9/2010	TWALKER/KY 10-28-10: JOB UNDER RUN OF \$85,000 DUE TO NO ROCK ONSITE AS	
08026261900	INSTALL 1675'-4"8"PMPL	-	-	-	11.11%	\$233,421.32	\$131,852.83	\$101,568.49	1/1/2010	12/31/2010	5/23/2008	9/22/2010	TWALKER/KY 04-28-11: JOB UNDER RUN DUE TO NO ROCK ONSITE AS ESTIMATED	
09026300201	INSTALL 2010' - 4" PMIP MAIN	-	-	-	5.40%	\$113,514.33	\$82,598.12	\$30,916.21	1/1/2010	12/31/2010	4/12/2010	10/11/2010	TWALKER/KY 03-17-11: JOB UNDER RUN DUE TO SEGA RATE WAS \$4000 LESS THAN	
10026345901	INSERT 100'-2"PMMP	-	-	-	0.88%	\$18,579.84	\$10,947.24	\$7,632.60	1/1/2010	12/31/2010	11/19/2010	10/12/2010	COST OK DG 06/20/2011	
10026341000	INSTALL 300' OF 2"PMMP MAIN	-	-	-	0.24%	\$4,991.47	\$11,747.19	-\$6,755.72	1/1/2010	12/31/2010	9/8/2010	10/19/2010	OVERRUN DUE TO INCREASED PAVING COST - TIE-IN WAS IN STREET - PIPELINE	
10026324300	INSTALL 1200' OF 8"WTHP MAIN	-	-	-	6.46%	\$135,746.66	\$79,329.42	\$56,417.24	1/1/2010	12/31/2010	3/3/2010	10/26/2010	JOB OVER RUN DUE TO THE	

Project No.	Project Title/Description	Ann Actual	An nu al	Vari an ce	Per cent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
10026355000	INSTALL 100' - 2" PM	-	-	-	0.58%	\$12,283.15	\$7,247.20	\$5,035.95	1/1/2010	12/31/2010	11/29/2010	12/10/2010	MAIN PACKED 12-30-2010. PER RHUMPHREYS
10026338400	INSTALL 5'-4"PMMP	-	-	-	0.40%	\$8,320.51	\$10,480.54	-\$2,160.03	1/1/2010	12/31/2010	8/9/2010	12/14/2010	JOB OVER RAN DUE TO THE FOLLOWING: JOB WAS PLANNED FOR AND INSTALLED IN
10026320500	INST 1771'4"8' 225'-3"PMMP	-	-	-	2.21%	\$46,344.16	\$70,014.41	-\$23,670.25	1/1/2010	12/31/2010	1/8/2010	12/17/2010	OVERRUN - MISC MATERIALS/CONTRACT/CONSTRUCTION COORDINATOR/SEGA
10026335200	INST 1440'- 4" P & 405' - 2"P	-	-	-	4.75%	\$99,690.07	\$95,802.73	\$3,887.34	1/1/2010	12/31/2010	7/20/2010	12/28/2010	TWALKER/KY 08-24-11: JOB UNDER RUN DUE TO NO ROCK OR EXTRA DEPTH AS
	2010 Construction Project Budget						\$2,100,583.30						PARTIAL EXECUTION - WAITING ON COMPLETED SKETCH FROM CONSTRUCTION 12/27/20
10026341300	INSTALL 600' OF 2"PMMP MAIN	-	-	-	0.13%	\$8,701.40	\$17,042.29	-\$8,340.89	1/1/2011	12/31/2011	9/10/2010	1/17/2011	BOUGHT MATERIAL FOR RECTIFIER INSTALLATION
10026327600	INSTALL 750' OF 12"WTHP MAIN	-	-	-	6.05%	\$405,269.97	\$399,888.48	\$5,381.49	1/1/2011	12/31/2011	4/9/2010	1/19/2011	IN-SERVICE 12-27-10 PER BDAWES PER JROSSER COVERING FOR AKELLEY.
08026284500	INSTALL 3779'-2"PMMP	-	-	-	5.15%	\$345,219.08	\$271,676.23	\$73,542.85	1/1/2011	12/31/2011	12/9/2008	2/3/2011	KBOTKINS. JOB UNDER RUN DUE TO THE FOLLOWING: CONTRACT COSTS ESTIMATED
09026304700	INSTALL 1587' - 4" PMIP MAIN	-	-	-	1.78%	\$119,420.35	\$64,299.05	\$55,121.30	1/1/2011	12/31/2011	7/15/2009	2/3/2011	JOB UNDER RUN DUE TO THE FOLLOWING: CONTRACT COST INCLUDED STAKING THAT WAS
10026354700	INSTALL 1580' OF 2"PMMP	-	-	-	0.34%	\$22,820.96	\$62,143.66	-\$39,322.70	1/1/2011	12/31/2011	11/29/2010	2/7/2011	UNDER RUN - MATERIALS & CONTRACT UNITS 4-14-11 DG
10026340001	REPL 2850'-8"PMMP	-	-	-	2.99%	\$200,390.32	\$198,912.48	\$1,477.84	1/1/2011	12/31/2011	6/21/2011	2/11/2011	COST UNDER RUN LABOR HOURS - 8:42 VS 16. DG 05/19/2011
10026344800	INSTALL NEW RECTIFIER & GB	-	-	-	0.50%	\$33,511.03	\$73,188.66	-\$39,677.63	1/1/2011	12/31/2011	10/7/2010	2/22/2011	WAS WAITING FOR CLEAN UP DUE TO BAD WEATHER.....
10026347400	INSTALL 1150' OF 6"PMMP MAIN	-	-	-	2.30%	\$154,011.55	\$105,970.19	\$48,041.36	1/1/2011	12/31/2011	10/26/2010	2/23/2011	KBOTKINS-JOB UNDER RUN DUE TO THE FOLLOWING: ROCK WAS KNOWN TO BE IN AREA
10026325600	INSTALL 1750'-6"WTHP	-	-	-	1.46%	\$98,077.89	\$117,351.93	-\$19,274.04	1/1/2011	12/31/2011	3/17/2010	3/1/2011	TWALKER/KY 08-24-11: PROJECT UNDER RUN DUE TO 54' LESS OF MAIN INSTALLED
10026346600	INSTALL 1650' OF 2"PMMP	-	-	-	0.25%	\$16,653.53	\$28,130.35	-\$11,476.82	1/1/2011	12/31/2011	10/19/2010	3/1/2011	JOB COST OK - DG 09/12/2011
10026333200	INSTALL 910' - 2" PMMP	-	-	-	0.56%	\$37,424.33	\$33,110.40	\$4,313.93	1/1/2011	12/31/2011	6/25/2010	3/2/2011	COST UNDER RUN - CONTRACT UNITS, SEGA & OTHER COST LESS. DG 05/10/2011
10026346901	INSTALL 100' - 2" PMIP	-	-	-	0.09%	\$6,136.29	\$7,057.24	-\$920.95	1/1/2011	12/31/2011	2/1/2011	3/4/2011	TWALKER/KY 10-05-11: JOB UNDER RUN DUE TO NO ROCK ENCOUNTER ONSITE DURING
10026356500	INSTALL 275'-2"PMIP	-	-	-	0.11%	\$7,396.18	\$8,314.75	-\$918.57	1/1/2011	12/31/2011	12/1/2010	3/7/2011	UNDER RUN - SITE WORK REQUIRED PROJECT TO BE WORKED IN 2 PHASES. CONTRACT U
10026335800	INSTALL 795'-2"PMMP	-	-	-	0.27%	\$18,348.00	\$43,657.89	-\$25,309.89	1/1/2011	12/31/2011	7/22/2010	3/18/2011	REQUEST CANCELLATION OF BACK ORDER MATERIAL/#13241 - DG 06/29/2011
10026353100	INSTALL 700' OF 2"PMMP	-	-	-	0.18%	\$12,192.39	\$17,339.13	-\$5,146.74	1/1/2011	12/31/2011	11/15/2010	3/22/2011	REQUEST CANCELLATION OF MATERIAL BACK ORDER SECOND TIME. 6/30/11
10026342700	INSTALL 210' - 2" PL	-	-	-	0.35%	\$23,337.77	\$22,380.83	\$956.94	1/1/2011	12/31/2011	9/21/2010	4/1/2011	COST OK DG 05/13/2011
11026363500	INSTALL 250' - 2" PMIP	-	-	-	0.15%	\$10,112.54	\$10,425.72	-\$313.18	1/1/2011	12/31/2011	3/1/2011	4/8/2011	JOB ORDER ON HOLD UNTIL MCJUNKIN & APPLICATION SUPPORT MAKES BALANCE OF MAT
10026331000	INSTALL 2200' OF 2"/4"PMMP	-	-	-	2.88%	\$193,222.37	\$233,840.16	-\$40,617.79	1/1/2011	12/31/2011	6/7/2010	4/8/2011	THIS ORDER WAS COMPLETED BY RANDY HUMPHREYS.
10026337800	INSTALL 40' OF 6"PMMP	-	-	-	0.24%	\$15,767.03	\$18,978.31	-\$3,211.28	1/1/2011	12/31/2011	7/30/2010	4/12/2011	REQUEST CANCELLATION OF MATERIAL BACK ORDER # 13261 DG 06/30/2011
10026347000	INSTALL 175' OF 2"PMIP MAIN	-	-	-	0.17%	\$11,348.55	\$18,043.31	-\$6,694.76	1/1/2011	12/31/2011	10/22/2010	4/20/2011	OVER RUN - CONTRACT (2010 VS 2011) + LABOR/TRUCK CHARGES + SEGA
10026327200	INSTALL 210' - 2" PMIP	-	-	-	0.39%	\$26,236.17	\$15,538.60	\$10,697.57	1/1/2011	12/31/2011	4/2/2010	4/22/2011	UNDER RUN, LABOR/TRUCK CHARGES REDUCED FOR PROJECT. DG 07/01/2011
10026357700	INSTALL 66' 4"PMPL	-	-	-	0.30%	\$20,033.19	\$19,695.58	\$337.61	1/1/2011	12/31/2011	12/29/2010	4/26/2011	REPLACED EXISTING 2" PLA SVC WITH A 4" PLA SVC TO HANDLE ADDED LOAD ON THE
11026363200	INSTALL 900' OF 2"PMMP MAIN	-	-	-	1.33%	\$89,363.56	\$75,232.14	\$14,131.42	1/1/2011	12/31/2011	2/24/2011	4/26/2011	COST INCOMPLETE - NO CREW TIME/TRUCK/EQUIPMENT CHARGES.
11026364200	INSTALL 157'-3"PMPL SERVICE	-	-	-	0.10%	\$6,959.87	\$7,699.75	-\$739.88	1/1/2011	12/31/2011	3/11/2011	4/26/2011	INSTALLED NEW 040 SERVICE TO NEW MCDONALDS.
10026346400	INSTALL 525' OF 2"PMMP	-	-	-	0.28%	\$18,705.26	\$15,824.01	\$2,881.25	1/1/2011	12/31/2011	10/13/2010	4/27/2011	REPLACED COMPANY SERVICE AND TIED IN TO NEW 060 LP MAIN.
10026353700	INSTALL 180' - 4" PMIP	-	-	-	0.76%	\$50,925.83	\$28,871.49	\$22,054.34	1/1/2011	12/31/2011	11/19/2010	5/4/2011	OVER RUN - CONTRACT UNITS & LABOR CHARGES. DG 06/21/2011
11026361100	INSTALL 195' OF 6"PM MAIN	-	-	-	0.18%	\$11,784.15	\$25,326.26	-\$13,542.11	1/1/2011	12/31/2011	2/1/2011	5/11/2011	TEST REMARKS ON REVERSE SIDE OF TEST CHART
11026364000	INSTALL 160' 4" PMPL SERVICE	-	-	-	0.26%	\$17,429.14	\$10,061.01	\$7,368.13	1/1/2011	12/31/2011	3/10/2011	5/11/2011	COST HAVE NOT BEEN APPLIED. PROJECTION OF LABOR WILL UNDERRUN PROJECT.
11026367600	INSTALL 2" SS FITTING	-	-	-	0.00%	\$84.76	\$3,183.20	-\$3,098.44	1/1/2011	12/31/2011	5/4/2011	5/19/2011	INSTALLED 8 INCH SHORT STOP FITTING
11026366100	INSTALL 85' OF 4"PM S/L	-	-	-	0.12%	\$8,147.56	\$6,617.50	\$1,530.06	1/1/2011	12/31/2011	4/14/2011	5/23/2011	OVER RUN - CONTRACT LABOR FOR INSERT PAID, MATERIAL COST, CONSTRUCTION COOR
11026361300	INSTALL 10' OF 3"PM S/L	-	-	-	0.02%	\$1,494.13	\$1,238.41	\$255.72	1/1/2011	12/31/2011	2/2/2011	5/23/2011	COMPLETED A DIRECT MAIN LINE BORE FOR CHRIS HUNGATE.
11026366900	INSTALL 30' OF 8"WTHP MAIN	-	-	-	0.45%	\$29,875.32	\$25,938.26	\$3,937.06	1/1/2011	12/31/2011	4/25/2011	5/24/2011	UNDER RUN EXPLANATION: JOB WAS ESTIMATED WITH CONTRACT CREW BUT COMPANY CRE
10026323500	PM RELOCATE 300' OF 12" WTHP	-	-	-	3.96%	\$265,250.62	\$246,500.22	\$18,750.40	1/1/2011	12/31/2011	2/19/2010	5/25/2011	HP MAIN IN SVC 5-20-11 PER ALLEN KELLEY.
11026369700	INSTALL EFC	-	-	-	0.00%	\$128.45	\$3,744.00	-\$3,615.55	1/1/2011	12/31/2011	5/20/2011	5/26/2011	TWALKER/KY 09-15-11: THIS IS PAPER ONLY DUE TO PROJECT FELL INTO TWO
11026364900	INSTALL 8" SS FITTING	-	-	-	0.02%	\$1,522.86	\$5,320.50	-\$3,797.64	1/1/2011	12/31/2011	3/28/2011	5/31/2011	CONSTRUCTION COORDINATOR DIDN'T ENTER SOIL/PIPE READING - NOT REQUIRED
11026360200	INSERT 425' OF 4"PM MAIN	-	-	-	0.46%	\$31,151.06	\$25,208.36	\$5,942.70	1/1/2011	12/31/2011	1/21/2011	6/6/2011	ACTUAL WORK WAS DONE ON 5-23-2011. PAPER WORK WAS DONE 6-27-2011 PER TIM R
10026336200	INSTALL 1000'-2"PMMP	-	-	-	1.58%	\$105,586.92	\$62,816.58	\$42,770.34	1/1/2011	12/31/2011	7/23/2010	6/7/2011	INSTALLED 410' OF 4"PLASTIC PIPE
11026369800	INSTALL 5' OF 2"PMMP	-	-	-	0.02%	\$1,238.40	\$7,378.50	-\$6,140.10	1/1/2011	12/31/2011	5/23/2011	6/15/2011	UNDER RUN - LABOR/TRUCK CHARGES. DG 08/02/2011
10026327800	INSTALL 13000'OF 8"WTHP/4"PMMP	-	-	-	21.68%	\$1,452,794.66	\$1,299,833.14	\$152,961.52	1/1/2011	12/31/2011	4/14/2010	6/23/2011	UNDER RUN - MATERIAL (STEEL/PLASTIC), CONTRACT UNITS CHANGE. DG 08/04/2011
11026387200	* US 25 RELOCATION * PAPERWORK	-	-	-	0.21%	\$14,200.69	\$630.07	\$13,570.62	1/1/2011	12/31/2011	8/30/2011	6/23/2011	OVER RUN - MATERIALS/CONTRACT UNITS/LABOR&TRUCK CHARGES. DG 07/27/2011
11026371700	INSTALL 225' OF 3"PM S/L	-	-	-	0.11%	\$7,638.38	\$9,449.75	-\$1,811.37	1/1/2011	12/31/2011	6/9/2011	6/23/2011	COST OK -30' MORE PIPE THAN ESTIMATED. DG 08/23/2011
11026370300	INSTALL 22' OF 3" PM	-	-	-	0.08%	\$5,314.53	\$10,508.88	-\$5,194.35	1/1/2011	12/31/2011	5/24/2011	6/27/2011	JOB OVER RAN DUE TO THE FOLLOWING: USED FISHEL WELDER FOR JOB AND PAID
11026364600	INSTALL 380' - 4" PM	-	-	-	0.38%	\$25,132.75	\$24,433.49	\$699.26	1/1/2011	12/31/2011	3/25/2011	7/6/2011	IN SERVICE 7-26-11 PER TNEWMAN
11026372700	INSTALL 70' OF 4" PM	-	-	-	0.20%	\$13,167.59	\$17,980.96	-\$4,813.37	1/1/2011	12/31/2011	6/21/2011	7/7/2011	INSTALLED 175' - 2" PMMP
11026361800	INSTALL 170'-2"PMMP	-	-	-	0.25%	\$16,547.12	\$18,229.26	-\$1,682.14	1/1/2011	12/31/2011	2/9/2011	7/8/2011	COMPLETION REPORT ONLY. NO SKETCH REQUIRED
11026366500	INSTALL 105' OF 2"PMMP MAIN	-	-	-	0.20%	\$13,530.37	\$10,468.19	\$3,062.18	1/1/2011	12/31/2011	4/18/2011	7/8/2011	COMPLETION REPORT ONLY. NO SKETCH REQUIRED
11026373500	INSTALL 355'-2"PMMP	-	-	-	0.13%	\$8,888.84	\$9,416.79	-\$527.95	1/1/2011	12/31/2011	6/30/2011	7/25/2011	OVERRUN EXPLANATION: PLANNED RIP RAP, ROCK EXCAVATION, EXTRA DEPTH AND 6&2
10026345200	INSTALL 375'-2,4&6"PMMP&WTHP	-	-	-	0.83%	\$55,485.62	\$46,216.43	\$9,269.19	1/1/2011	12/31/2011	10/7/2010	7/25/2011	OVERRUN EXPLANATION: \$1597 ADDITIONAL DOLLARS OF 6&2 WERE REQUIRED AS WAS \$3
10026357400	INSTALL 100' - 2" PMIP MAIN	-	-	-	0.13%	\$8,475.61	\$9,641.20	-\$1,165.59	1/1/2011	12/31/2011	12/16/2010	7/26/2011	OVER RUN COST - PAVING/RESTORATION COST ESTIMATED FOR PROJECT - ACTUAL WORK
11026359600	INSTALL 175' - 2" PMMP	-	-	-	0.18%	\$11,799.07	\$8,936.90	\$2,862.17	1/1/2011	12/31/2011	1/17/2011	8/8/2011	OVER RUN EXPLANATION: POWERPLANT INDICATES THAT THE JOB ORDER COST IS 33069
11026377800	INSTALL CHAINLINK FENCE	-	-	-	0.02%	\$1,324.89	\$1,390.00	-\$65.11	1/1/2011	12/31/2011	7/19/2011	8/12/2011	ASKED IC TO GREAT TAGGING ORDERS FOR TWO NEW VALVES - 03/13/2012 DG
11026378400	INSTALL FENCE AT REG STA 1177	-	-	-	0.02%	\$1,579.36	\$2,617.46	-\$1,038.10	1/1/2011	12/31/2011	7/21/2011	8/12/2011	PROBLEM EXECUTING JOB ORDER. 4"STEEL PIPE. CALLED MCJUNKIN (MIKE WEILING)M
10026331700	RELOCATE 270' - 4" PMIP	-	-	-	0.26%	\$17,648.47	\$24,053.72	-\$6,405.25	1/1/2011	12/31/2011	6/15/2010	8/14/2011	INSTALL 4" SERVICE LINE & CURB VALVE (FACILITY #456918), BLUEGRASS CREMATIO
10026349700	INSTALL 275' 4" PMIP	-	-	-	0.39%	\$26,091.51	\$17,157.32	\$8,934.19	1/1/2011	12/31/2011	11/1/2010	8/14/2011	UNDERRUN EXPLANATION: JO ESTIMATING TOOL OVER ESTIMATED LABOR HOURS. ROCK
11026364800	INSTALL 1162'-6"WTHP & 2"PMMP	-	-	-	1.72%	\$115,512.79	\$129,955.96	-\$14,443.17	1/1/2011	12/31/2011	3/25/2011	8/15/2011	SENT MATERIAL BACK ORDER CANCELAATION - 12-6-2011 DG
10026349200	INSTALL 1650' OF 12"WTHP	-	-	-	3.65%	\$244							

Project No.	Project Title/Description	Annual Actual	Annual Variance	Percentage of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
12026423200	INSTALL 315'-2" WTHP&4" PMIP	-	-	0.87%	\$167,388.49	\$35,283.62	\$132,104.87	1/1/2013	12/31/2013	11/29/2012	2013-01-09	HIT ROCK TWALKER/KY 09-04-13: JOB OVER RUN WAS DUE TO PROJECT WAS ESTIMATED FOR STANLEY PIPELINE BUT ALL WORK WAS DONE BY TEAM FISHEL. PROJECT LESS THAN 500 FEET SO ALL WORK WAS PAID HOURLY. DURING CONSTRUCTION UNKNOWN SEWER LINE WAS LOCATED IN REG STATION EASEMENT SO ALL WORK HAD TO STOP AND NEW REG STATION EASEMENT HAD TO BE AQUIRED. PLANNED ROAD BORE COULD NOT BE COMPLETED DUE TO ROCK ONSITE WHICH THEN REQUIRED FISHEL TO OPEN CUT LISLE ROAD. THESE FACTORS INCREASE CONTRACT COST BY \$90,000 AND ALSO RESULT IN COMPANY LABOR COST INCREASING BY \$16,000. FINAL THE LONGER PROJECT RESULTED IN \$21,500 HIGHER SEGA COST.
12026422700	INSTALL 100' OF 2" PMMP	-	-	0.08%	\$14,647.68	\$9,961.47	\$4,686.21	1/1/2013	12/31/2013	1/2/2013	2013-01-10	TWALKER/KY 09-04-13: COMPLETED LEVEL 2 VARIANCE REPORT FOR PROJECT
12026430900	INSTALL 100' - 2" PMMP	-	-	0.04%	\$7,175.83	\$12,299.75	-\$5,123.92	1/1/2013	12/31/2013	1/10/2013	2013-01-11	
12026414000	INSTALL 525' OF 2" PMMP	-	-	0.17%	\$32,900.25	\$41,061.91	-\$8,161.66	1/1/2013	12/31/2013	1/8/2013	2013-01-14	
11026399400	INSTALL REG STATION 1859	-	-	0.19%	\$36,824.15	\$44,436.03	-\$7,611.88	1/1/2013	12/31/2013	1/9/2013	2013-01-15	
12026401300	RETIRE REG STATION	-	-	0.00%	\$171.39	\$2,103.09	-\$1,931.70	1/1/2013	12/31/2013	1/9/2013	2013-01-15	
13026434100	DEMO BRICK REG STATION BUILDING	-	-	0.02%	\$3,057.36	\$3,529.94	-\$472.58	1/1/2013	12/31/2013	1/28/2013	2013-01-15	
12026427900	INSTALL 6" PIF	-	-	0.10%	\$19,333.07	\$26,144.89	-\$6,811.82	1/1/2013	12/31/2013	1/8/2013	2013-01-17	
12026425400	INSTALL 165'-2" PMLP	-	-	0.27%	\$51,113.57	\$27,790.74	\$23,322.83	1/1/2013	12/31/2013	1/11/2013	2013-01-21	
12026430200	INSTALL 10' - 6" PM	-	-	0.08%	\$15,554.57	\$10,782.88	\$4,771.69	1/1/2013	12/31/2013	1/24/2013	2013-01-29	
13026440500	INSTALL 45' - 4" S/L	-	-	0.07%	\$12,480.94	\$7,421.28	\$5,059.66	1/1/2013	12/31/2013		2013-01-29	
13026436400	RETIRE DEFECTIVE EFC	-	-	0.01%	\$1,720.34	\$59.90	\$1,660.44	1/1/2013	12/31/2013		2013-01-30	
13026436500	INSTALL EFC	-	-	0.00%	\$0.00	\$3,545.27	-\$3,545.27	1/1/2013	12/31/2013		2013-01-30	
11026396700	INSTALL 425' OF 6" PMMP MAIN	-	-	0.45%	\$86,179.17	\$117,269.68	-\$31,090.51	1/1/2013	12/31/2013	1/14/2013	2013-02-04	TWALKER/KY 06-18-14: JOB UNDER RUN DUE TO \$12,500 LOWER COST ON RAILROAD PERMIT/FLAGGING COST VS ESTIMATE. MATERIAL COST LOWER BY \$3000 DUE TO USING 12" STEEL PIPE FOR CASING LEFT OVER FROM AMRP PROJECT. SEGA WAS \$10000 LOWER THAN ESTIMATE AND OVER JOB WENT FASTER THAN PLANNED SAVED \$3000 ON LABOR COST.
13026435200	RETIRE A-K MS-8-14464-1-2	-	-	0.01%	\$2,651.80	\$2,195.22	\$456.58	1/1/2013	12/31/2013	1/24/2013	2013-02-04	
10026343601	INSERT 180' OF 6" PMMP	-	-	0.19%	\$36,093.19	\$35,606.87	\$486.32	1/1/2013	12/31/2013	1/24/2013	2013-02-07	
12026424300	INSTALL 40'-3" PM	-	-	0.11%	\$20,272.52	\$14,957.84	\$5,314.68	1/1/2013	12/31/2013	2/6/2013	2013-02-08	DLEMONS 6/24/14: COST OVERUN OF \$5,000 IN CONTRACT DUE TO 50% MORE RESTORATION ITEMS NEEDED THAN ESTIMATED. THIS WAS MINIMUM CAPITAL SPEND TO SEPERATE GAS MAIN FROM CLAY SEWER.
13026434400	INSTALL 375' OF 2" PMMP	-	-	0.02%	\$3,328.77	\$12,011.75	-\$8,682.98	1/1/2013	12/31/2013		2013-02-12	INSTALLED 389' OF 020 PMMP. GAS ON MAIN 17:00 02/12/2013. WORK PERFORMED BY STANLEY PIPELINE. UNDERRUN EXPLANATION: JOB UNDERRAN BECAUSE LABOR ESTIMATING TOOL ESTIMATED 32 HOURS OF 3 MAN CREW WHILE ONLY 8 HOURS WERE REQUIRED. THIS RESULTED IN A REDUCTION OF \$6500 CONSIDERING THE OVERHEAD EFFECT OF THE FEWER UNITS. ADDITIONALLY, COMPANY LABOR WAS REDUCED BY \$1430.
13026438000	INSTALL 325' OF 2" PMMP	-	-	0.06%	\$10,919.62	\$9,624.92	\$1,294.70	1/1/2013	12/31/2013	2/18/2013	2013-02-21	
11026394602	INSTALL 1600' OF 2" PMMP	-	-	0.42%	\$80,800.75	\$102,134.38	-\$21,333.63	1/1/2013	12/31/2013	2/4/2013	2013-02-27	PER: CONSTR LEADER MMCCUL, LEX OFC - PRESSURE TEST CHART ACCEPTABLE - CHART RAN 4 HRS W/SKIP, BUT TEST ONLY REQUIRED 1 HR FOR PROJECT. DG 04/08/13 UNDERRUN EXPLANATION: 635 UNITS OF DIRECTIONAL ROCK BORE WERE ESTIMATED, BUT WERE NOT REQUIRED. CUMULATIVELY, THE JOB ONLY REQUIRED 1160 UNITS OF DIRECTIONAL BORE, BUT WAS ESTIMATED FOR 1635 UNITS. THE COST DIFFERENCE CONSIDERING THE SEGA EFFECT OF THE UNDERRUN WAS \$31,700.
11026394800	RETIRE REG STATION #1167	-	-	0.01%	\$1,625.72	\$1,102.04	\$523.68	1/1/2013	12/31/2013		2013-02-27	
13026435100	INSTALL 300' 2" PMMP	-	-	0.04%	\$7,554.08	\$10,592.69	-\$3,038.61	1/1/2013	12/31/2013	2/25/2013	2013-02-27	
13026431900	INSTALL 80' - 4" PM	-	-	0.05%	\$10,254.37	\$20,351.73	-\$10,097.36	1/1/2013	12/31/2013	2/25/2013	2013-02-27	INSTALLED 10' OF 4" PRETESTED PIPE; JO #12-9849685-00 - TEST DATE 12-13-12 UNDERRUN EXPLANATION: JOB UNDERRAN PRIMARILY BECUASE HARD SURFACE REPAIRS WERE NOT AS LARGE AS ESTIMATED. SPECIFICALLY, 264 UNITS WERE ESTIMATED BY ONLY 128 UNITS REQUIRED. HSR UNDERRAN BY \$3355 AND SEGA UNDER RAN BY \$2796.
13026437000	INSTALL CHAIN LINK FENCE	-	-	0.01%	\$2,578.48	\$2,598.82	-\$20.34	1/1/2013	12/31/2013		2013-03-01	
13026443000	RETIRE DEFECTIVE EFC	-	-	0.00%	\$0.00	\$57.10	-\$57.10	1/1/2013	12/31/2013		2013-03-07	
13026443100	REPLACE EFC	-	-	0.02%	\$2,954.63	\$3,362.92	-\$408.29	1/1/2013	12/31/2013	3/5/2013	2013-03-07	
13026441200	INSTALL 100' - 2" PMMP	-	-	0.02%	\$3,544.40	\$4,786.28	-\$1,241.88	1/1/2013	12/31/2013	3/12/2013	2013-03-13	
12026417500	INSTALL 448' - 4" PMIP	-	-	0.60%	\$114,762.23	\$103,848.43	\$10,913.80	1/1/2013	12/31/2013		2013-03-14	6/29/14 GES - OVERRUN EXPLANATION: JOB TOOK TWICE THE AMOUNT OF THREE MAN CREW THAN ESTIMATED. ALSO 100 EXTRA HOURS OF FLAGGER WERE REQUIRED LEADING TO THE OVERRUN.
13026432900	152' - 2" PMMP	-	-	0.14%	\$26,108.51	\$24,888.43	\$1,220.08	1/1/2013	12/31/2013	3/1/2013	2013-03-18	
11026380500	RETIRE GMB STATION	-	-	0.00%	\$0.00	\$1,527.81	-\$1,527.81	1/1/2013	12/31/2013		2013-03-28	

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11026380700	RETIRE GMB STATION	-	-	-	0.00%	\$0.00	\$1,527.81	-\$1,527.81	1/1/2013	12/31/2013			2013-03-28	
11026380800	RETIRE GMB STATION	-	-	-	0.00%	\$0.00	\$1,527.81	-\$1,527.81	1/1/2013	12/31/2013				2013-03-28
11026379300	RETIRE REG STATION #1558	-	-	-	0.01%	\$1,070.42	\$2,207.25	-\$1,136.83	1/1/2013	12/31/2013	5/21/2013			2013-03-28
11026379800	DEMO BLOCK REG STATION BDG	-	-	-	0.00%	\$0.00	\$2,207.25	-\$2,207.25	1/1/2013	12/31/2013				2013-03-28
12026428300	INSTALL 1315'-2" PMMP	-	-	-	0.41%	\$79,236.69	\$110,193.50	-\$30,956.81	1/1/2013	12/31/2013	2/14/2013			2013-04-02
														06-13-2013 ALL SERVICES TIED OVER TO NEW 3" PMMP AND OLD 4" BS MAIN HAS BEEN RETIRED. RSEWELL UNDERRUN EXPLANATION: JOB UNDERRAN BECAUSE FINAL RESTORATION NOT REQUIRED. 1 250 UNITS OF 2" ASPHALT ESTIMATED WHILE NONE WAS REQUIRED; 250 UNITS OF SIDEWALK WAS ESTIMATED, BUT NONE WAS REQUIRED; ALSO JOB ORDER WAS ESTIMATED WITH 30% SEGA, BUT ONLY 20% APPLIED RESULTING IN AN UNDERRUN IN SEGA OF \$13K.
13026449800	INSTALL 35' OF 3"PM	-	-	-	0.05%	\$10,316.29	\$20,070.24	-\$9,753.95	1/1/2013	12/31/2013				2013-04-02
														TWALKER/KY 06-17-14: JOB UNDER RUN DUE TO NO COMPANY LABOR CHARGED TO PROJECT AT THIS TIME LOWERED COST \$2500, NO PAVING/HARD SURFACE REPAIRS AS ESTIMATED SAVED \$4500 (CITY PAVED ROAD). SEGA LOWERED BY \$2000..
12026401500	INSTALL 3200'-2" PMMP	-	-	-	4.18%	\$800,409.59	\$1,117,261.72	-\$316,852.13	1/1/2013	12/31/2013	6/26/2012			2013-04-03
														DLEMONS 6/23/14: COST UNDER RUN DUE TO NO ROCK ENCOUNTERED. CONTRACT AND OTHER COSTS REDUCED BY \$115,000. THIS ALSO LEAD TO TIME SAVINGS AND ONLY 38% OF LABOR HOURS ESTIMATED BEING USED. THIS WAS A COST REDUCTION OF \$77,000 IN LABOR AND \$120,000 IN SEGA.
13026435600	INSTALL 1050' OF 2" PMMP	-	-	-	0.17%	\$32,931.83	\$29,088.20	\$3,843.63	1/1/2013	12/31/2013	3/28/2013			2013-04-08
13026450100	ACQUIRE LAND FOR REG #1215	-	-	-	0.00%	\$0.00	\$713.38	-\$713.38	1/1/2013	12/31/2013				2013-04-08
12026428600	INSTALL 3360' - 2" PMMP	-	-	-	0.75%	\$144,222.79	\$119,246.58	\$24,976.21	1/1/2013	12/31/2013	1/21/2013			2013-04-08
														6/29/14 GES - OVERRUN EXPLANATION: MUCH MORE CONCRETE WORK WAS REQUIRED THAN ESTIMATED.
07026223700	RETIRE REGULATORS	-	-	-	0.00%	\$264.54	\$51.04	\$213.50	1/1/2013	12/31/2013	4/11/2013			2013-04-11
13026444700	INSTALL 160' OF 4"PM LP MAIN	-	-	-	0.33%	\$63,466.15	\$34,091.26	\$29,374.89	1/1/2013	12/31/2013	4/4/2013			2013-04-12
														TWALKER/KY 06-18-14: JOB OVER RUN DUE TO PROJECT PLANNED FOR STANLEY PIPELINE ALL WORK WAS PERFORMED BY FISHEL WHICH INCREASED CONSTRUCT COST BY \$22000. LEAK IN AREA AND CUSTOMER COMPLAINTS WERE REASON FOR CHANGING CONTRACTOR AND PROJECT COULD NOT BE REVISED DUE TO MATERIAL INVOICES AND PAYMENT ISSUE.
13026451800	INSERT 25' OF 2"PMMP	-	-	-	0.05%	\$9,469.34	\$13,968.31	-\$4,498.97	1/1/2013	12/31/2013				2013-04-21
12026423900	INSTALL 810' - 4" PMMP	-	-	-	0.43%	\$81,609.22	\$139,360.59	-\$57,751.37	1/1/2013	12/31/2013	2/28/2013			2013-04-22
														NO FIXED OBJECTS TO TAKE SWING TIES.. UNDERRUN EXPLANATION: DIRECTIONAL HEAVY ROCK BORE WAS ESTIMATED BUT NOT REQUIRED RESULTING IN \$24K REDUCTION IN COSTS;280 HOURS OF FLAGGER WERE ESTIMATE D, BUT ONLY 92 REQUIRED RESULTING IN \$8K REDUCTION IN COSTS; ROCK EXCAVATION AND EXTRA DEPTH WERE NOT REQUIRED RESULTING IN A \$14 REDUCTION IN COSTS; FINALLY SEGA WAS \$18K LESS DUE TO THE OVERHEAD EFFECT OF THE REDUCTIONS ABOVE AS WELL AS BEING ESTIMATED USING A 30% SEGA WHILE 20% WAS USED.
13026433100	INSTALL 200'-4" PMMP	-	-	-	0.35%	\$66,827.37	\$26,660.80	\$40,166.57	1/1/2013	12/31/2013	4/16/2013			2013-05-01
														ODOER LEVEL TEST 100 SECRETARAIT DR G TOWN 05-01-2013 1511 PM READING .2 ODOER LEVEL TEST 100 SECRETARAIT DR G TOWN 05-01-2013 1511 PM READING .2 OVERRUN EXPLANATION: NO BACKFILL WAS ESTIMATED AND \$7802 WAS USED; NO ASPHALT OR CONCRET WAS ESTIAMTED, BUT 390 UNITS OF 6&2 WERE USED RESULTING IN AN ADDITIONAL \$6000; 44 ADDITIONAL UNITS OF 3 MAN CREW WERE NEEDED RESULTING IN AN ADDITIONAL \$7194; ALSO A TRACK HOE, HOE RAM & DUMP TRUCK WERE NOT ESTIMATED.
13026454100	RETIRE RELIEF VALVE	-	-	-	0.00%	\$77.26	\$114.82	-\$37.56	1/1/2013	12/31/2013	5/7/2013			2013-05-07
13026454200	RETIRE RELIEF VALVE	-	-	-	0.00%	\$173.81	\$114.82	\$58.99	1/1/2013	12/31/2013	5/7/2013			2013-05-07
12026426800	RETIRE RECORDING GAUGE	-	-	-	0.00%	\$0.00	\$60.23	-\$60.23	1/1/2013	12/31/2013				2013-05-08
														GAUGE HAS BEEN REMOVED FROM STATION FOR SOME TIME. EXECUTING 584 TO RETIRE FROM RECORDS.
12026422300	INSTALL 55'-4"PMMP&WTMP	-	-	-	0.12%	\$23,401.32	\$20,106.87	\$3,294.45	1/1/2013	12/31/2013	5/7/2013			2013-05-10
12026404501	INSTALL 1120' - 4" PM	-	-	-	0.81%	\$155,467.95	\$129,625.07	\$25,842.88	1/1/2013	12/31/2013	4/30/2013			2013-05-10
														INSTALLED 414' OF 2" PLASTIC MAIN. INSTALLED 867' OF 4" PLASTIC MAIN INSTALLED 2' OF 6" PLASTIC MAIN . OVERRUN DUE TO BLACKTOP PLANT CLOSED DURING CONSTRUCTION REQUIRING 2493 SF OF COLD PATCH ADDING AN ADDITIONAL \$11,916 TO THE PROJECT. 72 SF HANDICAP / WHEEL CHAIR SIDEWALK INSTALL/NOT ESTIMATED ADDED \$2293 ADDITIONAL 662' - 6&2 ASPHALT/CONC NOT ESTIMATED ADDED \$9499 TO THE PROJECT
13026455200	AQUIRE NEW PERM EASEMENT	-	-	-	0.01%	\$1,632.00	\$3,698.82	-\$2,066.82	1/1/2013	12/31/2013				2013-05-13
13026455300	RETIRE LEASE LAND RIGHTS	-	-	-	0.00%	\$0.00	\$54.82	-\$54.82	1/1/2013	12/31/2013				2013-05-13

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11026383701	INSTALL 700'-10" WTHP	-	-	-	1.30%	\$248,147.36	\$243,435.34	\$4,712.02	1/1/2013	12/31/2013	2/18/2013	2013-05-14	
12026400300	INSTALL 6350' OF 8"PMMP MAIN	-	-	-	2.65%	\$507,161.29	\$547,928.90	-\$40,767.61	1/1/2013	12/31/2013	2/13/2013	2013-05-17	
13026433400	INSTALL 40' OF 8"WT/PMMP SL	-	-	-	0.10%	\$19,854.46	\$16,305.73	\$3,548.73	1/1/2013	12/31/2013	3/18/2013	2013-05-17	
12026426200	INSTALL 360'-2"PMMP	-	-	-	0.15%	\$28,127.06	\$13,608.50	\$14,518.56	1/1/2013	12/31/2013	5/21/2013	2013-05-29	TWALKER/KY 06-18-14: JOB OVER RUN DUE TO SIDEWALK AND CONCRETE APRON REPAIRS ADDED \$12,000 FOR REPAIRS NOT INCLUDED IN ESTIMATE. UK CHANGED LOCATION OF EASEMENT WHICH ADDED \$1000 FOR LAND SEVICES AND SEGA \$1800 OVER EST.
13026455000	INSTALL 40' OF 4"PMMP	-	-	-	0.09%	\$16,835.40	\$20,259.87	-\$3,424.47	1/1/2013	12/31/2013	5/13/2013	2013-05-29	
12026401800	INSTALL 900'-8"PMMP BETTERMENT	-	-	-	0.42%	\$79,477.26	\$99,317.69	-\$19,840.43	1/1/2013	12/31/2013	4/20/2013	2013-06-05	TWALKER/KY 06-16-14: JOB UNDER RUN DUE TO ALMOST 800' (11.60/FOOT) LESS PAVING LOWEREDC COST BY \$10,000. ALSO SEGA WAS \$8000 LESS THAN EST.
13026433000	INSTALL GMB METER SETTING	-	-	-	0.12%	\$23,748.48	\$39,716.18	-\$15,967.70	1/1/2013	12/31/2013	4/22/2013	2013-06-05	
13026434700	INSTALL 700' OF 4"PMMP	-	-	-	0.17%	\$31,760.70	\$51,746.96	-\$19,986.26	1/1/2013	12/31/2013	5/31/2013	2013-06-06	TWALKER/KY 06-18-14: JOB WAS PLANNED FOR OPEN STREET CUT BUT ALL MAIN WAS INSTALLED BY DIRECTIONAL BORE WHICH SPEND UP PROJECT AND LOWER STREET REPAIRS/CONTRACT COST BY \$10000. ALSO OVER PROJECT TIME WAS HALF WHAT WAS ESTIMATED SAVE \$3000 COMPANY LABOR PLUS SEGA \$6000 LOWER THAN EST.
13026458900	INSTALL NEW 3" POLY VALVE	-	-	-	0.01%	\$1,047.24	\$6,308.67	-\$5,261.43	1/1/2013	12/31/2013		2013-06-07	TWALKER/KY 09-22-14: JOB UNDER RUN DUE TO NEW VALVE WAS EASIER TO REPLACE PLANNED 72 HRS VS ACTUAL 11 HRS SAVED \$3000. SEGA LOWER BY \$800.
13026453100	RETIRE GMB CONVERT CUST TO CA	-	-	-	0.01%	\$1,665.43	\$3,782.50	-\$2,117.07	1/1/2013	12/31/2013	6/7/2013	2013-06-07	
13026458100	INSTALL 200' OF 2" PMLP MAIN	-	-	-	0.15%	\$29,590.61	\$16,525.70	\$13,064.91	1/1/2013	12/31/2013	6/12/2013	2013-06-14	OVERRUN EXPLANATION: MKH 11/11/13 ESTIMATED FOR 1' CUTBACK FOR SURFACE RESTORATION AND A 3' CUTBACK IS THE PROPER ESTIMATION. ESTIMATED FOR 275 SQUARE FT UNITS FOR SURFACE RESTORATION AND USED 1112 SQUARE FT. PROJECT PLANNED FOR OPEN CUT BUT CREW TRIED TO BORE AND USED 12 UNITS FOR ELECTRONIC VIDEO. ESTIMATED 0 UNITS FOR VIDEO, USED 12 UNITS
13026458800	RETIRE RELIEF VALVE	-	-	-	0.00%	\$264.08	\$243.58	\$20.50	1/1/2013	12/31/2013	6/17/2013	2013-06-17	
13026447200	CARLISLE/PARKVIEW RELOCATION	-	-	-	0.15%	\$27,796.21	\$22,808.24	\$4,987.97	1/1/2013	12/31/2013	5/29/2013	2013-06-19	
13026434800	INSTALL 300' 4" PMMP	-	-	-	0.41%	\$79,129.03	\$43,145.83	\$35,983.20	1/1/2013	12/31/2013	5/10/2013	2013-06-23	OVERRUN EXPLANATION GES: PIPE WAS FOUND TO HAVE DISCONTINUITIES AND PREVENTED WELDING AND TIEING IN IN THE PLANNED MANNER. ADDITIONAL MATERIALS, LABOR AND CONTRACT COST WAS NEEDED IN ORDER TO COMPLETE THE JOB.THIS JOB HAD PROGRESSED TO THE POINT WHERE A REVISION WAS NOT PERMITTED AT THAT POINT IN TIME.
10026344300	INSTALL 710' - 2" PMIP	-	-	-	0.46%	\$87,584.00	\$40,593.38	\$46,990.62	1/1/2013	12/31/2013	2/6/2012	2013-06-26	OVERRUN DUE TO UNABLE TO DIRECTIONAL BORE CREEK. REVISED PERMIT TO OPEN CUT CREEK. INCREASED LABOR HOURS FOR OPEN CUT VS BORE.PROJECT ESTIMATED ON 2010 CONTRACT AND COMPLETED ON 2012 CONTRACT. - JMP 06/26/14
12026412500	INSERT 120' OF 3"PM	-	-	-	0.09%	\$18,059.71	\$8,475.63	\$9,584.08	1/1/2013	12/31/2013	2/13/2013	2013-06-28	TWALKER/KY 06-18-14: JOB OVER RUN DUE TO HIGHER CONTRACT COST AND LOCATION OF LEAK AT BUSY ROAD INTERSECTION. PROJECT PLANNED FOR 2012 3-MAIN RATE BUT WORK PAID ON 2013 4/5-MAIN CREW RATE WITH CONTRACT COST \$5800 HIGHER THAN PLANNED. EXTRA TIME ON PROJECT ADDED \$1500 LABOR COST AND \$1200 HIGHER SEGA.
13026447800	INSTALL 380'OF 4"PMLP	-	-	-	0.15%	\$28,094.79	\$27,820.35	\$274.44	1/1/2013	12/31/2013	6/20/2013	2013-07-01	
13026460500	INSTALL 210' OF 4"PMLP SL	-	-	-	0.12%	\$22,368.17	\$12,210.12	\$10,158.05	1/1/2013	12/31/2013		2013-07-03	OVERRUN EXPLANATION: 175 UNITS OF COLD PATCH WERE USED BUT NOT ESTIMATED 199 UNITS OF 4" SIDEWALK WERE USED BUT NOT ESTIMATED. 254 UNITS OF 4" ASPHALT WERE USED AND NOT ESTIMATED.
13026442100	INSTALL 200'-2" PMMP	-	-	-	0.25%	\$47,263.79	\$39,927.73	\$7,336.06	1/1/2013	12/31/2013	7/1/2013	2013-07-03	6/29/14 GES - OVERRUN EXPLANATION: THE LABOR COSTS EXCEEDED THE ESTIMATE BY A SIGNIFICANT AMOUNT AND THE RESULTING OVERHEAD EFFECT CAUSED THE OVERRUN.
12026424500	INSTALL 540'-2"PMMP	-	-	-	0.22%	\$42,300.73	\$29,494.49	\$12,806.24	1/1/2013	12/31/2013	7/2/2013	2013-07-08	TWALKER/KY 06-18-14: JOB OVER RUN DUE TO ROCK BORE REQUIRED VS PLANNED OPEN CUT INCREASED CONTRACT COST BY \$5000
13026450400	INSTALL 1300' OF 2"PMMP	-	-	-	0.10%	\$18,390.93	\$22,074.54	-\$3,683.61	1/1/2013	12/31/2013	7/2/2013	2013-07-09	
13026446500	INSTALL 1920'-2"&4" PMMP	-	-	-	0.27%	\$51,030.16	\$54,466.73	-\$3,436.57	1/1/2013	12/31/2013	6/19/2013	2013-07-16	
13026448600	INSTALL 200' - 2" PMIP	-	-	-	0.19%	\$35,801.06	\$27,628.54	\$8,172.52	1/1/2013	12/31/2013	7/10/2013	2013-07-16	6-25-14: OVER-RUN DUE TO PAYMENT OF 70 LF OF HEAVY ROCK BORE AT \$73.16 PER FT THAT WAS NOT ORIGINALLY CAPTURED IN THE ESTIMATE. THIS ADDITIONAL \$5121 + OH'S CONTRIBUTED TO THE OVER-RUN. BKS LONE
12026423400	INSTALL 200' OF 2"WTHP/MP MAIN	-	-	-	0.12%	\$22,591.63	\$49,293.26	-\$26,701.63	1/1/2013	12/31/2013	7/11/2013	2013-07-25	TWALKER/KY 06-19-14: JOB UNDER RUN DUE TO PROJECT TOOK ONLY 2 WEEKS VS 4 WEEKS PLANNED TO INSTALL MAIN LINE FOR REG STATION. THIS RESULTED IN \$12000 SAVINGS IN CONTRACTOR COST, \$3200 IN COMPANY LABOR AND SEGA WAS \$9000 LOWER THAN ESTIMATE.
13026464700	RETIRE GMB STATION	-	-	-	0.01%	\$2,529.56	\$247.58	\$2,281.98	1/1/2013	12/31/2013	10/9/2013	2013-07-29	
13026469800	RETIRE RECORDING GAUGE	-	-	-	0.00%	\$0.00	\$61.17	-\$61.17	1/1/2013	12/31/2013		2013-07-29	
13026469600	RETIRE RECORDING GAUGE	-	-	-	0.00%	\$0.00	\$61.17	-\$61.17	1/1/2013	12/31/2013		2013-07-30	

Project No.	Project Title/Description	Annual Actual	Annual Variance	Annual Variance in Dollars	Percent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments		
13026469700	RETIRE RECORDING GAUGE	-	-	-	0.00%	\$0.00	\$61.17	-\$61.17	1/1/2013	12/31/2013			2013-07-31		
13026456400	RETIRE 2" OUTLET PLUG VALVE	-	-	-	0.00%	\$0.00	\$59.96	-\$59.96	1/1/2013	12/31/2013				2013-08-01	
13026456600	REPL 2" OUTLET PLUG VALVE	-	-	-	0.05%	\$9,380.44	\$1,837.35	\$7,543.09	1/1/2013	12/31/2013				2013-08-01	
13026456700	INSTALL STOPPING FITTINGS	-	-	-	0.02%	\$4,332.88	\$9,192.03	-\$4,859.15	1/1/2013	12/31/2013		7/19/2013		2013-08-01	
13026445200	INSTALL 300' 4" PMLP	-	-	-	0.32%	\$61,229.21	\$36,500.05	\$24,729.16	1/1/2013	12/31/2013		3/29/2013		2013-08-02	MBROWN 6/19/14 - JOB RAN 65% OVER BUDGET DUE TO THE FACT THAT THIS JOB WAS CHANGED FROM STANLEY CREW TO FISHEL CREW. SEVERAL ATTEMPTS WERE MADE TO REVERSE THE JOB BUT SOME MATERIAL HAD NOT CLEARED SO THE REVISION WAS UNSUCCESSFUL.
13026467700	INSTALL 7' 4"-PMSL	-	-	-	0.00%	\$87.19	\$535.58	-\$448.39	1/1/2013	12/31/2013				2013-08-02	
12026400700	INSTALL NEW REG STATION	-	-	-	0.29%	\$54,787.40	\$41,837.85	\$12,949.55	1/1/2013	12/31/2013		7/24/2013		2013-08-07	OVERRUN EXPLANATION: FABRICATION COSTS WERE UNDERESTIMATED BY \$16,000. GES
13026461100	INSTALL 40' OF 4" PMLP MAIN	-	-	-	0.08%	\$15,587.97	\$7,696.76	\$7,891.21	1/1/2013	12/31/2013		8/7/2013		2013-08-08	TWALKER/KY 06-18-14: JOB OVER RUN DUE TO SITE CONDITION AND LOCATION OF STORM DRAIN, REQUIRED DOUBLE THE SIDEWALK REPAIRS AS ESTIMATE AND WE PAID 4 MAN CREW VS PLANNED 3 MAN CREW RATE RESULTED IN \$5000 HIGH CONTRACT COST. EXTRA TIME ALSO ADDED \$1200 IN COMPANY LABOR COST AND SEGA \$1600 HIGHER THAN PLANNED.
13026463000	INSTALL 100' OF 4" PMMP SERV	-	-	-	0.11%	\$20,890.96	\$20,351.70	\$539.26	1/1/2013	12/31/2013				2013-08-13	REPLACE LINE THAT WENT UNDER BLD. UNDERRUN EXPLANATION: EIGHT THOUSAND DOLLARS IN OTHER COSTS WERE ESTIMATED, BUT ONLY MINIMUM OTHER COSTS WERE USED. APPROXIMATELY \$2,000 IN ADDITIONAL CONTRACT COSTS WERE USED INSTEAD OF OTHER COSTS. ALSO THE OVERHEAD EFFECT OF THE \$6000 NET DIFFERENCE BETWEEN CONTRACT AND OTHER RESULTED IN ABOUT \$2,000 LESS IN CONSTRUCTION OVERHEADS.
13026445400	INSTALL 464' - 2" PMMP	-	-	-	0.22%	\$41,588.91	\$17,873.31	\$23,715.60	1/1/2013	12/31/2013		8/9/2013		2013-08-13	6/29/14 GES - OVERRUN EXPLANATION 40 TONS OF SAND WAS REQUIRED BUT NOT ESTIMATED BECAUSE OF ROCK. ADDITIONALLY, 78 HOURS OF HOE RAM WAS REQUIRED BUT NOT ESTIMATED. THIS LED TO THE OVERRUN.
13026459700	INSTALL 95'-4" PMLP	-	-	-	0.18%	\$35,148.97	\$18,847.33	\$16,301.64	1/1/2013	12/31/2013		8/16/2013		2013-08-20	DLEMONS 6/23/14: COST OVERRUN DUE TO CONTRACT COST OF \$13,000 MORE THAN ESTIMATED. ADDITIONAL MANPOWER WAS NEEDED FOR TIE-INS AND OVERTIME ITEMS WERE PAID. THIS WAS A MINIMUM CAPITAL SPEND WITH LEAKAGE ASSOCIATED TO THE PROJECT. SMALL OVERRUN OF LABOR LEAD TO ADDITIONAL COSTS OF \$3,000 IN OTHER AND SEGA COSTS.
13026438900	INSTALL 225' OF 4" PM S/L	-	-	-	0.12%	\$23,586.55	\$14,062.56	\$9,523.99	1/1/2013	12/31/2013		8/13/2013		2013-08-21	
13026451600	INSTALL 100' - 2" PMMP	-	-	-	0.04%	\$8,541.62	\$9,640.06	-\$1,098.44	1/1/2013	12/31/2013		8/20/2013		2013-08-21	
13026463900	INSERT 20' OF 4" PMLP MAIN	-	-	-	0.27%	\$51,328.04	\$4,739.59	\$46,588.45	1/1/2013	12/31/2013		7/23/2013		2013-08-22	MORE INQUIRY IS NEEDED TO DETERMINE THE CAUSE OF THIS OVERRUN. 1/4/14 MBROWN 2/7/14 - AFTER DISCUSSION ABOUT THE VARIANCE WITH THE CONSTRUCTION COORDINATOR, THE CAUSE OF THE OVERRUN WAS DUE TO THE FACT THAT THE PIPE COULD NOT BE INSERTED DUE TO AN OFFSET IN THE PIPE. THE INTERSECTION HAD TO BE COMPLETELY SHUT DOWN, OPEN CUT AND 5 TIE INS HAD TO BE MADE. THIS ADDED A CONSIDERABLE AMOUNT OF PAVEMENT RESTORATION, PIPE FOOTAGE AND HOURLY WORKER TIME TO THE JOB WHICH CAUSED THE VARIANCE TO OCCUR.
13026450900	INSTALL 80' OF 4" PMMP	-	-	-	0.17%	\$33,466.92	\$32,558.70	\$908.22	1/1/2013	12/31/2013		8/23/2013		2013-08-24	
13026470700	RETIRE RECORDING GAUGE	-	-	-	0.00%	\$0.00	\$61.17	-\$61.17	1/1/2013	12/31/2013				2013-08-27	
09026289800	REPLACE BUILDING	-	-	-	0.15%	\$27,772.93	\$28,056.91	-\$283.98	1/1/2013	12/31/2013				2013-08-27	
13026465000	INSTALL 25' OF 4" PMLP MAIN	-	-	-	0.03%	\$6,377.76	\$9,863.72	-\$3,485.96	1/1/2013	12/31/2013		8/12/2013		2013-08-28	
13026457100	INSTALL 220' 2" PMMP	-	-	-	0.16%	\$29,890.16	\$43,289.92	-\$13,399.76	1/1/2013	12/31/2013		6/10/2013		2013-09-03	MBROWN 6/19/14 - JOB UNDER RAN DUE TO THE FACT THAT CONSTRUCTION AND M&R FOUND A SIMPLER WAY TO PERFORM THE UPRATE USING THE EXISTING REG STATION INSTEAD OF USING THE TEMPORARY REG STATION. THIS LED TO MUCH LESS TIME NEEDED FOR WELDING, PIPE INSTALLATION AND COMPANY LABOR WHICH LED TO THE UNDER RUN.
13026458300	RETIRE R-1158 REG STATION	-	-	-	0.00%	\$0.00	\$1,104.53	-\$1,104.53	1/1/2013	12/31/2013				2013-09-03	
13026455900	INSTALL NEW EFC	-	-	-	0.02%	\$3,120.57	\$4,645.53	-\$1,524.96	1/1/2013	12/31/2013		9/4/2013		2013-09-04	
13026456000	RETIRE GAUGE RECORDER	-	-	-	0.00%	\$38.81	\$68.53	-\$29.72	1/1/2013	12/31/2013		9/4/2013		2013-09-04	
13026457300	INSTALL 800' - 2" PMMP	-	-	-	0.40%	\$76,597.44	\$36,759.11	\$39,838.33	1/1/2013	12/31/2013		8/15/2013		2013-09-04	6/29/14 GES - OVERRUN EXPLANATION: NEW MAIN ESTIMATED, REPLACEMENT MAIN PAID. 50 HOURS OF 3 MAN CREW AND MINI EXCAVATOR WERE PAID, BUT NOT ESTIMATED.
12026405001	INSTALL 4850' OF 4" 6" PMMP	-	-	-	0.83%	\$158,089.20	\$165,618.97	-\$7,529.77	1/1/2013	12/31/2013		7/16/2013		2013-09-05	MAIN GASSED UP AND IN SERVICE 09/05/2013 14:38 6/16/14 GES THE REVISED JOB ORDER IS NOT OUT OF TOLERANCE.
13026438500	INSTALL 350' - 4" PMMP	-	-	-	0.17%	\$32,202.44	\$36,549.13	-\$4,346.69	1/1/2013	12/31/2013		8/29/2013		2013-09-05	
13026470100	INSTALL 57' - 2" PM	-	-	-	0.03%	\$6,320.44	\$5,048.66	\$1,271.78	1/1/2013	12/31/2013		9/3/2013		2013-09-05	INSTALLED 57' - 2" PM - M COLLETT

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13026442700	INSTALL 6400' 2&4" PMMP	-	-	5.39%	\$1,031,548.89	\$1,195,235.51	-\$163,686.62	1/1/2013	12/31/2013	5/24/2013	2013-09-05	DLEMONS 6/23/14: COST UNDERRUN DUE TO LABOR USED AONLY 30% OF ESTIMATED TOTAL. THIS WAS A COST REDUCTION OF \$60,000 IN LABOR, \$24,000 IN OTHER COSTS, AND \$55,000 IN OTHER COSTS.	
13026470300	INSTALL CHAIN LINK FENCE	-	-	0.01%	\$2,580.63	\$3,462.65	-\$882.02	1/1/2013	12/31/2013			2013-09-06	
13026473500	INSTALL SENSUS 441	-	-	0.00%	\$0.00	\$5,794.36	-\$5,794.36	1/1/2013	12/31/2013			2013-09-10	UNDERRUN EXPLANATION: PROJECT WAS EXECUCED WITHOUT ANY CHARGES AT ALL. PROBABLY SHOULD HAVE BEEN VOIDED.
13026473600	RETIRE FISHER 461	-	-	0.00%	\$0.00	\$55.60	-\$55.60	1/1/2013	12/31/2013			2013-09-10	
12026416101	INSTALL 3925' OF 2"PMMP	-	-	2.85%	\$545,262.12	\$353,604.27	\$191,657.85	1/1/2013	12/31/2013	7/8/2013		2013-09-10	TWALKER/KY 05-20-14: LEVEL 2 VARIANCE REPORT COMPLETED, JOB OVER RUN OF \$120,00 DUE TO ADDITIONAL 6800 SQUARE FEET OF CONCRETE/ASPHALT REPAIR.
13026449600	REGULATOR BUILDING RETIRE	-	-	0.00%	\$651.68	\$0.00	\$651.68	1/1/2013	12/31/2013	9/12/2013		2013-09-15	
13026476900	RETIRE RECORDING GAUGE	-	-	0.00%	\$20.88	\$61.17	-\$40.29	1/1/2013	12/31/2013	9/16/2013		2013-09-16	
13026449500	REPLACE REGULATOR BUILDING	-	-	0.25%	\$47,229.77	\$42,571.27	\$4,658.50	1/1/2013	12/31/2013		9/16/2013	2013-09-17	NTI TO NHLS
13026471900	ABANDON GMB STATION	-	-	0.00%	\$817.31	\$2,050.45	-\$1,233.14	1/1/2013	12/31/2013		9/18/2013	2013-09-18	
13026456900	INSTALL 325' - 2" PM	-	-	0.10%	\$19,735.03	\$10,285.03	\$9,450.00	1/1/2013	12/31/2013	9/9/2013		2013-09-18	6/29/14 GES - OVERRUN EXPLANATION: JOB WAS ESTIMATED FOR 24 HOURS OF A 3 MAN CREW; HOWEVER, 50 HOURS OF A COMPANY CREW WERE USED THAT LEAD TO THE OVERRUN.
12026429900	INSTALL 3400' OF 2"4"PMMP	-	-	0.39%	\$75,253.96	\$69,426.02	\$5,827.94	1/1/2013	12/31/2013	8/20/2013		2013-09-19	TWALKER/KY 06-18-14: JOB OVER RUN DUE TO 900' OF MAIN INSTALLED BY DIRECT BORE VS PLANNED OPEN CUT ADDED OVER \$5000 TO CONTRACT COST.
13026440800	INSTALL 401'-6"PMMP	-	-	0.51%	\$97,285.81	\$80,356.33	\$16,929.48	1/1/2013	12/31/2013	9/6/2013		2013-09-19	TWALKER/KY 06-19-14: JOB OVER RUN DUE TO OVERALL TIME ON PROJECT PLANNED FOR 40 WORKS BUT TOOK 80 HOURS TO COMPLETE WHICH INCREASE CONTRACTOR COST BY ALMOST \$20000.
11026385101	INSTALL 6400' OF 2"6" PMMP	-	-	2.65%	\$506,822.63	\$469,858.86	\$36,963.77	1/1/2013	12/31/2013	7/16/2013		2013-09-20	
13026475800	RETIRE GMB STATION	-	-	0.00%	\$154.49	\$493.45	-\$338.96	1/1/2013	12/31/2013	9/24/2013		2013-09-24	
11026391400	INSTALL 3500' OF 6"8"PMMP	-	-	0.70%	\$133,764.20	\$158,508.84	-\$24,744.64	1/1/2013	12/31/2013	8/24/2013		2013-09-24	06-25-14: UNDER-RUN DUE TO JOB BEING REDUCED BY 1000' BECAUSE OF RAILROAD PERMITTING DELAYS. THIS RESULTED IN ALMOST \$10000 IN MATERIALS + OVERHEADS CONTRIBUTING TO THE 15% (PER POWER PLANT) UNDER-RUN. BKSLONE ALSO % REDUCTIONS IN OH'S OCCURED BTWN ESTIMATE & ACTUAL. BKSLONE
13026464300	INSTALL 40'-8" PMMP	-	-	0.04%	\$6,995.26	\$9,655.68	-\$2,660.42	1/1/2013	12/31/2013	9/27/2013		2013-09-27	BUILT OFFSET TO ACCOMODATE KU
13026456100	INSTALL 100' 4"-PMLP	-	-	0.27%	\$52,626.44	\$45,556.39	\$7,070.05	1/1/2013	12/31/2013	9/16/2013		2013-09-27	MBROWN 6/19/14 - JOB RAN 12% OVER BUDGET DUE TO THE FACT THAT WE ENCOUNTERED PERMITTING HOLDUPS WITH KDOT. THIS MADE THE JOB RUN LONGER THAN ESTIMATE D CAUSING MORE COMPANY HOURS AND MORE HOURS WITH A 3 MAN CREW. OVERTIME HOURS WERE ALSO PAID OUT CONTRIBUTING TO THE OVERAGE. FINALLY, FLAGGERS WERE NOT PLANNED ON THE JOB ORDER AND OVER 230 HOURS OF FLAG TIME WAS USED.
13026460900	INSTALL 1505'-2&4" PMMP	-	-	0.23%	\$44,811.74	\$54,082.19	-\$9,270.45	1/1/2013	12/31/2013	9/24/2013		2013-09-30	DLEMONS 6/24/14: COST UNDERRUN OF \$10,000. CONTRACT SAVINGS OF \$3,500 DUE TO CHANGE OF ALIGNMENT. NO DIRECTIONAL BORE USED, REDUCED SEDIMENT CONTROL ITEMS AND MINIMIZED RESTORATION COSTS. ALSO ONLY 58% OF ESTIMATED LABOR HOURS WERE USED. THIS REDUCED OTHER LABOR COSTS BY \$2,000, OTHER COSTS BY \$1,500, AND SEGA BY \$1,000.
13026487100	LAND RIGHTS FOR NEW MP STATION	-	-	0.06%	\$10,757.50	\$14,314.60	-\$3,557.10	1/1/2013	12/31/2013			2013-10-01	
13026437100	INSTALL 310' - 2" PMIP	-	-	0.16%	\$30,796.80	\$12,303.24	\$18,493.56	1/1/2013	12/31/2013	9/26/2013		2013-10-01	6/29/14 GES - OVERRUN EXPLANATION: 50 TONS OF BACKFILL WERE REQUIRED, BUT NOT ESTIMATED. 70 SQ FEET OF TEMPORARY PATCH WAS REQUIRED BUT NOT ESTIMATE, AND 167 SQ FEET OF 6&2 WERE REQUIRED, BUT NOT ESTIAMTED. THE JOB ALSO TOOK 16 HOURS LONGER THAN ESTIMATED.
13026476500	INSTALL 50' 4" PMIP	-	-	0.06%	\$11,910.56	\$23,354.50	-\$11,443.94	1/1/2013	12/31/2013	10/1/2013		2013-10-03	MBROWN 6/19/14 - JOB UNDERRAN ON COST DUE TO THE USE OF A COMPANY CREW TO REPAIR A LEAK AND WAS PLANNED FOR CONTRACT CREW
13026463600	INSTALL 415' OF 4" PMMP	-	-	0.18%	\$34,485.79	\$32,241.43	\$2,244.36	1/1/2013	12/31/2013	9/24/2013		2013-10-07	
11026382500	INSTALL 2630' OF 2"PMMP	-	-	0.40%	\$76,469.64	\$87,668.20	-\$11,198.56	1/1/2013	12/31/2013	9/26/2013		2013-10-07	TWALKER/KY 06-19-14: JOB UNDER RUN DUE TO LAND SERVICE/RIGHT OF COST LOWER BY ALMOST \$6000 AND SEGA \$6000 LOWER.
13026465800	INSTALL 160'-4" PMIP	-	-	0.36%	\$68,048.51	\$80,852.92	-\$12,804.41	1/1/2013	12/31/2013	9/9/2013		2013-10-10	DLEMONS 6/24/14: COST UNDERRUN DUE TO MINIMAL ROCK ENCOUNTERED,LESS TEMP RE STORAGE NEEDED, AND SEPERATE TRAFFIC CONTROL CONTRACTOR NOT USED, THIS LEAD TO \$10,000 IN REDUCED COST IN THE CONTRACT. ADDITIONAL \$2,500 IN REDUCED SEGA COST.

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13026474600	INSTALL 100' - 2" PMIP	-	-	0.05%	\$8,880.94	\$7,219.72	\$1,661.22	1/1/2013	12/31/2013	10/9/2013	2013-10-11		
12026420200	INSTALL 3790'-4",6"8"PMMP	-	-	0.81%	\$154,934.63	\$220,733.79	-\$65,799.16	1/1/2013	12/31/2013	8/23/2013	2013-10-15	JOB UNDERRUN \$49,000 DUE TO SAVINGS ON LABOR. ESTIMATED FOR 829 HRS OF LABOR BUT ONLY 253 HRS USED. THIS LEAD TO \$22,000 LESS IN LABOR, \$9,000 LESS IN OTHER COSTS, AND \$18,000 LESS SEGA. POWER PLANT \$171,630.92 ON 9/23/14. D. LEMONS 9/24/14	
13026472700	INSTALL 750' OF 2"PMMP	-	-	0.05%	\$9,093.66	\$13,339.23	-\$4,245.57	1/1/2013	12/31/2013	10/14/2013	2013-10-15	TWALKER/KY 06-18-14: JOB UNDER RUN DUE TO PROJECT WAS PLANNED FOR 40 HRS FOR COMPANY INSPECTOR ONLY 6 HOURS CHARGES LOWER PROJECT COST BY \$1800 ALSO SAVED \$900 IN CONTRACT COST NOT HAVING TO HAND LOCATE SEWERS. SEGA WAS \$700 LESS THAN ESTIMATE.	
13026473700	INSTALL 230' - 2" PMMP	-	-	0.03%	\$5,917.69	\$12,066.23	-\$6,148.54	1/1/2013	12/31/2013	10/14/2013	2013-10-15	6/29/14 GES - UNDERRUN EXPLANATION: COMPANY CREW PERFORMED WORK INSTEAD OF CONTRACT CREW.	
12026405201	INSTALL 120' OF 4"WTHP MAIN	-	-	0.25%	\$48,029.38	\$34,783.86	\$13,245.52	1/1/2013	12/31/2013	9/25/2013	2013-10-19	INSPECTED INSULATOR AND COATING, G.TIPTON 10-02-13 TWALKER/KY 03-10-14: PROJECT TOOK LONGER TO COMPLETED THAN ESTIMATED DUE TO WEATHER DELAY AND SITE CONDITIONS (WORKING AROUND EXISTING TREE/FENCE) RESULTED IN EXTRA \$10,000 CONTRACT COST (+40 HOURS FOR 3 MAN CREW), COMPANY CREW LABOR WAS EXTRA 84 HOURS - \$3300, AND SEGA WAS \$1300 HIGHER.	
13026479100	INSTALL 200' - 4" PMIP	-	-	0.03%	\$6,117.88	\$3,851.84	\$2,266.04	1/1/2013	12/31/2013	10/16/2013	2013-10-22		
13026482200	RETIRE DEFECTIVE EFC	-	-	0.00%	\$62.66	\$61.17	\$1.49	1/1/2013	12/31/2013	10/29/2013	2013-10-29		
13026482300	REPLACE EFC	-	-	0.01%	\$2,031.81	\$3,610.45	-\$1,578.64	1/1/2013	12/31/2013	10/29/2013	2013-10-29		
12026429000	INSTALL 1800' OF 2"PMMP	-	-	0.81%	\$155,398.08	\$60,463.46	\$94,934.62	1/1/2013	12/31/2013	10/4/2013	2013-10-31	INSTALLED 1801 FT OF 2 IN PLASTIC MAIN TWALKER/KY 03-10-04: PROJECT OVER RUN DUE TO HEAVY ROCK ONSITE WHICH INCREASE CONTRACT COST BY OVER \$80,000 AND LABOR COST \$5,000 HIGHER. LEVEL 2 VARIANCE REPORT COMPLETED ON PROJECT.	
13026468800	INSTALL 225' OF 4"PMLP S/L	-	-	0.07%	\$12,993.62	\$12,232.24	\$761.38	1/1/2013	12/31/2013	10/24/2013	2013-10-31	INSTALLED NEW 040 PLASTIC SERVICE LINE AND TIED IN TO 040 SLP. WORK PERFORMED AND TESTED BY STANLEY PIPELINE.	
13026486000	RETIRE EFC--SCADA PROJECT	-	-	0.00%	\$0.00	\$61.17	-\$61.17	1/1/2013	12/31/2013		2013-11-01		
13026474200	RETIRE DEFECTIVE EFC	-	-	0.00%	\$100.19	\$2,707.03	-\$2,606.84	1/1/2013	12/31/2013	11/2/2013	2013-11-02		
13026474300	INSTALL EFC	-	-	0.01%	\$2,513.89	\$3,610.45	-\$1,096.56	1/1/2013	12/31/2013	11/2/2013	2013-11-02		
13026473800	REMOVE INSTRUMENT CONTROLLE	-	-	0.00%	\$727.01	\$69.60	\$657.41	1/1/2013	12/31/2013		11/4/2013	2013-11-04	REMOVED DEFECTIVE AMTECK CONTROLLER-MONITOR REGULATOR RUN #1
13026474100	INSTALL INSTRUMENT CONTROLLE	-	-	0.03%	\$5,645.19	\$6,080.57	-\$435.38	1/1/2013	12/31/2013		11/4/2013	2013-11-04	INSTALLED NEW CONTROLLER FOR MONITOR REGULATOR ON RUN #1. NEW CONTROLLER INFO: FISHER WIZARD TYPE 4195KB, SERIAL #F000348294, INPUT 0-1000#, OUTPUT 0-30#
13026486100	INSTALL NEW CHAIN LINK FENCE	-	-	0.16%	\$31,391.92	\$24,454.39	\$6,937.53	1/1/2013	12/31/2013			2013-11-06	
13026486400	NEW CKY LAND/EASEMENT	-	-	0.00%	\$0.00	\$57.17	-\$57.17	1/1/2013	12/31/2013			2013-11-06	
13026481300	INSTALL NEW EFC UNIT	-	-	0.05%	\$9,336.75	\$14,063.57	-\$4,726.82	1/1/2013	12/31/2013	11/6/2013		2013-11-07	
13026481400	RETIRE BATTERY EFC	-	-	0.00%	\$0.00	\$69.60	-\$69.60	1/1/2013	12/31/2013			2013-11-07	
13026487300	PAPER ONLY - 1531' OF 2"PMMP	-	-	0.01%	\$1,625.99	\$1,736.60	-\$110.61	1/1/2013	12/31/2013			2013-11-11	TWALKER/KY 11-11-13: THIS IS PAPER ONLY JOB ALL WORK/MAIN INSTALLED ON JOB# 11-0263825-00 & 11-0263826-00. THIS JOB NUMBER IS REQUIRED DUE TO TCC CHANGE FROM 2629 TO 2621.
12026406300	INSTALL 10160' OF 4"PMMP	-	-	1.13%	\$216,490.03	\$286,960.16	-\$70,470.13	1/1/2013	12/31/2013	10/17/2013	2013-11-12	TWALKER/KY 09-22-14: JOB UNDER RUN DUE TO LESS ROCK ON SITE THAN PLANNED LOWERED CONTRACT COST BY \$ 5000, COMPANY LABOR LOWER \$3000, SEGA REDUCED BY \$16,000 AND LAND SERVICE/EASEMENT LOWERED \$20,000	
13026472000	INSTALL 15'-2" PMMP	-	-	0.01%	\$2,691.93	\$12,422.14	-\$9,730.21	1/1/2013	12/31/2013			2013-11-13	TIED MAIN TOGETHER WITH 2 IN PIPE GES-3/1/14 - UNDERRUN EXPLNATION: FINAL RESTORATION HAS NOT BEEN COMPLETD AS OF THIS DATE. FINAL RESTORATION COMPLETED, PROJECT ONLY TOOK 6.5 HOURS RATHER THAN THE 32 HOURS ESTIMATED.
13026475400	INSTALL EFC	-	-	0.04%	\$7,925.81	\$13,326.57	-\$5,400.76	1/1/2013	12/31/2013			2013-11-14	UNDERRUN EXPLANATION: PROJECT WAS ESTIMATED WITH CONTRACT LABOR, BUT COMPANY LABOR USED INSTEAD.
13026475500	RETIRE GAUGE ON GMB	-	-	0.00%	\$40.88	\$69.60	-\$28.72	1/1/2013	12/31/2013	11/13/2013		2013-11-14	
13026457900	REPLACE BUILDING STRUCTURE	-	-	0.30%	\$57,015.73	\$56,076.00	\$939.73	1/1/2013	12/31/2013			2013-11-18	
13026492100	RETIRE BUILDING	-	-	0.00%	\$0.00	\$0.00	\$0.00	1/1/2013	12/31/2013			2013-11-18	
11026383102	INSTALL 6815'-2"84"PMMP	-	-	8.84%	\$1,691,791.27	\$1,560,250.70	\$131,540.57	1/1/2013	12/31/2013	2/15/2013		2013-11-19	
13026460700	INSTALL 180' OF 4" PMLP	-	-	0.14%	\$27,455.47	\$33,779.21	-\$6,323.74	1/1/2013	12/31/2013	11/14/2013	2013-11-19	M HUGHES 6/26/14 UNDER RUN DUE TO JOB RUNNING SMOOTH; CONTRACT ESTIMATED AT \$21000 AND ONLY \$14000 WAS BOOKED DUE TO LESS PAVEMENT RESTORATION, LESS WELD AND RIG TIME, NO ROCK LEDGE EXCAVATION, AND NO STONE OR DUST	

Project No.	Project Title/Description	Annual Actual	Annual Variance	Percentage of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
13026462500	INSTALL 1400' OF 2" PMMP	-	-	0.16%	\$31,234.85	\$27,882.61	\$3,352.24	1/1/2013	12/31/2013	11/1/2013	2013-11-21	GAS ON MAIN 11/21/2013 15:15 GES/3/11/14 - UNDERRUN EXPLNATION: LABOR ESTIMATING TOOL PREDICTED 80 HOURS WOULD BE REQUIRED TO COMPLETE THE WORK WHILE ONLY 45 HOURS WERE NECESSARY.
13026440100	INSTALL 90' OF 2" PMMP	-	-	0.22%	\$41,492.49	\$33,811.45	\$7,681.04	1/1/2013	12/31/2013	10/31/2013	2013-11-25	OVER RUN DUE TO CONTRACT ESTIMATE; SERVICE LINE PAVING RESTORATION WAS CHARGED TO THE INSTALL JOB ORDER RATHER THAN THE 565, A TOTAL OF \$23000 WAS INCORRECTLY CHARGED; ALSO SEGA ESTIAMTE WAS OVERUN BY A TOTAL \$6000
13026483200	INSTALL 150' OF 4" PMLP S/L	-	-	0.07%	\$13,657.93	\$11,952.36	\$1,705.57	1/1/2013	12/31/2013	11/22/2013	2013-11-27	
13026489200	RETIRE DEFECTIVE EFC	-	-	0.00%	\$83.88	\$61.17	\$22.71	1/1/2013	12/31/2013	11/27/2013	2013-11-27	
13026489300	REPLACE EFC	-	-	0.01%	\$2,298.93	\$3,610.45	-\$1,311.52	1/1/2013	12/31/2013	11/27/2013	2013-11-27	
13026458200	INSTALL 100' - 2" PM	-	-	0.06%	\$11,883.43	\$15,336.03	-\$3,452.60	1/1/2013	12/31/2013	11/25/2013	2013-11-27	
13026487900	RETIRE GMB STATION	-	-	0.00%	\$164.47	\$218.38	-\$53.91	1/1/2013	12/31/2013	12/2/2013	2013-12-02	
13026483800	INSTALL 20' - 4" CS&PMMP	-	-	0.10%	\$18,568.28	\$24,992.53	-\$6,424.25	1/1/2013	12/31/2013	11/21/2013	2013-12-03	6-25-14: OVER-RUN WAS DUE TO PROJECT HAVING BEEN ESTIMATED WITH CONTRACT RATES BUT WORKED BY COMPANY CREWS RESULTING IN A NET REDUCTION IN LABOR OF \$6740 + OH'S WHICH CONTRIBUTED TO THE OVER-RUN. BKSLONE
13026479300	INSTALL 175' OF 2" PMMP MAIN	-	-	0.03%	\$5,107.81	\$6,347.57	-\$1,239.76	1/1/2013	12/31/2013	12/2/2013	2013-12-04	MAIN WASNT PUT IN SERVICE UNTIL 12-4-2013
13026480500	INSTALL 50' 4" PMLP	-	-	0.05%	\$9,346.86	\$13,652.53	-\$4,305.67	1/1/2013	12/31/2013	12/2/2013	2013-12-04	
13026488900	INSTALL BRUEST CAT HEATER	-	-	0.02%	\$2,879.09	\$3,926.79	-\$1,047.70	1/1/2013	12/31/2013	12/4/2013	2013-12-04	
13026489000	RETIRE CATALYTIC HEATER	-	-	0.02%	\$2,889.14	\$69.60	\$2,819.54	1/1/2013	12/31/2013	12/4/2013	2013-12-04	
13026471600	INSTALL 85' - 2" PMMP	-	-	0.02%	\$3,921.47	\$6,859.61	-\$2,938.14	1/1/2013	12/31/2013	12/3/2013	2013-12-04	LAID 83' - 2" PLASTIC MAIN
13026491100	RETIRE DEFECTIVE EFC	-	-	0.00%	\$73.91	\$61.17	\$12.74	1/1/2013	12/31/2013	12/10/2013	2013-12-05	
11026391600	INSTALL 5350' OF 2 1/4" PMMP	-	-	2.27%	\$435,181.67	\$386,424.46	\$48,757.21	1/1/2013	12/31/2013	7/22/2013	2013-12-05	OVERRUN EXPLANATION: JOB ORVERRAN BECAUSE NO COLD PATCH WAS ESTIMATED AND A SIGNIFICANT AMOUNT WAS REQUIRED. ALSO 4200 FEET OF OPEN CUT WAS ESTIMATED BUT ABOUT 1000 FEET OF THAT WAS DIRECTIONAL BORED. GES 1/2/15
13026432200	RETIRE WATER BATH HEATER	-	-	0.00%	\$648.17	\$66.64	\$581.53	1/1/2013	12/31/2013	8/28/2013	2013-12-06	
13026432300	INSTALL CWT HEATER	-	-	0.85%	\$162,198.65	\$191,994.31	-\$29,795.66	1/1/2013	12/31/2013		2013-12-06	UNDERRUN EXPLNATION: THE ONLY COSTS THAT DEVIATED SUBSTANTUALLY WAS THE SEG A WAS ABOUT \$30,000 LESS THAN ESTIMATED.
13026491800	INSTALL 120' - 4" PM S/L	-	-	0.06%	\$12,177.14	\$11,581.09	\$596.05	1/1/2013	12/31/2013	8/10/2013	2013-12-07	
13026488200	INSTALL 170' OF 4" PMLP	-	-	0.05%	\$9,554.32	\$11,607.36	-\$2,053.04	1/1/2013	12/31/2013	12/9/2013	2013-12-10	
13026491200	REPLACE EFC	-	-	0.00%	\$188.70	\$3,312.38	-\$3,123.68	1/1/2013	12/31/2013	12/5/2013	2013-12-10	
13026479800	INSTALL 300'-4" SERVICE	-	-	0.03%	\$5,826.55	\$9,410.75	-\$3,584.20	1/1/2013	12/31/2013	12/10/2013	2013-12-11	REROUTED SL TO FRONT OF BUILDING, DID NOT INSTALL NEW SERVICE LINE INSTALLED 10 FOOT OF NEW PIPE,
13026445900	INSTALL 8200' OF 2 1/4" PMMP	-	-	6.54%	\$1,252,080.59	\$909,810.70	\$342,269.89	1/1/2013	12/31/2013	12/11/2013	2013-12-12	TWALKER/KY 06-20-14: LEVEL 2 VARIANCE REPORT FILLED OUT FOR JOB COST OVER RUN, OVER RUN WAS DRIVEN BY ADDED \$262,000 IN CONTRACT COST FOR HARD SURFACE REPAIRS.
13026457500	INSTALL 350' OF 2" PMMP	-	-	0.20%	\$38,965.90	\$13,334.65	\$25,631.25	1/1/2013	12/31/2013	5/16/2013	2013-12-13	TWALKER/KY 06-18-14: JOB OVER RUN DUE TO EASEMENT ON NEIGHBORING PROPERTY NOT BEING RECORDED CORRECTLY ADDED \$7500 IN LAND SERVICE COSTS. THIS DELAYED RESULTED IN ALL NEW MAIN BEING INSTALLED BY DIRECT BORE INSTEAD OF PLANNED OPEN CUT ADDED \$6000 CONTRACT COST AND SEGA \$5100 HIGHER.
13026470900	INSTALL 2800' - 4" PMMP	-	-	0.49%	\$93,462.91	\$93,065.00	\$397.91	1/1/2013	12/31/2013	11/18/2013	2013-12-13	
12026430701	INSTALL 1365'-8" PMMP	-	-	2.48%	\$475,133.47	\$274,084.97	\$201,048.50	1/1/2013	12/31/2013	7/29/2013	2013-12-16	POWER PLANT #481,683.02 ON 9/24/14. LEVEL 2 BUDGET VARIANCE EXPLANATION COMPLETED ON 9/25/14. D. LEMONS PROJECT WAS ESTIMATED FOR TEMPORARY AND PERMANENT RESTORATION OF A 2' TRENCH IN THE ROADWAY. DO TO HEAVY TRAFFIC VOLUMES AND EXTREMELY WET WEATHER, TEMPORARY RESTORATION WAS APPLIED MULTIPLE TIMES. PERMANENT RESTORATION WAS COMPLETED ON THE 2' TRENCH, BUT DUE TO CONCERNS FROM CONSTRUCTION AND OUTSIDE ENTITIES THE DECISION WAS MADE TO MILL AND PAVE THE FULL LANE OF TRAFFIC ALONG THE PROJECT. THIS ADDED \$150,000 TO CONTRACT COST ALONG WITH \$12,000 ADDITION COMPANY LABOR, AND \$40,000 IN OVERHEADS.
12026400800	RELOCATION REG STAT #1664	-	-	0.03%	\$5,685.74	\$64.33	\$5,621.41	1/1/2013	12/31/2013	7/25/2013	2013-12-16	THIS IS A RETIREMENT JOB ORDER THAT WAS ESTIMATED CORRECTLY.
12026424800	INSTALL 6400' OF 12" WTHP MAIN	-	-	6.53%	\$1,250,236.29	\$1,039,064.25	\$211,172.04	1/1/2013	12/31/2013	3/8/2013	2013-12-17	TWALKER/KY 06-24-14: LEVEL 2 VARIANCE REPORT FOR JOB OVER RUN COMPLETED AND SAVED ON ENG COMMON DRIVE. COST OVER RUN WAS DRIVEN BY ROCK ONSITE AND CHANGE IN TIE IN LOCATION DUE TO MECH JOINTED COUPLED PIPE INCREASE CONTRACT COST BY OVER \$150,000
13026492400	ACQUIRE NEW REG STA SITE	-	-	0.05%	\$9,852.64	\$10,441.97	-\$589.33	1/1/2013	12/31/2013		2013-12-23	

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						2013 Construction Project Budget	\$19,146,922.12						
12026421200	INSTALL 250' OF 4"PMMP	-	-	-	0.08%	\$12,277.42	\$15,608.63	-\$3,331.21	1/1/2014	12/31/2014	1/9/2014	2014-01-14	
12026421300	INSTALL 375' OF 4"PMMP	-	-	-	0.09%	\$13,470.53	\$17,249.63	-\$3,779.10	1/1/2014	12/31/2014	1/8/2014	2014-01-14	
13026471300	INSTALL 3"POLY CRITICAL VALVE	-	-	-	0.15%	\$21,975.92	\$10,513.92	\$11,462.00	1/1/2014	12/31/2014	1/9/2014	2014-01-15	6/29/14 GES - OVERRUN EXPLANATION: JOB OVERRAN BECAUSE TEMPORARY PATCH WAS REQUIRED, BUT NOT ESTIMATED. ADDITIONALLY, 60 UNITS OF SIDEWALK WERE REQUIRED, BUT NOT USED.
13026463500	INSTALL 2250' OF 2"PMMP	-	-	-	0.36%	\$54,191.31	\$44,391.85	\$9,799.46	1/1/2014	12/31/2014	12/17/2013	2014-01-17	MBROWN 6/19/14 - MATERIAL WAS WITHIN \$8 ESTIMATED TO ACTUAL. 700' OF DIRECTIONAL BORE WAS PLANNED WHILE 874' WAS ACTUALLY USED. THIS ADDED COST DUE TO THE INCREASED AMOUNT OF SEWER LOCATING NEEDED. JOB WAS ALSO ESTIMATED ON OLDER CONTRACT AND PAID ON NEWER.
14026493700	RETIRE DEFECTIVE EFC	-	-	-	0.00%	\$42.56	\$124.03	-\$81.47	1/1/2014	12/31/2014	1/20/2014	2014-01-20	
14026493800	INSTALL EFC	-	-	-	0.02%	\$2,348.61	\$4,063.41	-\$1,714.80	1/1/2014	12/31/2014	1/20/2014	2014-01-20	
14026496700	INSTALL CAT HEATER	-	-	-	0.01%	\$1,341.60	\$4,696.95	-\$3,355.35	1/1/2014	12/31/2014		2014-01-24	
13026483600	INSTALL 585' OF 4"PMMP S/L	-	-	-	0.32%	\$48,121.13	\$26,056.86	\$22,064.27	1/1/2014	12/31/2014		2014-02-05	OVERRUN EXPLANATION: NO COLD PATCH OR 6&2 WAS ESTIMATED, BUT SIGNIFICANT AMOUNTS WERE REQUIRED.GES
14026498300	INSTALL 40'-4" PMLP	-	-	-	0.27%	\$39,962.25	\$16,364.63	\$23,597.62	1/1/2014	12/31/2014	1/14/2014 2/6/2014	2014-02-06	INSTALLED 33FT OF 4INCH PP JOB OVERRAN \$23,000 DUE TO CONTRACT COST. LEAK WAS WORKED AROUND THE CLOCK UNTIL ISSUE WAS RESOLVED. MULTIPLE CREWS WERE UTILIZED AND OVERTIME WAS PAID. D. LEMONS 9/24/14
14026498500	INSTALL 200' - 2" PMIP	-	-	-	0.03%	\$5,158.54	\$4,199.07	\$959.47	1/1/2014	12/31/2014	2/6/2014	2014-02-10	
14026512100	NEW LAND FOR REG STATION	-	-	-	0.00%	\$0.00	\$63.96	-\$63.96	1/1/2014	12/31/2014		2014-02-13	
14026494400	RETIRE DEFECTIVE EFC	-	-	-	0.00%	\$42.14	\$124.03	-\$81.89	1/1/2014	12/31/2014	2/14/2014	2014-02-14	
14026494500	REPLACE EFC	-	-	-	0.03%	\$4,428.85	\$4,213.45	\$215.40	1/1/2014	12/31/2014	2/14/2014	2014-02-14	
14026499700	INSERT 40' OF 2"PMLP MAIN	-	-	-	0.15%	\$21,825.35	\$10,551.12	\$11,274.23	1/1/2014	12/31/2014	2/13/2014	2014-02-17	INSTALLED 67 FT 2 IN PLASTIC MAIN TWALKER/KY 09-22-14: JOB OVER DUE TO PROJECT PLANNED FOR 20HRS OF 3 MAN CREW BUT WE USE 4 MAN CREW FOR 27 HOURS \$3800 HIGHER CONTRACT COST, SEGA HIGHER BY \$2500.
13026469400	INSTALL NEW 4" CRITICAL VALVE	-	-	-	0.02%	\$3,143.58	\$3,520.79	-\$377.21	1/1/2014	12/31/2014	2/18/2014	2014-02-19	
14026501200	INSTALL 100' OF 2"PMMP/4"CASNG	-	-	-	0.08%	\$12,006.34	\$14,266.81	-\$2,260.47	1/1/2014	12/31/2014		2014-02-19	
13026485401	INSTALL 350'-4"PMLP	-	-	-	1.08%	\$161,735.12	\$98,661.41	\$63,073.71	1/1/2014	12/31/2014	2/25/2014	2014-02-20	TWALKER/KY 09-22-14: LEVEL 2 VARIANCE REPORT FILLED OUT FOR JOB OVER RUN DUE TO UNFORSEEN PAVING COST.
12026405900	CONVERT FROM GMB TO CAB ACCT	-	-	-	0.00%	\$20.05	\$1,738.31	-\$1,718.26	1/1/2014	12/31/2014	2/25/2014	2014-02-25	
14026492900	INSTALL 100' - 2" PMIP	-	-	-	0.01%	\$1,727.50	\$6,165.61	-\$4,438.11	1/1/2014	12/31/2014	2/24/2014	2014-02-25	INSTALLED 100' OF 2" PLASTIC PIPE.
13026478000	INSTALL 2400' OF 2"PMMP	-	-	-	0.32%	\$48,067.16	\$34,510.42	\$13,556.74	1/1/2014	12/31/2014	2/7/2014	2014-02-26	TWALKER/KY 09-22-14: JOB OVER RUN DUE TO PROJECT PLANNED ON 2012 CONTRACT ALL WORKED PLANNED ON 2012 CONTRACT, PLUS 500' MAIN INSTALLED BY DIRECT BORE VS PLANNED OPEN CUST INCREASED CONTRACT COST OVER \$9000. SEGA INCREASE BY \$3800.
13026467000	INSTALL RECTIFIER & DEEPWELL GE	-	-	-	0.16%	\$24,023.51	\$32,154.59	-\$8,131.08	1/1/2014	12/31/2014		2014-02-28	THIS WAS AN ANODE SYSTEM THAT WAS CHANGED TO DEEP WELL GROUND BED RECTIFIED SYSTEM.FAC#238228.UPDATED FAC. VOLTS-19.9-AMPS-03.6.ON READ -2.262 OFF READ -1.051. NO CONTRACT LABOR WAS REQUIRED THOUGH \$8,000 WAS ESTIMATED. THIS LED TO THE UNDERRUN.
13026490700	INSTALL 4540' OF 2"/4"PMMP	-	-	-	0.86%	\$128,830.88	\$84,474.67	\$44,356.21	1/1/2014	12/31/2014	10/2/2013 1/8/2014	2014-02-28	TWALKER/KY 09-22-14: JOB OVER RUN DUE TO EXSTING 1650' OF MAIN INSTALLED BY DIRECT BORE VS PLANNED OPEN CUST ADDED \$22,000 IN CONTRACT COST, JOB TOOK LONGER TO INSTALL THAN PLANNED WITH 80 EXTRA LABOR HOURS/\$3500, SEGA INCREASED BY \$11,000.
13026436300	RETIRE REG STATION # 1081	-	-	-	0.01%	\$1,832.89	\$4,160.28	-\$2,327.39	1/1/2014	12/31/2014		2014-03-05	TWALKER/KY 03-05-14: THIS 584 WAS TO RETIRE LEAKING BYPASS VALVE ON STATION THIS STATION WILL BE RETIRED LATER IN 2014 AS PART OF THE CLAYS MILL ROAD PHASE 2 RELOCATION, I WILL CREATE ANOTHER 584 FOR THAT PROJECT.
14026497600	RETIRE GMB SETTING - DEMO	-	-	-	0.00%	\$665.68	\$1,188.97	-\$523.29	1/1/2014	12/31/2014	1/22/2014	2014-03-05	

Project No.	Project Title/Description	Annual Actual	Variance in Dollars	Percent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
14026506900	INSTALL 3"SS FITTING	-		0.00%	\$0.00	\$702.96	-\$702.96	1/1/2014	12/31/2014		2014-03-05	GES UNDERRUN EXPLANATION: THIS WAS A PAPER ABANDONEMENT TO REMOVE FACILITIES FROM THE MAP THAT WERE REMOVED BY OTHER JOB ORDERS.
13026446801	INSTALL 1725' 2 1/4" PMMP	-		1.57%	\$234,928.54	\$334,539.98	-\$99,611.44	1/1/2014	12/31/2014	1/15/2014	2014-03-05	JOB UNDER RUN DUE TO INSTALLATION OF LESS MAIN THAN EXPECTED. ALSO DUE TO NOT RUNNING INTO AS MUCH ROCK AS WAS EXPECTED, WHICH LOWERED THE AMOUNT OF STONE AND DUST USED, WHICH ALL AMOUNTED TO ABOUT \$30,000. THE LABOR HOURS WERE OVER ESTIMATED DUE TO NOT RUNNING INTO ROCK AS WELL.
14026500500	INSTALL NEW CHAIN LINK FENCE	-		0.02%	\$2,624.49	\$5,376.43	-\$2,751.94	1/1/2014	12/31/2014		2014-03-06	
13026480100	INSTALL 500' OF 2 1/4" PMMP	-		0.21%	\$30,999.05	\$35,404.49	-\$4,405.44	1/1/2014	12/31/2014	1/20/2014	2014-03-07	9/22/14 UNDERUN EXPLANATION: JOB UNDERUN BECAUSE NO HARD SURFACE REPAIRS WERE REQUIRED AS ESTIMATED. ADDITIONALLY, CONTRACT FLAGGING WAS NOT USE AND THAT WAS PERFORMED WITH PIPELINE CONTRACT RESOURCES.
14026494600	AMRP - INSTALL 350' - 2" PMIP	-		0.20%	\$29,999.85	\$17,244.14	\$12,755.71	1/1/2014	12/31/2014	3/10/2014	2014-03-11	09/11/14: UNDERUN DUE TO: 1)CO LABOR ESTIMATED AT 160 HRS AND ACTUAL WAS ONLY 56, 2) INSTALL PIPE ESTIMATED AT 350' AND ACTUAL WAS ONLY 96', 3)NO HARD SURFACE RESTORATION REQUIRED AS ORIGINALLY THOUGHT, 4)PLUS REDUCTION IN OH'S. (BKSLONE)
13026463400	INSTALL 835' - 2" PMMP	-		0.68%	\$102,170.64	\$82,937.87	\$19,232.77	1/1/2014	12/31/2014	1/20/2014	2014-03-11	PAVED ENTIRE ALLEY INCREASING PAVING COST BY \$32,331.00
13026475200	INSTALL EFC	-		0.05%	\$7,326.49	\$13,581.57	-\$6,255.08	1/1/2014	12/31/2014		2014-03-14	UNDERRUN EXPLNATION: PROJECT WAS ESTIMATED WITH CONTRACT LABOR, BUT COMPANY LABOR USED.
13026475300	RETIRE GUAGE	-		0.00%	\$29.53	\$69.60	-\$40.07	1/1/2014	12/31/2014	11/18/2013	2014-03-14	REPLACED EFC
13026452100	REMOVE RECORDING GUAGE	-		0.00%	\$112.21	\$358.62	-\$246.41	1/1/2014	12/31/2014	3/14/2014	2014-03-14	
13026462600	INSTALL 800' OF 4"PMMP MAIN	-		0.50%	\$75,063.36	\$54,243.57	\$20,819.79	1/1/2014	12/31/2014	2/18/2014	2014-03-17	OVERRUN CAUSED BY ADDITIONAL REQUIRED LAND SERVICES AND COLD PATCH THAT WAS NOT IN INITIAL ESTIMATE BUT WAS USED. CSPARKS 9-22-14.
13026445000	INSTALL 5295'2" PMMP & 530' 4"	-		2.73%	\$407,505.20	\$360,468.92	\$47,036.28	1/1/2014	12/31/2014	1/13/2014	2014-03-21	OVERRUN EXPLANATION: 1500 ADDITIONAL FEET OF DIRECTIONAL BORE WAS REQUIRED OVER WHAT WAS ESTIMATED.
14026503200	INSTALL 50' OF 2"PMMP	-		0.10%	\$14,979.04	\$8,508.47	\$6,470.57	1/1/2014	12/31/2014	3/22/2014	2014-03-22	TWALKER/KY 09-22-14: JOB OVER RUN DUE TO DAMAGE TO ROAD DURING MAIN INSTALL PLANNED FOR 150' STREET CUT VS ACTUAL 527' STREET CUST ADDED \$5000 TO CONTRACT COST. SEGA HIGHER BY \$1600.
14026501700	INSTALL 30' - 4" CSHP	-		0.22%	\$32,886.16	\$25,507.44	\$7,378.72	1/1/2014	12/31/2014		2014-03-22	TWALKER/KY-05-27-14: JOB OVER RUN DUE TO \$5300 CSX INVOICE FOR RAILROAD TRAFFIC CONTROL
13026459600	INSTALL 2305' OF 2"-4" PMMP	-		0.27%	\$39,679.55	\$40,889.30	-\$1,209.75	1/1/2014	12/31/2014	3/11/2014	2014-03-24	
14026502300	INSTALL 55'-2" PMMP	-		0.19%	\$27,732.23	\$21,199.42	\$6,532.81	1/1/2014	12/31/2014	3/17/2014	2014-03-24	CURRENT POWER PLANT SHOWS \$18,997.90 FOR UNDER RUN OF \$2,000. WM SHOWS OVER UN OF \$9,000 DUE TO OTHER COSTS. WILL REVISIT NEXT QUARTER IF OVERRUN STILL EXISTS. D. LEMONS 9/24/14
14026501500	INSTALL 2120' 2" PMMP	-		0.18%	\$26,827.63	\$38,294.10	-\$11,466.47	1/1/2014	12/31/2014	3/20/2014	2014-03-27	INSTALLED FUSED AND TESTED BY STANLEY PIPE 9/22/14 GES UNDERRUN EXPLANATION: NO PERMANENT RESTORATION WAS REQUIRED AS ESTIMATED SAVING \$7,000.
13026473901	REPL FISHER 99 REGULATORS	-		0.11%	\$16,784.68	\$21,144.60	-\$4,359.92	1/1/2014	12/31/2014	3/21/2014	2014-03-31	
13026474000	RETIRE FISHER 99 REGULATORS	-		0.00%	\$96.02	\$72.97	\$23.05	1/1/2014	12/31/2014	3/31/2014	2014-03-31	
13026440602	INSTALL 1960' OF 2"PMMP MAIN	-		3.96%	\$591,197.67	\$383,624.16	\$207,573.51	1/1/2014	12/31/2014	3/4/2014	2014-04-01	OBTAINING INFO ON 6/9/2014 PROJECT OVERUN DUE TO LACK OF ESTIMATION IN PAVEMENT RESTORATION AND LENGTH OF PROJECT. THERE WAS NO ESTIMATION FOR COLD PATCH AND \$43,000 WORTH WAS USED. NO ESTIMATION FOR 6" CONCRETE, AND \$45,000 WORTH WAS USED. THE CITY OF LEXINGTON FORCED US TO RE-PAVE KENTUCKY AVE SIMPLY BECAUSE THEY WERE NOT HAPPY WITH THE WAY IT LOOKED. DUE TO THE CITIES REQUEST IT CAUSED OUR PAVING COSTS TO INCREASE. ONLY 4000 UNITS OF 6" & 2" PAVING WAS ESTIMATED FOR AND OVER 9000 UNITS WERE USED. THIS DIFFERENCE AMOUNTED TO A TOTAL OF \$142,000. NO ESTIMATION FOR 10" & 2" PAVEMENT, AND ABOUT \$8,000 WORTH WAS USED. THE DURATION OF THE PROJECT WAS ESTIMATED USING THE JOB ORDER DURATION TOOL, WHICH PROVED INACCURATE FOR THIS PROJECT. THE DURATION OF THE PROJECT WAS ESTIMATED FOR 280 HOURS AND ACTUALLY TOOK 553 HOURS, WHICH CAUSED AN INCREASE IN THE TOTAL COST. LVL 2 VARIANCE FILLED OUT ON ENG DRIV

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13026480300	INSTALL 475'-4" PMLP	-	-	0.39%	\$57,490.95	\$39,776.21	\$17,714.74	1/1/2014	12/31/2014	3/11/2014	2014-04-02	9/22/14 OVERRUN EXPLANATION: OVERRUN WAS DUE TO 10K MORE IN COMPANY LABOR THAN WAS PLANNED AND THE OVERHEADS THAT RESULTED FROM THAT INCREASE. THE LABOR REQUIRED BY OPERATIONS TO MAKE THE LEAK SAFE WAS NOT INCLUDED IN THE ORIGINAL ESTIMATE.	
13026450200	INSTALL DUAL RUN REG STATION	-	-	0.38%	\$56,478.90	\$70,426.11	-\$13,947.21	1/1/2014	12/31/2014		2014-04-03	TUBED NEW STATION, INSTALLED CAT HEATERS & WELKER FILTERS. MAJOR INSP ALL REGS. PLACED STATION IN SERVICE. UNDERRUN EXPLANATION: PLANNED FOR CONTRACT WELDER WHEN COMPANY WELDER PERFORMED WORK.	
13026437400	INSTALL 2180' OF 2"/4" PMMP	-	-	1.19%	\$178,239.60	\$156,239.99	\$21,999.61	1/1/2014	12/31/2014	4/2/2014 1/6/2014	2014-04-08	JOB OVERRUN DUE TO CONTRACT CHANGE FROM 2012 TO 2013. IT WAS ALSO DUE TO THE MAIN BEING ESTIMATED FOR OPEN CUT AND CONSTRUCTION INSTALLED IT BY DIRECTIONAL BORE WITH 64 HOURS OF ELECTRONIC VIDEO CAMERA, WHICH INCREASED COSTS. M HUGHES 9/22/14	
14026496000	INSTALL 950' 2" PMMP	-	-	0.07%	\$10,206.36	\$20,642.57	-\$10,436.21	1/1/2014	12/31/2014	4/7/2014	2014-04-08	9/22/14 UNDERRUN EXPLANATION: JOB UNDERRAN BECAUSE 240 FEWER FEET OF PIPE WAS REQUIRED TO SERVE CUSTOMER. ALSO, VERY LITTLE COMPANY LABOR WAS CHARGED TO THIS PROJECT. BETWEEN FEWER CONTRACT UNITS, VERY LITTLE LABOR, AND THE OVERHEAD EFFECT OF THOSE TWO ITEMS, THE JOB UNDER RAN \$10K.	
13026472900	INSTALL 400' - 2" PMMP/CSMP	-	-	0.48%	\$72,033.98	\$47,063.84	\$24,970.14	1/1/2014	12/31/2014	3/24/2014	2014-04-09	9/22/14; REASON FOR OVERRUN: JOB WAS ESTD ON 2013 CONTRACT AND PAID ON 2014 CONTRACT; JOB TOOK A WEEK LONGER TO COMPLETE DUE TO DEEP TIE-IN HOLE AND DITCH CROSSINGS AND TIME TO SET & REMOVE SHORING ON EACH; CONTRACT LABOR WAS \$15,212 HIGHER THAN ESTD DUE TO 108 HRS OF 4-MAN CREW ACTUAL VS 40 OF 3-MAN CREW ESTD; \$1700 IN ASPHALT RESTORATION WAS REQUIRED AND NONE WAS ESTD; OH'S WERE \$5254 HIGHER THAN ESTD (BKS LONE).	
14026520900	RETIRE GAUGE	-	-	0.00%	\$0.00	\$59.33	-\$59.33	1/1/2014	12/31/2014			2014-04-09	
13026475100	RETIRE GAUGE RECORDER	-	-	0.00%	\$28.61	\$69.60	-\$40.99	1/1/2014	12/31/2014	4/10/2014		2014-04-10	
13026475000	INSTALL NEW EFC UNIT	-	-	0.05%	\$6,850.97	\$13,581.57	-\$6,730.60	1/1/2014	12/31/2014			2014-04-11	REPLACED EFC & INSTALLED MI WIRELESS. IP ADDRESS 166.250.47.243 UNDERRUN EXPLANATION: PROJECT WAS ESTIMATED WITH CONTRACT LABOR, BUT WORKED WITH COMPANY LABOR.
13026464100	INSTALL 12000'-2"&4" PMIP	-	-	6.89%	\$1,029,452.66	\$1,327,493.90	-\$298,041.24	1/1/2014	12/31/2014	8/27/2013	2014-04-11	POWER PLANT STATES \$1,076,000 FOR \$251,000 UNDERRUN ON PROJECT. APPROXIMATELY \$220,000 LESS IN CONTRACT COST DUE TO MINIMAL ROCK ENCOUNTERED. OPEN CUT UTILIZED INSTEAD OF BORING. AND MINIMAL RESTORATION. CONSTRUCTION WITH LAND SERVICES WORKED TO IMPROVE THE ALIGNMENT TO MINIMIZE THE CUTTING OF ROADWAYS. ALSO SIGNIFICANT SAVINGS IN CONTRACTOR SUPPLYING TRAFFIC CONTROL INSTEAD OF BRINGING IN SEPARATE CONTRACTOR FOR THIS PURPOSE. ADDITIONAL SAVINGS IN LABOR AND SEGA ACCOUNT FOR APPROXIMATELY \$30,000.	
11026395400	CONVERT FROM GMB TO CAB ACCT	-	-	0.00%	\$38.83	\$1,748.15	-\$1,709.32	1/1/2014	12/31/2014			2014-04-16	2014-04-16@0745
14026499900	INSTALL 85' OF 4" PMLP	-	-	0.12%	\$17,183.89	\$6,132.47	\$11,051.42	1/1/2014	12/31/2014	4/10/2014	2014-04-18	TWALKER/KY 09-22-14: JOB OVER RUN DUE TO CUSTOMER DRIVEWAY THAT WAS DAMAGED DURING BORE OF NEW MAIN. PROJECT PLANNED FOR 2 DAYS BUT TOOK 7 DAYS TO INSTALL RESULTED IN \$6500 HIGHER CONTRACT COST, \$1800 HIGHER LABOR COST AND \$2300 HIGHER SEGA.	
13026453900	REPLACE BYPASS VALVE ON MP-LF	-	-	0.01%	\$1,720.56	\$3,656.37	-\$1,935.81	1/1/2014	12/31/2014	4/15/2014	2014-04-21		
13026454000	RETIRE BYPASS VALVE	-	-	0.00%	\$0.00	\$206.18	-\$206.18	1/1/2014	12/31/2014			2014-04-21	REPLACED BYPASS VALVE
14026515400	INSTALL 16' OF 2" PMMP	-	-	0.01%	\$1,358.17	\$2,553.69	-\$1,195.52	1/1/2014	12/31/2014			2014-04-22	INSTALLED 16' MAIN LINE EXTENSION TO CATCH SERVICE LINE TO 1104 PEPPERHILL CIRCLE. 2621 020 PLASTIC.
14026509300	INSTALL 100' - 2" & 4" PM	-	-	0.03%	\$4,736.90	\$9,266.67	-\$4,529.77	1/1/2014	12/31/2014	4/23/2014	2014-04-24	INSTALL 3' - 4" PM & 105' - 2" PM	
14026519200	INSTALL 5' OF 3" PMLP MAIN	-	-	0.05%	\$7,247.57	\$8,480.91	-\$1,233.34	1/1/2014	12/31/2014			2014-05-05	
14026500800	INSTALL 100' - 2" PMIP	-	-	0.13%	\$19,173.85	\$6,516.52	\$12,657.33	1/1/2014	12/31/2014	4/23/2014	2014-05-05	OVERRUN EXPLANATION (GES): JOB PLANNED IN THE DIRT, BUT INSTALLED IN THE STREET. OVERRUN DUE TO ADDITIONAL ASPHALT AND CONCRETE.	
13026453400	RETIRE REGULATOR STAT# 1196	-	-	0.00%	\$0.00	\$1,949.36	-\$1,949.36	1/1/2014	12/31/2014			2014-05-06	
13026453600	RETIRE REGULATOR STAT# 1169	-	-	0.01%	\$1,625.18	\$1,949.36	-\$324.18	1/1/2014	12/31/2014			2014-05-06	
13026460000	INSTALL 310' OF 4" WTHP SL	-	-	0.20%	\$29,561.36	\$45,391.08	-\$15,829.72	1/1/2014	12/31/2014	8/15/2013	2014-05-06	GES UNDERRUN EXPLANATION: PROJECT PLANNED FOR DIRECTIONAL ROCK BORE, BUT OPEN CUT PERFORMED AND PAID.	

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14026519600	INSTALL 12' OF 3"PMLP MAIN	-	-	0.04%	\$5,338.41	\$12,819.69	-\$7,481.28	1/1/2014	12/31/2014		2014-05-06	GES: UNDERRUN EXPLANATION: FINAL STREET REPAIRS INCOMPLETE AT THIS TIME LEADING TO THE UNDERRUN. 10/02/14 GES: UNDERRUN EXPLANATION: FINAL STREET REPAIRS UNNECESSARY. 01/02/15
08026245600	REPLACE RECORDING GAUGE	-	-	0.02%	\$3,065.98	\$1,972.56	\$1,093.42	1/1/2014	12/31/2014	5/8/2014	2014-05-08	REPLACED GAUGE.
08026245700	RETIRE RECORDING GAUGE	-	-	0.00%	\$81.73	\$49.71	\$32.02	1/1/2014	12/31/2014	5/8/2014	2014-05-08	RETIRED GAUGE. SEE JO 08-0262456-00 TO REPLACE GAUGE
13026453000	REPLACE 2" PV BYPASS	-	-	0.06%	\$9,370.95	\$3,873.00	\$5,497.95	1/1/2014	12/31/2014		2014-05-08	OVERRUN EXPLANATION: PLANNED FOR COMPANY LABOR AND CONTRACTOR PERFORMED WORK.
11026394000	RETIRE REG STATION #1511	-	-	0.01%	\$1,312.78	\$2,206.07	-\$893.29	1/1/2014	12/31/2014	9/17/2013	2014-05-13	
14026518700	CONVERT FROM GMB TO CAB	-	-	0.00%	\$0.00	\$349.88	-\$349.88	1/1/2014	12/31/2014		2014-05-13	
14026520100	INSTALL 100' - 2" PM	-	-	0.01%	\$1,874.76	\$2,708.02	-\$833.26	1/1/2014	12/31/2014	5/31/2014	2014-05-13	
13026436000	DEMO BLOCK BUILDING	-	-	0.00%	\$0.00	\$4,126.88	-\$4,126.88	1/1/2014	12/31/2014		2014-05-14	
14026512600	RETIRE MECHANICAL GAUGE	-	-	0.00%	\$0.00	\$116.11	-\$116.11	1/1/2014	12/31/2014		2014-05-15	
14026512700	INSTALL EFC	-	-	0.07%	\$10,500.12	\$5,526.99	\$4,973.13	1/1/2014	12/31/2014	5/12/2014	2014-05-15	
14026514700	INSTALL 100' - 2" PMIP	-	-	0.03%	\$4,183.74	\$5,082.34	-\$898.60	1/1/2014	12/31/2014	5/15/2014	2014-05-15	
13026452900	RETIRE 2" PV BYPASS	-	-	0.00%	\$735.78	\$64.16	\$671.62	1/1/2014	12/31/2014	5/8/2014	2014-05-16	
13026454500	INSTALL 650' OF 2" PMMP	-	-	0.15%	\$22,443.24	\$13,952.95	\$8,490.29	1/1/2014	12/31/2014	5/6/2014	2014-05-20	TWALKER/KY 11-21-14: JOB OVER RUN DUE TO HARD SURFACE REPAIRS WE HAD TO REPLACE 119 SQ FEET OF ASPHALT (NOT WAS NOT ESTIMATE OF ANY PAVING) THIS ADDED \$3000 TO CONTRACT COST, ALSO JOB TOOK LONGER THAN PLANNED EXTRA \$2500 COMPANY LABOR AND SEGA INCREASED BY \$2000
14026520600	INSTALL 15' OF 4"PMLP MAIN	-	-	0.19%	\$28,197.83	\$31,660.94	-\$3,463.11	1/1/2014	12/31/2014	5/12/2014	2014-05-20	
13026435900	RETIRE REG STATION# 1512	-	-	0.00%	\$279.14	\$4,718.88	-\$4,439.74	1/1/2014	12/31/2014	5/9/2014	2014-05-20	
14026501600	INSTALL 4420' 2" PMMP	-	-	0.56%	\$83,534.21	\$74,189.41	\$9,344.80	1/1/2014	12/31/2014	4/14/2014	2014-05-21	IN SERVICE ON 5/21/ FINAL CLEAN UP SODDING YDS ON 6/6/14 OVERRUN EXPLANATION: CREW DECIDED TO DIRECTIONAL BORE INSTEAD OF OPEN CUT R RESULTING IN 570 ADDITIONAL UNITS. ALSO AROUND 550 UNITS OF CONCRETE WERE NOT ESTIMATED. BOTH OF WHICH LED TO THE OVERRUN OF \$8800.
14026504800	INSTALL MI WIRELESS EFC	-	-	0.08%	\$11,423.07	\$16,805.43	-\$5,382.36	1/1/2014	12/31/2014		2014-05-21	2014-04-08@1405 UNDERRUN EXPLANATION: THE OUTSIDE SERVICES CONTRACTOR DID NOT BILL AS MUCH AS THEY INITIALLY ESTIMATED.
14026504900	RETIRE MERCURY EFC	-	-	0.00%	\$0.00	\$142.05	-\$142.05	1/1/2014	12/31/2014	4/8/2014	2014-05-21	
14026518500	RETIRE DEFECTIVE EFC	-	-	0.00%	\$47.93	\$3,559.33	-\$3,511.40	1/1/2014	12/31/2014	5/22/2014	2014-05-22	
14026518600	INSTALL EFC	-	-	0.02%	\$2,546.95	\$4,655.77	-\$2,108.82	1/1/2014	12/31/2014		2014-05-22	CHANGED METER AND REPLACED EFC. MINI-AT WITH MESSENGER MODEM SER# 13075053. PRESSURE 0-300 PSIA, TEMP -40 TO 170.
14026530100	INSTALL RELIEF VALVE	-	-	0.00%	\$0.00	\$2,513.38	-\$2,513.38	1/1/2014	12/31/2014	5/8/2014	2014-05-22	
14026500300	INSTALL 65' OF 4" PLP	-	-	0.06%	\$9,050.39	\$10,230.04	-\$1,179.65	1/1/2014	12/31/2014	5/22/2014	2014-05-28	MAIN WAS INSTALLED ON THE 27TH. THERE WAS ONE SERVICE, 202 COLLINS; IT WAS REPLACED ON THE 28TH
12026415200	INSTALL DEEP WELL GB & RECTIFIER	-	-	0.25%	\$36,678.55	\$42,437.39	-\$5,758.84	1/1/2014	12/31/2014		2014-05-30	UNDERRUN EXPLANATION: SEGA IS THE ONLY CHARGE THAT CHANGED SIGNIFICANTLY BY \$6,000.
12026415300	RELOCATE RECTIFIER	-	-	0.00%	\$185.92	\$256.92	-\$71.00	1/1/2014	12/31/2014	10/7/2013	2014-05-30	
13026457600	INSTALL DEEP WELL GB & RECTIFIER	-	-	0.23%	\$33,858.44	\$39,128.66	-\$5,270.22	1/1/2014	12/31/2014	10/3/2014	2014-05-30	GES UNDERRUN EXPLANATION: OUTSIDE LABOR COSTS FOR DEEPWELL GROUND BED COST LESS THAN ESTIMATED BY CORROSION.
13026466200	INSTALL RECTIFIER & GROUND BED	-	-	0.30%	\$44,574.83	\$46,989.84	-\$2,415.01	1/1/2014	12/31/2014	10/9/2013	2014-05-30	
13026466300	RETIRE RECTIFIER	-	-	0.00%	\$0.00	\$67.82	-\$67.82	1/1/2014	12/31/2014	10/10/2013	2014-05-30	
13026466600	INSTALL NEW RECTIFIER	-	-	0.02%	\$2,470.72	\$8,126.06	-\$5,655.34	1/1/2014	12/31/2014		2014-05-30	UNDERRUN EXPLANATION: COMPANY LABOR WAS ESTIMATED BUT NONE WAS CHARGED TO THIS JOB ORDER.
13026466700	RETIRE PATRICK RECTIFIER	-	-	0.00%	\$0.00	\$69.53	-\$69.53	1/1/2014	12/31/2014	7/29/2014	2014-05-30	
13026467100	INSTALL NEW RECTIFIER	-	-	0.02%	\$2,470.70	\$7,867.06	-\$5,396.36	1/1/2014	12/31/2014		2014-05-30	UNDERRUN EXPLANATION: NO COMPANY OR CONTRACT LABOR BOOKED TO THIS JOB.
13026467200	RETIRE GEORGETOWN RECTIFIER	-	-	0.00%	\$0.00	\$69.53	-\$69.53	1/1/2014	12/31/2014	7/29/2014	2014-05-30	
13026466800	INSTALL NEW RECTIFIER	-	-	0.02%	\$3,642.63	\$6,097.06	-\$2,454.43	1/1/2014	12/31/2014		2014-05-30	
13026466900	RETIRE WEBSTER RECTIFIER	-	-	0.00%	\$0.00	\$69.53	-\$69.53	1/1/2014	12/31/2014		2014-05-30	
13026467400	INSTALL NEW RECTIFIER	-	-	0.02%	\$3,563.03	\$7,867.06	-\$4,304.03	1/1/2014	12/31/2014	7/29/2014	2014-05-30	
13026467500	RETIRE LEVEE RECTIFIER	-	-	0.00%	\$0.00	\$69.53	-\$69.53	1/1/2014	12/31/2014		2014-05-30	
13026467800	INSTALL NEW RECTIFIER	-	-	0.02%	\$3,626.64	\$7,867.06	-\$4,240.42	1/1/2014	12/31/2014	7/29/2014	2014-05-30	
13026467900	RETIRE MAPLE RIDGE RECTIFIER	-	-	0.00%	\$0.00	\$69.53	-\$69.53	1/1/2014	12/31/2014		2014-05-30	

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13026452800	INSTALL FITTINGS	-	-	0.05%	\$7,126.53	\$7,445.00	-\$318.47	1/1/2014	12/31/2014	11/5/2013	2014-06-03	
13026455500	INSTALL 2600' 4"-PMMP	-	-	0.46%	\$68,776.52	\$49,868.72	\$18,907.80	1/1/2014	12/31/2014	5/8/2014	2014-06-05	OVERRUN EXPLANATION: COLUMBIA PAID \$6500 FOR RIGHT OF WAY AND DAMAGES THAT WERE NOT ESTIMATED. GES 1/2/15 THESE DAMAGES WERE ASSOCIATED TO NEEDING AN EASMENT FOR A ROAD THAT APPEARED AND WAS ASSUMED TO BE A PUBLIC ROAD WHEN IN FACT IT WAS PRIVATE.
13026473100	INSTALL 775' - 4" & 3" PMIP	-	-	0.43%	\$64,810.14	\$89,962.73	-\$25,152.59	1/1/2014	12/31/2014	5/19/2014	2014-06-05	11/21/14: UNDERRUN EXPLANATION - LESS ROCK ENCOUNTERED THAN ANTICIPATED RESULTING IN 1070 LESS FEET OF ROCK EXCAVATION AMOUNTING TO \$11000 SAVINGS. NO DIRECTIONAL ROCK BORE WAS REQUIRED AS ORIGINALLY ANTICIPATED RESULTING IN \$6000 SAVINGS. THESE ITEMS, PLUS OH'S, CONTRIBUTED TO THE BULK OF THE UNDERRUN (BKSLONE).
14026502500	RETIRE REG STATION #1081	-	-	0.00%	\$322.78	\$2,136.74	-\$1,813.96	1/1/2014	12/31/2014	6/6/2014	2014-06-06	
12026409200	INSTALL 1200'-6"PMMP	-	-	1.10%	\$164,366.28	\$180,175.98	-\$15,809.70	1/1/2014	12/31/2014	1/8/2014	2014-06-09	ON VACATION THE WEEK OF THE 9TH
13026484501	INSTALL 5350' OF 6"HDMP MAIN	-	-	2.90%	\$432,972.75	\$374,175.12	\$58,797.63	1/1/2014	12/31/2014	4/16/2014	2014-06-10	TWALKER/KY 11-21-14: LEVEL 2 VARIANCE REPORT FILLED ON PROJECT. JOB OVER RUN DUE TO 3000 FEET OF MAIN PLANNED FOR OPEN CUT BUT INSTALLED BY DIRECT BORE WHICH RESULTED IN \$74,340 HIGH CONTRACT COST.
13026487000	INSTALL 60' OF 6"HDMP S/L	-	-	0.21%	\$31,630.60	\$23,686.14	\$7,944.46	1/1/2014	12/31/2014		2014-06-10	OVERRUN EXPLANATION: CONTRACT COSTS GREATER THAN ESTIMATED BECAUSE LENGTH OF 6 INCH SERVICE LINE DOUBLED. ALSO, CONTRACTOR HAD TO ADD UNITS FOR TEMPORARY PATCH THAT WERE NOT ESTIMATED.
14026517500	INSTALL 100' - 2" P-MP	-	-	0.03%	\$5,221.04	\$5,619.03	-\$397.99	1/1/2014	12/31/2014	6/4/2014	2014-06-10	
14026513200	INSTALL 4" STOPPLE FITTING	-	-	0.07%	\$9,757.67	\$14,378.48	-\$4,620.81	1/1/2014	12/31/2014	6/9/2014	2014-06-12	
13026462200	REPLACE RECTIFIER/GROUNDBED	-	-	0.25%	\$37,268.29	\$46,401.51	-\$9,133.22	1/1/2014	12/31/2014		2014-06-12	INSTALLED DEEPWELL GROUNDBED 300' DEEP - 10 ANODES. INSTALLED UNIVERSAL RECTIFIER. ASAI MODEL - SERIAL# 1333824 - AC VOLTS 115/230 - AC AMPS 15.3 - 7.7 - MAIN NOT EXPOSED, USED GENERIC EXPOSURE TO EXECUTE ORDER. OVERRUN EXPLANATION: MATERIAL WAS HIGHER THAN ESTIMATED, BUT THIS WAS DUE TO THE MATERIAL BEING ENTERED UNDER THE CONTRACT. THE RESULTING CHANGES STILL ARE INDICATING AN OVERRUN.
13026462300	ABANDON RECT/GB	-	-	0.00%	\$6.49	\$794.73	-\$788.24	1/1/2014	12/31/2014		2014-06-12	CONVENTIONAL GROUNDBED TAKEN OUT OF OPERATION, GOODALL RECTIFIER REPLACED. USED GENERIC EXPOSURE TO EXECUTE ORDER.
13026468500	INSTALL NEW RECTIFIER	-	-	0.02%	\$3,626.12	\$7,867.06	-\$4,240.94	1/1/2014	12/31/2014		2014-06-12	INSTALLED MESA UNIVERSAL 50V/25A RECTIFIER. ASAI MODEL - SERIAL #133823 AC VOLTS 115/230 - AC AMPS 15.3/7.7 - INSTALLED ON 6/12/14 MAIN NOT EXPOSED, MADE GENERIC EXPOSURE TO EXECUTE.
13026468600	RETIRE A2 SUMMITT RECTIFIER	-	-	0.00%	\$8.41	\$69.53	-\$61.12	1/1/2014	12/31/2014	6/12/2014	2014-06-12	REMOVED GOODALL RECTIFIER ON 6/12/14 MAIN NOT EXPOSED, USED GENERIC EXPOSURE TO EXECUTE
13026466400	INSTALL NEW RECTIFIER	-	-	0.02%	\$2,986.41	\$8,126.06	-\$5,139.65	1/1/2014	12/31/2014		2014-06-12	INSTALLED MESA UNIVERSAL 50V/25A RECTIFIER. INSTALLED 6/12/14 ASAI MODEL - SERIAL #133825 - AC VOLTS 115/230 - AC AMPS 15.3/7.7 MAIN NOT EXPOSED, DONE GENERIC EXPOSURE TO EXECUTE. UNDERRUN EXPLANATION: CONTRACT COSTS WERE ESTIMATED, BUT NONE WERE USED.
13026466500	RETIRE RECTIFIER	-	-	0.00%	\$11.66	\$69.53	-\$57.87	1/1/2014	12/31/2014	6/12/2014	2014-06-12	REMOVED GOODALL RECTIFIER ON 6/12/14. USED GENERIC EXPOSURE TO EXECUTE ORDER.
14026513100	RETIRE R-1606 PIT REGULATOR	-	-	0.01%	\$1,562.97	\$2,130.77	-\$567.80	1/1/2014	12/31/2014	6/13/2014	2014-06-13	
13026468300	INSTALL NEW RECTIFIER	-	-	0.02%	\$3,427.07	\$7,867.06	-\$4,439.99	1/1/2014	12/31/2014		2014-06-13	INSTALLED MESA UNIVERSAL 50V/25A RECTIFIER. ASAI MODEL - SERIAL # 133044 AC VOLTS 115/230 - AC AMPS 15.3/7.7 - INSTALLED 6/13/14 MAIN NOT EXPOSED USED GENERIC EXPOSURE TO EXECUTE ORDER.
13026468400	RETIRE A5 WASHINGTON RECTIFIER	-	-	0.00%	\$15.56	\$69.53	-\$53.97	1/1/2014	12/31/2014		2014-06-13	REMOVED GOODALL RECTIFIER ON 6/13/14. USED GENERIC EXPOSURE TO EXECUTE ORDER.
13026485700	INSTALL 400'-4" PMMP	-	-	0.23%	\$34,413.52	\$58,782.99	-\$24,369.47	1/1/2014	12/31/2014	6/13/2014	2014-06-15	NO ROCK ENCOUNTERED AND PROJECT OPEN CUT, NO BORE REQUIRED. THIS REDUCED CONTRACT COST BY \$14,000. ADDITIONAL SAVINGS OF \$10,000 IN LABOR AND OVERHEADS . D.LEMONS 11/25/14
13026447000	INSTALL 1335' 4"-PMLP	-	-	0.43%	\$64,915.30	\$117,958.49	-\$53,043.19	1/1/2014	12/31/2014	4/29/2014	2014-06-16	UNDERRUN EXPLANATION: THERE WAS NOT ROCK EXCAVATION OR ASSOCIATED BACKFILL CAUSING THE UNDERRUN.

Project No.	Project Title/Description	Annual Actual	Variance	Percentage of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments	
14026520200	INSTALL 40'-2" PMMP	-	-	0.12%	\$17,742.83	\$5,587.38	\$12,155.45	1/1/2014	12/31/2014	6/2/2014	2014-06-17	COST OVERRUN DUE TO ROCK AND STOPAGES BY CITY/DEVELOPER. INCREASED CONTRACT TIME BY 38 HRS = ORIGINAL 16 HRS. THIS LEAD TO AN INCREASE OF \$9000 IN CONTRACT COST. D.LEMONS 11/25/14	
14026500600	INSTALL 100' - 2" PM	-	-	0.10%	\$14,793.47	\$12,403.04	\$2,390.43	1/1/2014	12/31/2014	6/16/2014	2014-06-18	INSTALLED 124' - 2" PM	
14026513600	INSTALL 100' OF 2"PMMP	-	-	0.03%	\$3,784.91	\$6,960.38	-\$3,175.47	1/1/2014	12/31/2014	6/23/2014	2014-06-23	J.WHEELER(INSPECTOR)/D.NEELY(FOREMEN/FUSER) INCORRECTLY COMPLETED DATE ENTERED BY UNKNOWN INSPECTOR - ACTUAL=NEAL JOHNS ON COMPL DATE OF 6/25/2014 PER DGRIFFI-LEX,KY CLOSE-OUT TECH IN/SERV DATE IS 6/25/2014. UNDERRUN EXPLANATION: JOB UNDERRAN BECAUSE ONLY 10 HOURS OF 3 MAN CREW WERE REQUIRED WHILE 16 HOURS WAS ESTIMATED. ALSO, NO DIRECTIONAL BORE WAS REQUIRED AS ESTIMATED.	
13026470500	REPLACE RECTIFIER	-	-	0.40%	\$59,612.48	\$48,336.33	\$11,276.15	1/1/2014	12/31/2014		2014-06-23	10/14/2013	INSTALLED DEEPWELL GROUND BED 300' DEEP - 10 ANODES. INSTALLED UNIVERSAL RECTIFIER - ASAI MODEL - SERIAL# 133823 - AC VOLTS 115/230 - AC AMPS 15.3 - 7.7 MAIN NOT EXPOSED, USED GENERIC EXPOSURE TO EXECUTE. OVERRUN EXPLANATION: RECTIFIER COST \$18,000 MORE THAN THE ESTIMATE PROVIDED
13026470600	RETIRE RECTIFIER / GROUND BED	-	-	0.00%	\$16.17	\$801.53	-\$785.36	1/1/2014	12/31/2014		2014-06-23		TOOK (OLD MAIN) GROUND BED OUT OF SERVICE. REMOVED GOODALL RECTIFIER.
14026528300	INSTALL 16'-6" PMLP	-	-	0.00%	\$226.08	\$16,071.37	-\$15,845.29	1/1/2014	12/31/2014		2014-06-26		UNDERRUN EXPLANATION: OPEATIONS CREW INADVERTENTLY CHANGED LABOR TO THE RETIREMENT JOB ORDER INSTEAD OF THIS JOB ORDER.
14026516400	INSTALL 590'-2"&4" PMMP	-	-	0.53%	\$78,636.01	\$83,644.87	-\$5,008.86	1/1/2014	12/31/2014	6/5/2014	2014-07-03		
14026527400	RETIRE DEFECTIVE EFC	-	-	0.00%	\$25.34	\$59.33	-\$33.99	1/1/2014	12/31/2014		2014-07-07		
14026527500	INSTALL EFC	-	-	0.08%	\$11,611.17	\$6,526.77	\$5,084.40	1/1/2014	12/31/2014		2014-07-07		OVERRUN EXPLANATION: MATERIALS AND CONTRACT LARBOR WERE HIGHER THAN ESTIMATE D.
11026391900	CONVERT FROM GMB TO CAB ACCT	-	-	0.00%	\$415.05	\$1,748.15	-\$1,333.10	1/1/2014	12/31/2014		6/23/2014	2014-07-08	GMB TO CAB CONVERSION
13026480600	INSTALL 580' OF 4" PMLP	-	-	0.36%	\$53,122.13	\$98,845.11	-\$45,722.98	1/1/2014	12/31/2014	7/7/2014	2014-07-10		UNDERRUN EXPLANATION: JOB WAS PLANNED IN THE STREET AND WAS ABLE TO FIND ROOM IN THE DIRT. THE PAVING AND BACKFILL UNITS WERE NOT REQUIRED.
14026516001	INSTALL 1550' OF 2" PMMP	-	-	1.39%	\$207,244.36	\$160,967.40	\$46,276.96	1/1/2014	12/31/2014	7/1/2014	2014-07-11		PROJECT OVERRAN DUE TO MORE MAIN FOOTAGE BEING INSTALLED THAN ANTICIPATED.C SPARKS 4-28-15
14026493900	INSTALL 1360' 4" PMMP	-	-	0.39%	\$58,816.81	\$50,142.10	\$8,674.71	1/1/2014	12/31/2014	6/11/2014	2014-07-11		7/30/14 PRESSURE TEST UNSATISFACTORY RETURNED TO ENGINEER M BROWN. OVERRUN EXPLANATION: PROJECT WAS ESTIMATED AS AN OPEN CUT, BUT WAS DIRECTIIONALLY BORED INSTEAD. GES 1/2/15
13026481000	INSTALL NEW CATALYTIC HEATER	-	-	0.02%	\$2,348.04	\$3,857.36	-\$1,509.32	1/1/2014	12/31/2014	7/31/2014	2014-07-13		
14026497100	INSTALL CAT HEATER	-	-	0.03%	\$4,373.49	\$4,935.95	-\$562.46	1/1/2014	12/31/2014		2014-07-16		07-16-2014 15:00 JB JM BRUEST 2@ 4,500 SR-8 S/N 248377 S/N 248378
13026477600	INSTALL 1780'-2" PMMP	-	-	0.92%	\$137,417.34	\$137,859.35	-\$442.01	1/1/2014	12/31/2014	2/6/2014	2014-07-28		
14026504200	INSTALL MI WIRELESS EFC	-	-	0.07%	\$10,768.16	\$12,372.43	-\$1,604.27	1/1/2014	12/31/2014	6/25/2014	2014-07-28		
14026504300	RETIRED GAUGE DEVICE	-	-	0.00%	\$31.93	\$71.53	-\$39.60	1/1/2014	12/31/2014	7/25/2014	2014-07-28		INSTALLED NEW EFC & MI WIRELESS
14026502702	INSTALL 375' OF 2" PMMP	-	-	0.62%	\$91,917.99	\$31,868.02	\$60,049.97	1/1/2014	12/31/2014	7/28/2014	2014-07-30		OVERRUN EXPLANATION: JOB OVERRAN BECAUSE 3 MAN CREW WAS ESTIMATED FOR 80 HOURS AND 189 HOURS WAS REQUIRED. GES 01/02/15
14026504400	INSTALL MI WIRELESS EFC	-	-	0.04%	\$6,669.49	\$12,372.43	-\$5,702.94	1/1/2014	12/31/2014		2014-07-31		INSTALLED EFC & MI WIRELESS. SITE ID 2361. REQUEST SUBMITTED FOR IP ADDRESS UNDERRUN EXPLANATION: MATERIALS AND OUTSIDE LABOR COST MUCH CHEAPER THAN ESTIMATED.
14026504500	RETIRE RECORDING GAUGE	-	-	0.00%	\$68.87	\$71.53	-\$2.66	1/1/2014	12/31/2014	7/31/2014	2014-07-31		REMOVED RECORDING GAUGE. INSTALLED EFC & MI WIRELESS.
13026480900	RETIRE CATALYTIC HEATER	-	-	0.00%	\$67.71	\$111.20	-\$43.49	1/1/2014	12/31/2014	7/31/2014	2014-07-31		
15026562800	INSTALL CATALYTIC HEATER	-	-	0.02%	\$2,724.66	\$3,237.84	-\$513.18	1/1/2014	12/31/2014		2014-07-31		
15026562900	RETIRE CATALYTIC HEATER	-	-	0.00%	\$220.68	\$234.92	-\$14.24	1/1/2014	12/31/2014		2014-07-31		

Project No.	Project Title/Description	Annual Actual	Annual Variance	Percent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
14026514900	INSTALL 2550' - 2" PMMP	-	-	0.35%	\$51,645.23	\$67,721.42	-\$16,076.19	1/1/2014	12/31/2014	7/14/2014	2014-08-04	UNDERRUN EXPLANATION: DIRECTIONAL BORE WAS ESTIMATED, BUT NOT USED. ROCK EXCAVATION AND PAVEMENT RESTORATION WAS ALSO NOT USED.
14026536700	INSTALL 9' OF 4" PMLP MAIN	-	-	0.00%	\$0.00	\$10,062.26	-\$10,062.26	1/1/2014	12/31/2014		2014-08-05	UNDERRUN EXPLANATION: NO LABOR OR MATERIAL WAS CHARGED TO THIS JOB ORDER. THIS PROJECT WAS STARTED AS AN O&M REPAIR. WHEN THE IC EXECUTED THE JOB ORDER, THEY INCORRECTLY VOIDED THE REPAIR AND CHARGED TO THE RETIREMENT INSTEAD OF THE INSTALL JOB ORDER LEAVING NO COSTS ON THIS JOB ORDER. THE REPAIR JOB ORDER WAS 14-2398869-00. I SPOKE WITH PLANT ACCOUNTING AND THEY SAID THEY DON'T LIKE TO MOVE CHARGES IN PRIOR YEARS UNLESS IT IS BETWEEN O&M AND CAPITAL. THE CHARGES WILL NOT BE CORRECTED ON THIS JOB ORDER.
13026490401	INSTALL 1355' 4" PMMP	-	-	0.72%	\$108,103.15	\$155,374.06	-\$47,270.91	1/1/2014	12/31/2014	7/23/2014	2014-08-05	GAS WAS PUT ON LINE ON THIS DATE THE SERVICES WERE COMPLETED BUT NOT THE MANIFOLD UNDERRUN EXPLANATION: ABOUT HALF AS MUCH DIRECTIONAL ROCK BORE WAS REQUIRED THAN ESTIMATED.
14026525400	INSTALL 270'-2" PMMP	-	-	0.07%	\$10,086.28	\$7,557.03	\$2,529.25	1/1/2014	12/31/2014	8/4/2014	2014-08-05	
11026394400	INSTALL NEW REG STATION	-	-	0.35%	\$52,573.33	\$60,764.24	-\$8,190.91	1/1/2014	12/31/2014		2014-08-06	REMOVED INSULATOR KITS FROM INLET & OUTLET SIDES OF SETTING PER GREG TIPTON INSTALLED HEATERS, WELKER FILTERS. MAJOR INSP ON ALL REGULATORS. PLACED IN SERVICE 8-6-14. UNDERRUN EXPLANATION: THE SETTING COSTS LESS THAT THE ESTIMATE FROM BANGS.
11026394500	RETIRE PIT REG STATION #1099	-	-	0.02%	\$2,417.56	\$1,443.39	\$974.17	1/1/2014	12/31/2014		2014-08-06	NEW STATION PLACE IN SERVICE. PIT RETIRED.
11026397000	INSTALL 2560'-6"WTHP/4"PMMP	-	-	2.12%	\$316,597.77	\$272,026.00	\$44,571.77	1/1/2014	12/31/2014	1/20/2014	2014-08-08	INVESTIGATED EXSISTING T/S FOR C.HUNGATE, ADVISED HIM TO NOT REMOVE IT. 1/8/15: BKS OVERRUN EXPLANATION - 1) LAND SERVICES \$30000 GREATER THAN EST DUE TO EXTENSIVE LAND AGENT NEGOTIATIONS & PAYMENT FOR PVT ESMTS AND 2) THE JOB TOOK LONGER TO COMPELTE RESULTING IN 75% MORE COMPANY LABOR + OH'S
12026422901	INSTALL 725' OF 2"WTHP/6"PMLP	-	-	0.59%	\$88,514.94	\$89,352.63	-\$837.69	1/1/2014	12/31/2014	2/5/2014	2014-08-08	
14026534800	INSTALL 525' - 2" PM	-	-	0.10%	\$15,092.47	\$19,089.76	-\$3,997.29	1/1/2014	12/31/2014	8/5/2014	2014-08-08	EXT. CORR. CO.
14026527900	INSTALL MI WIRELESS EFC	-	-	0.03%	\$5,126.24	\$3,571.80	\$1,554.44	1/1/2014	12/31/2014		2014-08-14	INSTALLED NEW EFC & MI WIRELESS UNIT. MINI-AT SERIAL #13075061, 0-100 PSIA TRANSDUCER. SITE ID 2364. IP ADDRESS 10.22.5.167
14026528000	RETIRE RECORDING GAUGE	-	-	0.00%	\$46.94	\$67.05	-\$20.11	1/1/2014	12/31/2014	8/14/2014	2014-08-14	
14026513700	INSTALL 450'-2" PMMP	-	-	0.13%	\$19,642.52	\$34,428.50	-\$14,785.98	1/1/2014	12/31/2014	7/1/2014	2014-08-18	GAS WAS PUT ON LINE ON 8/18/14 UNDERRUN EXPLANATION: NO ROCK WAS ENCOUNTERED AS EXPECTED RESULTING IN ABOUT HALF AS MANY CREW HOURS, ZERO ROCK EXCAVATION, AND ABOUT HALF AS MUCH BACKFILL MATERIAL AS ESTIMATED.
14026515000	INSTALL 325' - 2" PMMP	-	-	0.19%	\$28,766.56	\$21,729.02	\$7,037.54	1/1/2014	12/31/2014	8/13/2014	2014-08-26	OVERRUN EXPLANATION: ABOUT 30% MORE 3 MAN CREW WAS REQUIRED THAN ESTIMATED. ALSO, BACK FILL, 2 INCH ASPHALT AND 6 AND 2 WAS MORE THAN ESTIMATED.
14026523500	INSTALL 30' 6" PMMP	-	-	0.41%	\$61,550.80	\$26,510.76	\$35,040.04	1/1/2014	12/31/2014	8/14/2014	2014-08-27	OVERRUN EXPLANATION: OPERATIONS SPENT A LOT OF TIME TRYING TO REPAIR THE LEAK BEFORE TURNING THE JOB OVER TO CONSTRUCTION. THE OPERATIONS TIME AND ASSOCIATED VACUUM EXCAVATION WAS NOT IDENTIFIED TO THE ESTIMATOR.
14026543300	INSTALL 41'-3" PMP	-	-	0.04%	\$5,630.04	\$5,487.95	\$142.09	1/1/2014	12/31/2014		2014-08-27	
14026495500	REPLACE ODORIZER & TANK	-	-	0.98%	\$145,644.08	\$149,871.36	-\$4,227.28	1/1/2014	12/31/2014	7/14/2014	2014-08-27	
14026495600	RETIRE ODORIZER & TANK	-	-	0.21%	\$31,169.98	\$34,552.21	-\$3,382.23	1/1/2014	12/31/2014	7/18/2014	2014-08-27	
09026289900	REPLACE REG BLD R-1413	-	-	0.00%	\$0.00	\$40.14	-\$40.14	1/1/2014	12/31/2014		2014-08-27	
13026488001	INSTALL 60'-6" PMLP	-	-	1.42%	\$212,683.06	\$229,263.33	-\$16,580.27	1/1/2014	12/31/2014	9/9/2014	2014-08-28	
14026532400	RETIRE GMB STATION	-	-	0.00%	\$696.55	\$1,709.15	-\$1,012.60	1/1/2014	12/31/2014	8/30/2014	2014-08-30	
14026514500	INSTALL BYPASS VALVE	-	-	0.02%	\$3,714.15	\$2,138.38	\$1,575.77	1/1/2014	12/31/2014	9/8/2014	2014-09-08	
14026514600	REPLACE BYPASS VALVE	-	-	0.00%	\$334.37	\$63.96	\$270.41	1/1/2014	12/31/2014	8/14/2014	2014-09-08	
14026519402	INSTALL 270' 2" & 6" PMMP/CSPMP	-	-	0.76%	\$113,406.26	\$102,019.31	\$11,386.95	1/1/2014	12/31/2014	9/4/2014	2014-09-08	ACTUALLY COMPLETED ON 9/8/14 PROJECT HAS OVERRAN DUE TO REPLACING MORE PIPE THAN EXPECTED DUE TO CORROSION. CSPARKS
14026530000	INSTALL 260' OF 2" PMP	-	-	0.09%	\$14,098.55	\$10,749.23	\$3,349.32	1/1/2014	12/31/2014	9/2/2014	2014-09-08	
13026463200	INSTALL 2575' 4" PM	-	-	1.65%	\$246,636.53	\$151,921.16	\$94,715.37	1/1/2014	12/31/2014	6/9/2014	2014-09-08	PROJECT OVERRAN DUE TO MORE HARD SURFACE RESTORATION, COLD PATCH, AND FLAGGING THAN ESTIMATED. CSPARKS 4-28-15
14026508000	RETIRE GAUGE	-	-	0.00%	\$157.69	\$52.51	\$105.18	1/1/2014	12/31/2014	9/8/2014	2014-09-08	
14026515900	INSTALL FITTINGS FOR T BYPASS	-	-	0.11%	\$15,894.28	\$11,956.07	\$3,938.21	1/1/2014	12/31/2014	8/13/2014	2014-09-09	

Project No.	Project Title/Description	Annual Actual	Annual Variance	Percent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
14026526100	INSTALL 50' OF 6" PMLP	-	-	0.06%	\$8,767.40	\$39,481.65	-\$30,714.25	1/1/2014	12/31/2014	9/8/2014	2014-09-09	PROJECT UNDERRUNNING DUE TO COMPANY COSTS NOT HAVING HIT THE PROJECT YET. C SPARKS 4-28-15 PROJECT DURATION ABOUT 1/3 OF THAT ESTIMATED.
14026495100	INSTALL 400' 2" PMMP	-	-	0.44%	\$66,393.34	\$64,960.10	\$1,433.24	1/1/2014	12/31/2014	7/1/2014	2014-09-10	
14026526700	INSTALL 210' OF 2" PMLP	-	-	0.09%	\$13,548.95	\$11,016.91	\$2,532.04	1/1/2014	12/31/2014	9/8/2014	2014-09-10	
14026539800	INSTALL NEW EFC UNIT	-	-	0.01%	\$1,993.02	\$4,229.96	-\$2,236.94	1/1/2014	12/31/2014	9/13/2014	2014-09-13	
14026539900	REPLACE DAMAGED EFC UNIT	-	-	0.00%	\$189.91	\$60.37	\$129.54	1/1/2014	12/31/2014	9/13/2014	2014-09-13	
14026513400	INSTALL 3" OUTLET PLUG VALVE	-	-	0.01%	\$978.22	\$1,658.38	-\$680.16	1/1/2014	12/31/2014	9/15/2014	2014-09-15	
14026513500	RETIRE 3" PLUG VALVE	-	-	0.00%	\$95.17	\$63.96	\$31.21	1/1/2014	12/31/2014	9/15/2014	2014-09-15	
14026528100	INSTALL MI WIRELESS EFC	-	-	0.04%	\$5,863.21	\$3,571.80	\$2,291.41	1/1/2014	12/31/2014	9/10/2014	2014-09-15	
14026528200	RETIRE RECORDING GAUGE	-	-	0.00%	\$0.00	\$67.05	-\$67.05	1/1/2014	12/31/2014		2014-09-15	
13026449300	INSTALL 2 461-57S REGULATORS	-	-	0.06%	\$8,518.78	\$11,926.68	-\$3,407.90	1/1/2014	12/31/2014	9/16/2014	2014-09-16	
13026449400	RETIRE FH99 REGULATORS	-	-	0.00%	\$251.58	\$69.53	\$182.05	1/1/2014	12/31/2014	9/16/2014	2014-09-16	
14026542100	INSTALL 200' - 2" PM - LP	-	-	0.13%	\$18,832.78	\$30,377.91	-\$11,545.13	1/1/2014	12/31/2014	9/16/2014	2014-09-16	EXT. CORR. CO INT CORR CO PROJECT UNDERRUNNING DUE TO COMPANY COSTS NOT HAVING YET HIT THE PROJECT. C SPARKS 4-28-15 PROJECT UNDERAN BECAUSE COMPANY CREW DID THE WORK INSTEAD OF A CONTRACTOR. GES
13026481900	INSTALL 100'2" PMMP/CSHP	-	-	0.15%	\$21,919.58	\$55,075.61	-\$33,156.03	1/1/2014	12/31/2014	9/17/2014	2014-09-17	PROJECT UNDERRUNNING DUE TO CONTRACT UNITS NOT BEING CHARGED TO THE JOB ORDER. C SPARKS 4-28-15 UNDERRUN EXPLANATION: MANY OF THE COSTS THAT WERE SUPPOSED TO BE CHARGED TO THIS JOB ORDER WAS CHARGED TO THE REGULATION INSTALLATION WHICH OVERRAN.
13026481600	INSTALL NEW REG STATION	-	-	0.44%	\$66,372.14	\$8,109.14	\$58,263.00	1/1/2014	12/31/2014		2014-09-18	TWALKER/KY 06-29-15: JOB OVER DUE WAS CAUSED BY CONTRACT LABOR COST PAID TO THIS JOB INCORRECTLY SHOULD HAVE BEEN PAID ON 13-0264819-00 (559) FOR INLET PIPING TO STATION.
13026481500	RETIRE REG STATION R-1439	-	-	0.01%	\$1,069.10	\$55.60	\$1,013.50	1/1/2014	12/31/2014	9/16/2014	2014-09-19	
14026503102	INSTALL 4470' 2" PMMP	-	-	0.90%	\$134,013.17	\$145,889.84	-\$11,876.67	1/1/2014	12/31/2014	7/31/2014	2014-09-23	THIS PROJECT UNDERRAN DUE TO THE PROJECT REQUIRING LESS SEWER CAMERAING THAN EXPECTED. C SPARKS 4-24-15
13026490500	RETIRE LP REGULATOR RUN	-	-	0.01%	\$1,917.56	\$3,502.74	-\$1,585.18	1/1/2014	12/31/2014		2014-09-23	
13026436600	DEMO BRICK BUILDING	-	-	0.00%	\$0.00	\$4,160.28	-\$4,160.28	1/1/2014	12/31/2014		2014-09-24	
14026504100	INSTALL 510' - 2" PMP	-	-	0.20%	\$30,372.15	\$22,776.41	\$7,595.74	1/1/2014	12/31/2014	9/24/2014	2014-09-24	PROJECT OVERRUN DUE TO COLD PATCH NOT BEING ESTIMATED AND MORE ROCK BEING ENCOUNTERED THAN ANTICIPATED. C SPARKS 4-28-15
13026437900	INSTALL 630' - 4" PMP	-	-	0.29%	\$43,251.69	\$44,436.67	-\$1,184.98	1/1/2014	12/31/2014	9/9/2014	2014-09-24	
14026504600	INSTALL MI WIRELESS DEVICE	-	-	0.03%	\$4,025.59	\$13,056.64	-\$9,031.05	1/1/2014	12/31/2014		2014-09-24	UNDERRUN EXPLANATION: THIS ESTIMATE WAS DEVELOPED AND PROVIDED BY OTHERS. THE COSTS THAT THE PROVIDED EXCEEDED WHAT WAS ACTUALLY SPENT. GES
14026504700	RETIRE MERCURY EFC	-	-	0.00%	\$297.60	\$142.05	\$155.55	1/1/2014	12/31/2014	9/24/2014	2014-09-24	
14026507400	RETIRE GAUGE	-	-	0.00%	\$313.76	\$52.51	\$261.25	1/1/2014	12/31/2014	9/22/2014	2014-09-25	
14026530600	INSTALL 125' - 2" PMP	-	-	0.05%	\$6,832.15	\$6,131.33	\$700.82	1/1/2014	12/31/2014	9/29/2014	2014-09-30	
14026538100	INSTALL 115' OF 2"PMMP	-	-	0.06%	\$9,422.43	\$8,417.98	\$1,004.45	1/1/2014	12/31/2014	10/1/2014	2014-10-01	
14026507600	RETIRE GAUGE	-	-	0.00%	\$278.35	\$52.51	\$225.84	1/1/2014	12/31/2014		2014-10-01	11-05-2014 15:00 JB RP
14026544700	INSTALL 20' OF 2"PMMP MAIN	-	-	0.01%	\$1,375.57	\$2,868.48	-\$1,492.91	1/1/2014	12/31/2014		2014-10-02	INSTALLED 21' OF 020PMMP MAIN LINE EXTENSION. WORK PERFORMED AND TESTED BY STANLEY PIPELINE. FOREMAN:JOHNATHAN TOWNSEND
14026526301	INSTALL 425' OF 2" PMLP	-	-	0.48%	\$72,135.48	\$66,963.56	\$5,171.92	1/1/2014	12/31/2014	9/18/2014	2014-10-02	
14026507800	RETIRE GAUGE	-	-	0.01%	\$926.18	\$52.51	\$873.67	1/1/2014	12/31/2014	10/2/2014	2014-10-02	
14026497201	INSTALL 700' OF 2"PMMP MAIN	-	-	0.31%	\$46,437.79	\$21,048.77	\$25,389.02	1/1/2014	12/31/2014	9/8/2014	2014-10-03	INFO FILLED IN FOR NEAL JOHNSON THIS PROJECT OVERRAN BECAUSE THERE WAS MORE HARD SURFACE RESTORATION TO BE PERFORMED THAN ESTIMATED DUE TO CITY REQUIREMENTS. C SPARKS 4-24-15
14026545600	INSTALL 18'-3" PMLP	-	-	0.00%	\$0.00	\$7,977.89	-\$7,977.89	1/1/2014	12/31/2014		2014-10-10	WAITING ON COMPANY COSTS TO HIT JOB ORDER. C SPARKS 4-28-15 NO COSTS HAVE HIT IN MAY EITHER. GES NO COSTS IN JUNE. NO COSTS IN JULY. IN AUGUST NOTIFY PLANT ACCOUNTING IF THERE HAVE BEEN NO CHARGES HIT.
14026537000	INSTALL ODORIZER	-	-	0.01%	\$779.30	\$2,638.91	-\$1,859.61	1/1/2014	12/31/2014	1/5/2015	2014-10-15	

Project No.	Project Title/Description	Ann ual	An nu al	Vari an ce	Per cent of Bud get	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
14026537100	RETIRE ODORIZER	-	-	-	0.00%	\$50.35	\$60.37	-\$10.02	1/1/2014	12/31/2014	1/5/2015	2014-10-15	THIS WAS COMPLETED ON 10-15-2014
14026537200	INSTALL ODORIZER	-	-	-	0.01%	\$779.30	\$2,638.91	-\$1,859.61	1/1/2014	12/31/2014		2014-10-15	
14026537300	RETIRE ODORIZER	-	-	-	0.00%	\$0.00	\$60.37	-\$60.37	1/1/2014	12/31/2014		2014-10-15	
14026538600	INSTALL ODORIZER	-	-	-	0.01%	\$779.29	\$2,638.91	-\$1,859.62	1/1/2014	12/31/2014		2014-10-15	
14026538700	RETIRE ODORIZER	-	-	-	0.00%	\$0.00	\$60.37	-\$60.37	1/1/2014	12/31/2014		2014-10-15	
14026523700	INSTALL 1500' OF 2"PMMP	-	-	-	0.15%	\$22,312.72	\$32,673.61	-\$10,360.89	1/1/2014	12/31/2014	10/2/2014	2014-10-20	THIS PROJECT UNDERRAN BECAUSE THE PROJECT DURATION WAS SHORTER THAN ANTICIPATED CSPARKS 4-24-15
13026440300	INSTALL 5435' OF 2"4"PMMP	-	-	-	1.72%	\$256,815.58	\$217,152.74	\$39,662.84	1/1/2014	12/31/2014	4/15/2014	2014-10-21	THIS PROJECT OVERRAN DUE TO ADDITIONAL VIDEO SEWER CAMERAING REQUIRED FOR DIRECTIONAL BORE INSTALLATION. THE JOB ALSO HAD A LONGER DURATION THAN EXPECTED. CSPARKS 4-24-15
11026388800	ACQUIRE NEW LOT FOR HEATER	-	-	-	0.11%	\$16,047.46	\$18,615.00	-\$2,567.54	1/1/2014	12/31/2014		2014-10-21	10/20/14: FACILITY UPDATED AND JOB ORDER EXECUTED (BKSLONE)
11026383500	INSTALL 4860'-4'x2"PMMP	-	-	-	2.79%	\$416,465.30	\$610,264.06	-\$193,798.76	1/1/2014	12/31/2014	6/7/2013 10/7/2013	2014-10-22	THIS PROJECT UNDERRAN DUE TO PAVING BEING INCLUDED IN THE ESTIMATE AND THE CITY PAVED THE ENTIRE STREET. THIS SAVED THE COMPANY FROM PAYING FOR PAVING COSTS. CSPARKS 4-24-15
14026526900	INSTALL 135' OF 4" PMLP MAIN	-	-	-	0.20%	\$30,215.06	\$25,865.76	\$4,349.30	1/1/2014	12/31/2014	10/13/2014	2014-10-22	
14026506400	RETIRE GAUGE	-	-	-	0.00%	\$112.92	\$52.51	\$60.41	1/1/2014	12/31/2014	10/22/2014	2014-10-22	
14026507200	RETIRE GAUGE	-	-	-	0.00%	\$76.97	\$52.51	\$24.46	1/1/2014	12/31/2014	10/23/2014	2014-10-23	
14026510400	INSTALL 90'-6" PMLP	-	-	-	0.15%	\$22,343.92	\$15,495.46	\$6,848.46	1/1/2014	12/31/2014	9/30/2014	2014-10-24	PROJECT OVERRUN DUE TO DURATION OF PROJECT BEING LONGER THAN ANTICIPATED. CSPARKS 4-28-15
14026510700	INSTALL 285'-6" SERV.	-	-	-	0.05%	\$7,289.41	\$17,088.15	-\$9,798.74	1/1/2014	12/31/2014		2014-10-24	COMPLETED ON 10/24 UNDERRUN EXPLANATION: THERE WERE 35 TONS OF BACKFILL THAT WERE NOT REQUIRED THE CONTRACT LABOR WAS ONLY HALF WHAT IT WAS ESTIMATED AND THERE WAS NOT ANY HOE RAM REQUIRED.
14026533300	INSTALL 675' OF 2"PMMP	-	-	-	0.07%	\$9,738.73	\$18,619.91	-\$8,881.18	1/1/2014	12/31/2014	10/9/2014 10/21/2014	2014-10-27	THIS PROJECT UNDERRAN DUE TO ESTIMATED ROCK THAT WAS NOT ENCOUNTERED DURING THE PROJECT. CSPARKS 4-24-15
13026471100	RETIRE REG STATION #1046	-	-	-	0.00%	\$734.32	\$2,932.05	-\$2,197.73	1/1/2014	12/31/2014		2014-10-28	
13026471200	DEMO METAL REG BUILDING	-	-	-	0.01%	\$1,075.74	\$2,362.79	-\$1,287.05	1/1/2014	12/31/2014		2014-10-28	
14026531600	REPLACE CATALYTIC HEATER	-	-	-	0.01%	\$1,359.24	\$1,989.69	-\$630.45	1/1/2014	12/31/2014		2014-10-28	WAITING ON HEATER PARTS
14026531700	RETIRE EXIST CATALYTIC HEATER	-	-	-	0.00%	\$0.00	\$65.51	-\$65.51	1/1/2014	12/31/2014		2014-10-28	
13026492700	INSTALL 180'-4" PMLP	-	-	-	0.30%	\$45,281.33	\$51,914.80	-\$6,633.47	1/1/2014	12/31/2014	10/21/2014	2014-10-29	THIS PROJECT UNDERRAN DUE TO A SHORTER DURATION OF PROJECT THAN EXPECTED. CSPARKS 4-24-15
14026525500	INSTALL 60' OF 4" PMLP S/L	-	-	-	0.04%	\$5,796.75	\$9,452.97	-\$3,656.22	1/1/2014	12/31/2014		2014-10-29	
14026513000	INSTALL 750' 2" PM-IP	-	-	-	0.29%	\$43,681.73	\$29,174.13	\$14,507.60	1/1/2014	12/31/2014	10/7/2014	2014-10-31	PROJECT OVERRUN DUE TO EXTRA LENGTH OF MAIN REQUIRED DUE TO INCORRECT MAPPING. CSPARKS 4-28-15
14026549500	INSTALL 60' OF 2" PMLP MAIN	-	-	-	0.03%	\$4,080.42	\$10,633.38	-\$6,552.96	1/1/2014	12/31/2014		2014-11-03	INSTALLED 58' OF 020 PMMP MAIN EXTENSION TO REACH 2912 JASON CT. JOB # 14-2607772-00. TO INSTALL SERVICE LINE. WORK PERFORMED AND TESTED BY STANLEY PIPELINE. FOREMAN: JORDAN MCCORD PMLP THIS PROJECT UNDERRAN BECAUSE THE PROJECT DURATION WAS SHORTER THAN ESTIMATED. CSPARKS 4-24-15
14026534100	REG STA 1593 INSTALL FENCE	-	-	-	0.02%	\$3,173.23	\$4,287.30	-\$1,114.07	1/1/2014	12/31/2014		2014-11-03	
14026534200	RETIRE REG STA 1593 STRUCTURE	-	-	-	0.00%	\$0.00	\$64.04	-\$64.04	1/1/2014	12/31/2014		2014-11-03	
14026534300	REG STA 1538 FENCE INSTALL	-	-	-	0.01%	\$2,199.60	\$3,190.30	-\$990.70	1/1/2014	12/31/2014		2014-11-03	
14026534400	RETIRE REG STA 1538 STRUCTURE	-	-	-	0.00%	\$0.00	\$64.04	-\$64.04	1/1/2014	12/31/2014		2014-11-03	
13026447501	INSTALL 555' - 8" WTMP	-	-	-	1.90%	\$283,932.11	\$212,339.45	\$71,592.66	1/1/2014	12/31/2014	10/13/2014	2014-11-03	PIPE ORDERED ON SPECIAL ORDER REQ ID# 19655 ON 05/31/13/U125201/OH PROJECT OVERRUN DUE TO EXTRA EQUIPMENT BEING REQUIRED FOR THE PROJECT THAT WAS NOT IN ORIGINAL ESTIMATE. CSPARKS 4-28-15

Project No.	Project Title/Description	Annual Actual	Variance in Dollars	Percent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
14026541100	INSTALL 200' - 2" PMIP	-	-	0.08%	\$11,634.50	\$15,155.67	-\$3,521.17	1/1/2014	12/31/2014	11/3/2014	2014-11-04	INSTALLED 223' OF 2" PM COMPANY COSTS NOT YET HITTING PROJECT ARE CAUSING UNDERRUN CSPARKS 4-28-15 UNDERRUN EXPLANATION: JOB ESTIMATED FOR CONTRACTOR AND COMPANY CREW DID THE WORK RESULTING IN A SIGNIFICANT UNDERRUN.
14026539500	REPLACE CATALYTIC HEATER	-	-	0.01%	\$1,740.96	\$4,799.86	-\$3,058.90	1/1/2014	12/31/2014	11/4/2014	2014-11-04	
14026539600	RETIRE CATALYTIC HEATER	-	-	0.00%	\$63.54	\$66.12	-\$2.58	1/1/2014	12/31/2014	11/4/2014	2014-11-04	
13026477800	INSTALL 12000'-4" PMMP	-	-	10.83%	\$1,616,318.61	\$1,444,293.00	\$172,025.61	1/1/2014	12/31/2014	3/31/2014	2014-11-05	LEVEL 2 VARIANCE FILLED OUT 4/28/15. D. LEMONS JOB ORDER UNDER RAN BECAUSE KDOT FULFILLED AN OBLIGATION THAT THEY MADE FOR PAVING RESTORATION. THIS SAVED \$252K. ALSO COMPANY LABOR AND THE RESULTING OVERHEADS WERE REDUCED DUE TO ANOTHER PROJECT BEING WORKED AT THE SAME TIME . THE CONSTRUCTION COORDINATORS WERE ABLE TO SPLIT UP THEIR TIME ON BOTH PR OJECTS. THIS OUTCOME WAS NOT FORSEEN IN THE PLANNING OF THE PROJECT. COMPAN Y LABOR AND OVERHEAD SAVINGS WERE \$121K. UPDATED OVERRUN EXPLNATION: POWERPLANT DISAGREES WITH WMS. POWERPLANT SHOWE S A 10% OVERRUN DUE TO AN INCREASE IN OVERHEADS. POWERPLANT HAS BEEN ASERTE D TO TAKE PRECIDENCE IN THE PAST.
14026539100	REPLACE CATALYTIC HEATER	-	-	0.01%	\$1,922.20	\$4,799.86	-\$2,877.66	1/1/2014	12/31/2014	11/5/2014	2014-11-05	11-05-2014 12:00 JB RP
14026539200	RETIRE CATALYTIC HEATER	-	-	0.00%	\$167.53	\$66.12	\$101.41	1/1/2014	12/31/2014	11/5/2014	2014-11-05	
14026539300	REPLACE CATALYTIC HEATER	-	-	0.02%	\$2,477.91	\$4,799.86	-\$2,321.95	1/1/2014	12/31/2014	10/20/2014	2014-11-05	
14026539400	RETIRE CATALYTIC HEATER	-	-	0.01%	\$2,216.54	\$66.12	\$2,150.42	1/1/2014	12/31/2014	11/5/2014	2014-11-05	
14026549900	RETIRE R-1481	-	-	0.02%	\$3,605.77	\$58.07	\$3,547.70	1/1/2014	12/31/2014	11/5/2014	2014-11-05	
13026490200	INSTALL 6700' OF 2 1/4" PMMP	-	-	10.95%	\$1,634,747.97	\$1,106,766.82	\$527,981.15	1/1/2014	12/31/2014	4/7/2014	2014-11-06	PROJECT OVERRUN DUE TO DURATION OF PROJECT BEING LONGER THAN ANTICIPATED. C SPARKS 4-28-15 TWALKER/KY 05-13-15: LEVEL 2 VARIANCE COMPLETED PROJECT OVER \$485,000 WHICH BREAKS DOWN TO ADDITIONAL \$393,000 IN CONTRACT COST FOR HARD SERVICE REPAIR AND \$81,000 HIGHER THAN PLANNED OVERHEADS.
14026499000	INSTALL 1100' 4" PMMP	-	-	0.73%	\$108,934.42	\$65,714.99	\$43,219.43	1/1/2014	12/31/2014	5/23/2014	2014-11-06	06-26-14: OVER-RUN DUE TO: EXCESS ROCK ENCOUNTERED ALONG ACTUAL PIPE ROUTE REQUIRING ADDITIONAL SELECT BACKFILL MATERIAL, LABOR, OH'S, ETC. ALSO ABOUT 200'-4"-PMP HAS TO BE ADDED TO JOB TO BE ABLE TO TIE-IN ON THE SOUTH END DUE TO FILL OVER EXISTING MAIN REQUIRING PRIVATE RIGHT-OF-WAY (BKSLONE)
14026531800	INSTALL CAT HEATER	-	-	0.01%	\$1,401.97	\$4,652.77	-\$3,250.80	1/1/2014	12/31/2014	11/10/2014	2014-11-10	11-10-2014 17:45 JB RP
14026531900	RETIRE CAT HEATER	-	-	0.00%	\$310.00	\$65.51	\$244.49	1/1/2014	12/31/2014	11/10/2014	2014-11-10	11-10-2014 17:00 JB RP
13026433600	INSTALL 1080' OF 12" WTHP/8"MP	-	-	3.06%	\$457,200.36	\$391,378.86	\$65,821.50	1/1/2014	12/31/2014	7/15/2014	2014-11-11	PROJECT UNDERRUNNING DUE TO A DEPOSIT BEING MADE. CSPARKS 4-28-15
13026491000	INSTALL 5,700' OF 2 1/2" PMMP	-	-	1.32%	\$196,727.61	\$175,951.53	\$20,776.08	1/1/2014	12/31/2014	9/29/2014	2014-11-11	THIS PROJECT UNDERRUN DUE TO ESTIMATED ROCK THAT WAS NOT ENCOUNTERED DURING THE PROJECT. CSPARKS 4-24-15
14026545900	INSTALL 210'-2" PMMP	-	-	0.08%	\$12,387.18	\$7,220.71	\$5,166.47	1/1/2014	12/31/2014	10/31/2014	2014-11-11	3/10/15: REASON FOR OVERRUN = NO HARD SURFACE DISTURBANCE ANTICIPATED, HOWEVER, 68 SQ FT ENCOUNTERED (\$3340) + 16 HRS OF 3 MAN CREW ESTIMATED BUT 22 HRS OF 4-MAN CREW PAID (\$1385); BKSLONE
14026532200	INSTALL CAT HEATER	-	-	0.01%	\$1,758.64	\$7,520.77	-\$5,762.13	1/1/2014	12/31/2014	11/11/2014	2014-11-11	11-11-2014 09:45 JB RP UNDERRUN EXPLANATION: JOB WAS ESTIMATED AS IF AN M&R TECH WOULD DRIVE SPECI FICALLY FOR THIS JOB. HOWEVER, THE WORK WAS PERFORMED WHILE THE M&R TECH HA D OTHER BUSINESS IN THIS AREA.
14026532300	RETIRE CAT HEATER	-	-	0.00%	\$250.74	\$63.96	\$186.78	1/1/2014	12/31/2014	11/11/2014	2014-11-11	11-11-2014 08:30 JB RP
13026482100	INSTALL 16'X 28' PARKLINE BLDG	-	-	0.68%	\$101,862.22	\$119,914.79	-\$18,052.57	1/1/2014	12/31/2014	9/4/2014	2014-11-12	03/11/15: ALL COSTS HAVE NOT HIT JOB ORDER THEREFORE FINAL ASSESSMENT OF UNDERRUN NOT POSSIBLE AT THIS TIME. (BKSLONE) 6/12/15: REASON FOR UNDERUN = JOB EST'D FOR 104 CO LABOR HRS & ONLY 6 WERE CHARGED. ARTS ELECTIRC WORK CO'D \$2000 LESS THAN EST'D. GRAVEL FOR SITE LESS TAHN THE \$2000 EST'D. FENCE WORK LESS THAN EST'D. ALL THIS + OH'S AND REDUCTION IN SEGA RESULT IN UNDERUN (BKSLONE).

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14026534700	INSTALL 480' OF 2" PMMP	-	-	0.12%	\$17,774.69	\$28,889.61	-\$11,114.92	1/1/2014	12/31/2014	11/7/2014	2014-11-17	THIS PROJECT UNDERRAN DUE TO LESS HARD SURFACE RESTORATION BEING REQUIRED THAN ANTICIPATED. LESS LAND SERVICES TIME WAS ALSO REQUIRED. CSPARKS 4-24-15
14026512900	INSTALL NEW REG STATION	-	-	0.32%	\$47,400.99	\$40,769.17	\$6,631.82	1/1/2014	12/31/2014	7/14/2014	2014-11-19	OVERRUN EXPLANATION: STATION ACQUISITION COSTS WERE NOT ESTIMATED.
14026541600	INSTALL 350' OF 6" PMLP	-	-	0.64%	\$94,857.23	\$100,052.81	-\$5,195.58	1/1/2014	12/31/2014	10/30/2014	2014-11-20	THIS PROJECT UNDERRAN DUE TO PAVING COSTS THAT HAVE NOT BEEN INCLUDED IN THE FINAL COST DUE TO ASPHALT PLANT SHUTDOWN OVER THE WINTER. CSPARKS 4-24-15
14026548300	INSTALL 100' OF 2" PMMP	-	-	0.06%	\$8,713.65	\$12,180.55	-\$3,466.90	1/1/2014	12/31/2014	11/12/2014	2014-11-20	
10026350600	INSTALL 17,000'-12"WTHP/6"PMMP	-	-	15.33%	\$2,288,470.97	\$1,798,144.36	\$490,326.61	1/1/2014	12/31/2014	7/24/2013	2014-11-21	JOB# 10-0263507-00 - VOID - NEW (562) 13-0264790-00 5/11/15: OVERRUN EXPLANATION = PROJECT TOOK LONGER THAN EST'D DUE TO HIGHER THAN ANTICIPATED ROCK & HARD SURFACE REMOVAL/RESTORE, THEREFORE CO LABOR & RELATED OH'S WERE HIGHER. THE ADDITIONAL ROCK & HARD SURFACE EXCAVATION REQ'D GREATER AMOUNTS OF DUST/STONE BACKFILL/SURFACE MATERIALS THAN EST'D. BOTH DIRECTIONAL BORE & TRAFFIC CONTROL REQ'S WERE MUCH HIGHER THAN EST'D. UNANTICIPATED MATERIALS SUCH AS ZINC RIBBON/MATS, DENSO COLD WEATHER EPOXY, BORE WIRE, GEOTEXTILE FABRIC, AND HIGHER STEEL LINE PIPE & COMPONENT COSTS ALL CONTRIBUTED TO THE OVERRUN (BKSLONE).
14026553101	INSTALL 436'-2" PMMP	-	-	0.00%	\$0.00	\$28,480.53	-\$28,480.53	1/1/2014	12/31/2014		2014-11-24	WAITING ON COMPANY COSTS TO HIT JOB ORDER. CSPARKS 4-28-15 COSTS STILL HAVE NOT HIT AS OF JULY 27TH. IF NO COSTS HAVE HIT BY AUGUST REPORT, NOTIFY PLANT ACCOUNTING. GES
14026541000	INSTALL 160' - 2" PMIP	-	-	0.04%	\$5,430.41	\$3,704.56	\$1,725.85	1/1/2014	12/31/2014	11/24/2014	2014-11-24	INSTALLED 184' OF 2" PM
14026555200	INSTALL 8" PCF	-	-	0.04%	\$5,920.21	\$4,020.86	\$1,899.35	1/1/2014	12/31/2014		2014-11-27	
14026522601	INSTALL 59' 6" PMMP & 64' 4"P	-	-	0.11%	\$16,786.28	\$55,095.17	-\$38,308.89	1/1/2014	12/31/2014	12/2/2014	2014-12-02	UNDERRUN EXPLANATION: MAIN LINE WAS NOT ASSESSABLE. DID A FIELD DESIGN CHANGE AND JUST INSTALLED ONE SERVICE LINE AND PROPOSED CURB INLET CHANGES THAT APPROVED BY THE CITY THAT AVOIDED A RELOCATION.
14026534000	INSTALL 125' 4" PMLP S/L	-	-	0.07%	\$10,436.24	\$16,461.85	-\$6,025.61	1/1/2014	12/31/2014		2014-12-02	UNDERRUN EXPLANATION: METER SETTING COSTS WERE ESTIMATED, BUT CHARGED TO AN OTHER JOB ORDER. THE RESULTING SEGA WAS ALSO REDUCED DUE TO THIS.
14026533500	INSTALL 100' 4" PMLP S/L	-	-	0.09%	\$13,800.93	\$16,586.85	-\$2,785.92	1/1/2014	12/31/2014	11/7/2014	2014-12-03	
14026554900	INSTALL 5'-3" PMMP	-	-	0.13%	\$19,373.11	\$48,159.47	-\$28,786.36	1/1/2014	12/31/2014	11/11/2014	2014-12-03	REPL 15FT 3INCH STEEL MAIN DUE TO CORROSION PITTING. PERTESTED PIPE 14268593700 INT-EXT CORROSION INSPEC COMPLETE BY-TR-1530 12-03-14 UNDERRUN EXPLANATION: CONTRACT LABOR COSTS HAVE NOT HIT THIS JOB ORDER. NEED S INVESTIGATING. UNDERRUN EXPLANATION: COMPANY LABOR PERFORMED THIS JOB AND REDUCED THE COST BY THE AMOUNT INDICATED.
14026494100	INSTALL 1880' OF 4" PMLP	-	-	1.01%	\$150,523.76	\$107,546.06	\$42,977.70	1/1/2014	12/31/2014	9/30/2014	2014-12-04	OVERRUN EXPLANATION: PROJECT OVERRAN BECAUSE OF AN INCREASE IN CONTRACT COSTS. WE WERE UNABLE TO BORE AS PLANNED AND THIS INCREASED PAVING COSTS SIGNIFICANTLY. ALSO, 419 HOUR OF TRAFFIC CONTROL WERE REQUIRED OVER WHAT WAS ESTIMATED. GES
14026546600	INSTALL 140' OF 2" PMMP	-	-	0.03%	\$4,239.43	\$11,392.30	-\$7,152.87	1/1/2014	12/31/2014	12/8/2014	2014-12-08	UNDERRUN EXPLANATION: JOB TOOK ONLY HALF AS MANY CONTRACT LABOR UNITS AS ESTIMATED.
14026555400	INSTALL 150' OF 2" PMMP	-	-	0.02%	\$3,310.77	\$9,957.16	-\$6,646.39	1/1/2014	12/31/2014	12/5/2014	2014-12-08	UNDERRUN EXPLANATION: CONTRACT LABOR WAS LESS THAN ESTIMATED. ALSO, NO HARD SURFACE RESTORATION AND BACKFILL WAS NEEDED.
14026536400	INSTALL 175' - 2" PMMP	-	-	0.02%	\$3,697.41	\$6,295.94	-\$2,598.53	1/1/2014	12/31/2014	12/8/2014	2014-12-08	INSTALL 214' OF 2" PMMP
14026533700	INSTALL 295' 4" PMLP S/L	-	-	0.12%	\$18,351.56	\$23,124.89	-\$4,773.33	1/1/2014	12/31/2014		2014-12-09	PROJECT UNDERRAN BECAUSE METER COSTS WERE ESTIMATED AGAINST THIS JOB ORDER WHEN THEY WERE CHARGED TO ANOTHER. ALSO, SEGA REDUCED BECAUSE OF THIS.
14026534600	INSTALL 230' 4" PMLP S/L	-	-	0.13%	\$19,083.46	\$21,949.63	-\$2,866.17	1/1/2014	12/31/2014	11/12/2014	2014-12-10	UNDERRUN EXPLANATION: THE METER SETTING COSTS WERE ESTIMATED ON THIS JOB ORDER, BUT CORRECTLY APPLIED TO ANOTHER JOB ORDER. THIS ALSO ADVERSELY AFFECTED THE ESTIMATE OF SEGA.
14026532800	INSTALL 310' 4" PMLP S/L	-	-	0.12%	\$17,348.58	\$26,901.86	-\$9,553.28	1/1/2014	12/31/2014	11/6/2014	2014-12-12	TWALKER/KY 06-29-15: JOB UNDER RUN DUE TO SERVICE LINE WAS INSTALLED IN HALF THE TIME ESTIMATE, THIS REDUCED LABOR COST BY \$1000, SEGA WAS \$2700 LOWER AND MATERIAL COST \$800 LOWER.
13026484001	INSTALL 480' 2"3/4" PMIP	-	-	0.18%	\$27,202.45	\$27,259.80	-\$57.35	1/1/2014	12/31/2014	11/14/2014	2014-12-12	

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14026532600	INSTALL 95' 4" PMLP S/L	-	-	0.10%	\$14,232.78	\$18,837.47	-\$4,604.69	1/1/2014	12/31/2014	11/21/2014	2014-12-15	
14026543501	INSTALL 825' OF 2" PMMP	-	-	0.33%	\$48,555.05	\$47,724.76	\$830.29	1/1/2014	12/31/2014	12/3/2014	2014-12-15	UNDERRUN EXPLANATION: WMS NO LONGER SHOWS AN OUT OF TOLERANCE UNDERRUN. PAVING COSTS MUST HAVE HIT IN 2015.
15026595900	INSTALL 170'-4" PMLP SERV.	-	-	0.01%	\$1,519.68	\$289.51	\$1,230.17	1/1/2014	12/31/2014		2014-12-15	
14026555800	INSTALL 425' OF 2" 1/4" PMMP	-	-	0.09%	\$13,785.38	\$15,414.88	-\$1,629.50	1/1/2014	12/31/2014	12/10/2014	2014-12-16	
14026552000	INSTALL 150' - 3&4" PLPIPE	-	-	0.23%	\$34,585.70	\$4,899.58	\$29,686.12	1/1/2014	12/31/2014	12/15/2014	2014-12-16	INSTALLED 141' OF 3" AND 4" - 101" OF 3" AND 40' OF 4" TESTED AT 100 PSIG FOR 1HR SOAP TESTED AT OPERATING PRESSURE AT EACH TIE IN OF PLASTIC TO BARE STEEL EXT. CORR. CO. INT. CORR. CO OVERRUN DUE TO INCREASED PAVING COSTS. THESE COSTS RESULTED FROM OUR NEED MOVE THE PIPE INTO THE PAVING TO PREVENT A SLIP. INCREASED LABOR COST DUE TO BREAKING PAVEMENT. - 09/04/15 - JMP
13026486600	INSTALL 520' 2" PMMP	-	-	0.70%	\$104,988.34	\$51,379.99	\$53,608.35	1/1/2014	12/31/2014	10/29/2014	2014-12-18	OVERRUN EXPLANATION: MORE ROCK EXCAVATION WAS REQUIRED THAN ESTIMATED. ALSO , ADDITIONAL CONTRACT LABOR OVER WAHT WAS ESTIMATED WAS REQUIRED.
14026524500	RETIRE BLDG FOR R-1080	-	-	0.10%	\$14,588.15	\$63.96	\$14,524.19	1/1/2014	12/31/2014		2014-12-30	OVERRUN EXPLANATION: THIS IS A RETIREMENT JOB ORDER AND THE STANDARD PRACTICE FOR ESTIMATING RETIRMENT JOB ORDERS WAS USED, BUT THE ACTUAL COSTS WERE HIGHER.
					2014 Construction Project Budget	\$14,930,648.12						
15026560300	RETIRE METAL BUILDING	-	-	0.00%	\$77.67	\$58.73	\$18.94	1/1/2015	12/31/2015	1/21/2015	2015-01-06	
15026560200	INSTALL NEW BUILDING	-	-	0.11%	\$19,806.09	\$34,004.17	-\$14,198.08	1/1/2015			2015-01-07	UNDERRUN EXPLANATION: THIS ESTIMATE WAS DEVELOPED FROM INFORMATION PROVIDED BY OTHERS. THE COST OF THE BUILDING WAS OVER ESTIMATED AND BETWEEN THAT OVER ESTIMATED AND THE OVERHEAD EFFECT FROM THAT CASUED THE UNDERRUN OF ABOUT \$ 6,000.
14026538800	INSTALL 550' OF 2" PMMP	-	-	0.07%	\$12,277.60	\$13,948.96	-\$1,671.36	1/1/2015	12/31/2015	1/5/2015	2015-01-09	
14026553000	INSTALL 100' - 2" PMMP	-	-	0.06%	\$10,331.99	\$3,962.24	\$6,369.75	1/1/2015		1/9/2015	2015-01-12	INSTALLED 278' - 2" PLASTIC MP MAIN COMPLETED PAPERWORK 02/17/15
14026545400	INSTALL 135' OF 2" PMMP	-	-	0.09%	\$17,103.48	\$21,243.44	-\$4,139.96	1/1/2015		1/5/2014	2015-01-13	UNDERRUN EXPLANATION: JOB WAS ESTIMATED TO BE IN THE STREET, BUT WAS WORKED IN THE UTILITY STRIP INSTEAD SAVING ABOUT \$6,000. GES
14026542800	INSTALL 8" PIF (5'-8" PMLP)	-	-	0.18%	\$32,661.54	\$17,218.55	\$15,442.99	1/1/2015			2015-01-13	OVERRUN EXPLANATION: JOB TOOK MUCH LONGER THAN ESTIMATED 60 HOURS VS 24 HOUR S. ADDITIONALLY, SIGNIFICANTLY MORE BACKFILL WAS REQUIRED OVER WHAT WAS NEEDED. GES
13026492200	RETIRE REG STATION #1089	-	-	0.01%	\$1,459.90	\$2,952.53	-\$1,492.63	1/1/2015	12/31/2015	1/5/2015	2015-01-15	
13026492300	DEMO BRICK BUILDING	-	-	0.00%	\$504.00	\$4,740.57	-\$4,236.57	1/1/2015	12/31/2015	1/15/2015	2015-01-15	
14026513900	RETIRE 2" PLUG VALVE	-	-	0.00%	\$0.00	\$63.96	-\$63.96	1/1/2015	12/31/2015		2015-01-15	
14026514100	INSTALL 2" PLUG VALVE	-	-	0.01%	\$1,721.65	\$1,749.38	-\$27.73	1/1/2015	12/31/2015	12/10/2014	2015-01-15	
14026556700	INSTALL 425' OF 2" PMMP	-	-	0.08%	\$14,532.77	\$19,023.44	-\$4,490.67	1/1/2015	12/31/2015	1/7/2015	2015-01-15	
15026562100	RETIRE RELIEF VALVE	-	-	0.00%	\$0.00	\$939.68	-\$939.68	1/1/2015	12/31/2015		2015-01-15	
14026524700	INSTALL 750' OF 2" PMMP	-	-	0.17%	\$30,436.70	\$39,257.22	-\$8,820.52	1/1/2015		12/10/2014	2015-01-16	UNDERRUN EXPLANATION: SIGNIFICANTLY LESS BACKFILL AND PAVING WERE REQUIRED . GES
14026555500	INSTALL 100' OF 2" PMMP	-	-	0.03%	\$5,624.30	\$10,308.30	-\$4,684.00	1/1/2015	12/31/2015	1/14/2015	2015-01-16	
14026550400	DEMO BLOCK BUILDING	-	-	0.17%	\$30,249.91	\$30,479.57	-\$229.66	1/1/2015	12/31/2015	12/16/2014	2015-01-19	
14026541500	INSTALL 4" PIF	-	-	0.14%	\$26,355.74	\$14,506.84	\$11,848.90	1/1/2015			2015-01-19	INSTALLED 2 LP WRAP KITS EXT. CORR. CO OVERRUN EXPLANATION: JOB WAS ESTIMATED FOR 24 HOURS AND IT TOOK 48 HOURS. ALSO 48 HOURS OF TRAFFIC CONTROL WERE REQUIRED AND NOT ESTIMATED.
14026524400	INSTALL BLDG FOR R-1080	-	-	0.12%	\$21,453.59	\$31,806.69	-\$10,353.10	1/1/2015		1/5/2015	2015-01-21	UNDERRUN EXPLANATION: ESTIMATED COSTS PROVIDED BY THE BUILDING CONTRACTOR WERE LESS THAT WAS BILLED BY ABOUT \$9,000. THIS ALSO REDUCED OVERHEADS. GES
14026550900	INSTALL 6" PIF	-	-	0.10%	\$18,694.96	\$21,945.38	-\$3,250.42	1/1/2015	12/31/2015	1/19/2015	2015-01-21	

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14026542500	INTALL 405' OF 2" PMMP	-	-	0.10%	\$17,394.72	\$19,361.80	-\$1,967.08	1/1/2015	12/31/2015	1/5/2015	2015-01-22	
13026465600	INSTALL 10' OF 4" PMMP	-	-	0.07%	\$13,364.37	\$9,188.02	\$4,176.35	1/1/2015	12/31/2015	1/19/2015	2015-01-22	
14026552800	INSTALL 25'-2" PMLP	-	-	0.06%	\$11,672.53	\$19,535.20	-\$7,862.67	1/1/2015	12/31/2015	1/26/2015	2015-01-27	UNDERRUN EXPLANATION: CONTRACT LABOR WAS ABOUT HALF OF WHAT WAS ESTIMATED.
14026512800	DEMOLISH REG STATION BLDG	-	-	0.04%	\$7,216.26	\$1,738.69	\$5,477.57	1/1/2015	12/31/2015	1/29/2015	2015-01-30	TWALKER/KY 06-29-15: JOB OVER RUN DUE TO HAVING BUILDING AND TESTING FOR ASBESTOS, ALSO BLOCK BUILDING/CONCRETE ROOF ON STUCTURE WAS MORE DIFFICULT TO REMOVE THAN PLANNED WHICH INCREASED CONTRACT COST BY \$6000
14026536500	INSTALL NEW CHAIN LINK FENCE	-	-	0.03%	\$4,834.97	\$3,405.98	\$1,428.99	1/1/2015	12/31/2015		2015-02-02	
14026528802	INSTALL 500' OF 2" PMLP	-	-	0.25%	\$45,084.50	\$104,632.51	-\$59,548.01	1/1/2015	12/31/2015	1/16/2015	2015-02-03	THIS PROJECT UNDERRAN DUE TO THE RETIREMENT BEING ADDED TO ANOTHER JOB ORDER AND NOT AS MUCH ROCK OR PAVING WAS ENCOUNTERED AS ANTICIPATED. CSPARKS 6/30/15
15026564000	INSTALL 30' OF 3" PMLP MAIN	-	-	0.03%	\$5,453.26	\$9,290.32	-\$3,837.06	1/1/2015	12/31/2015		2015-02-04	
14026505701	INSTALL 250' 6" PMLP	-	-	1.05%	\$191,115.47	\$95,751.93	\$95,363.54	1/1/2015	12/31/2015	1/13/2015	2015-02-04	PROJECT WAS BEING REVISED AT TIME OF COMPLETION TO A LOT FOR ADDITIONAL HOURS AND MATERIALS NEEDED TO INSTALL ADDITIONAL MAIN, AND TIME AND LABOR FOR TRAFFIC CONTROL AT INTERSECTION. DURING EXCAVATION AT TWO OF THE THREE TIE-IN POINTS IT WAS DISCOVERED THAT OTHER UTILITIES AND OUR OWN FACILITIES WERE IN CONFLICT WITH THE PROPOSED TIE-IN'S. AN ADDITIONAL 60' OF PMMP WAS INSTALLED WITH ASSOCIATED FITTINGS TO ALLOW FOR ROOM TO MAKE ORIGINAL TIE-IN AT ONE POINT. THE OTHER TIE-IN REQUIRED ADDITIONAL EXCAVATION AND SHORTENED THE INSTALLED LENGTH, BUT PLACED TIE-IN CLOSER TO INTERSECTION. THIS REQUIRED ADDITIONAL TIME EACH DAY FOR WORK ZONE SET UP AND TEAR DOWN, ALONG WITH TRAFFIC CONTROL.
13026485601	INSTALL 1700'-2'&4" PMMP	-	-	0.46%	\$83,239.73	\$107,774.91	-\$24,535.18	1/1/2015	12/31/2015	1/9/2015	2015-02-05	COST UNDERRUN OF \$40,000 DUE TO CONTRACT COSTS NOT BEING REMOVED WHEN REVISED. CONTRACT OVERESTIMATED BY \$30,000 WHICH LED SEGA TO BE CALCULATED \$10,000 HIGHER, FOR A TOTAL OF \$40,000. D.LEMONS 6/30/15
14026530300	INSTALL CHAIN LINK FENCE	-	-	0.03%	\$6,285.52	\$5,830.85	\$454.67	1/1/2015	12/31/2015		2015-02-06	
15026560500	INSTALL CHAIN LINK FENCE	-	-	0.02%	\$3,978.14	\$4,762.58	-\$784.44	1/1/2015	12/31/2015		2015-02-06	
14026558800	INSTALL WIRELESS EFC	-	-	0.03%	\$6,034.97	\$7,736.68	-\$1,701.71	1/1/2015	12/31/2015	2/5/2015	2015-02-06	
14026558900	RETIRE RECORDING GAUGE	-	-	0.00%	\$0.00	\$58.73	-\$58.73	1/1/2015	12/31/2015		2015-02-06	
13026479400	INSTALL 100' - 4" PMMP	-	-	0.14%	\$25,079.61	\$41,008.35	-\$15,928.74	1/1/2015	12/31/2015	1/28/2015	2015-02-06	UNABLE TO INSTALL 8" BORE W/CASING; REVIEWED SYNERGEE MODEL WITH GSP AND DETERMINED SMALLER DIAMETER PIPE UNDER ROAD CROSSING WOULD WORK. INSTALLED -65' OF 2" PMMP MAIN W/O CASING RESULTING IN UNDERRUN.
14026557700	INSTALL 670' OF 2" PMMP	-	-	0.21%	\$38,869.27	\$72,565.33	-\$33,696.06	1/1/2015	12/31/2015	1/23/2015	2015-02-10	THIS PROJECT UNDERRAN DUE TO CONSTRUCTION BEING SHIFTED TO THE OTHER SIDE OF THE ROAD. THIS SHIFT ALLOWED THE CREW TO NOT CUT INTO A CONCRETE DRIVEWAY AND TREES WERE NOT TAKEN OUT. CSPARKS 6/30/15
14026553400	INSTALL 380' OF 4" PMMP	-	-	0.27%	\$49,941.94	\$28,687.59	\$21,254.35	1/1/2015	12/31/2015	1/30/2015	2015-02-11	JOB ORDER OVER RUN DUE TO CONSTRUCTION CREW USING A 4-MAN CREW VERSES A 3-MAN CREW, A FLAGGER WAS USED FOR THE DURATION OF THE PROJECT, AND DUST/STONE WAS UNDER ESTIMATED
14026558400	INSTALL EFC ON METER	-	-	0.04%	\$7,396.43	\$7,736.68	-\$340.25	1/1/2015	12/31/2015	2/3/2015	2015-02-11	
14026558500	RETIRE RECORDING GAUGE	-	-	0.00%	\$0.00	\$58.73	-\$58.73	1/1/2015	12/31/2015		2015-02-11	
13026476100	INSTALL 840' OF 2" PMMP MAIN	-	-	0.34%	\$61,425.37	\$48,631.15	\$12,794.22	1/1/2015	12/31/2015	9/9/2014	2015-02-13	TWALKER/KY 06-29-15: JOB OVER RUN DUE TO SNOW/COLD WEATHER IMPACTING TIME OF JOB, PLANNED LABOR HOURS 184 VS ACTUAL 296 HOURS ADDED \$4000 LABOR COST, ALSO DAMAGE TO SIDEWALK/HARDSURFACE ADDED \$4000 TO CONTRACT COST AND SEGA WAS \$2000 HIGHER THAN ESTIMATE DUE TO LONGER JOB TIME FRAME
15026565400	INSTALL 20'-2" PMLP	-	-	0.03%	\$5,629.13	\$6,422.74	-\$793.61	1/1/2015	12/31/2015	2/13/2015	2015-02-13	
14026558600	INSTALL MI WIRELESS EFC	-	-	0.03%	\$4,637.67	\$7,736.68	-\$3,099.01	1/1/2015	12/31/2015	1/20/2015	2015-02-18	
14026558700	RETIRE EME	-	-	0.00%	\$0.00	\$58.73	-\$58.73	1/1/2015	12/31/2015		2015-02-18	
14026501102	INSTALL 1150' 2" PMMP	-	-	0.23%	\$41,436.73	\$87,236.58	-\$45,799.85	1/1/2015	12/31/2015	1/28/2015	2015-03-02	UNDERRUN EXPLANATION: PROJECT UNDER RAN BECAUSE DIRECTIONAL BORE WAS NOT USED WHICH HAD A CHEAPER CONTRACT ITEM AND 40 HOURS OF SEWER LOCATES WAS NOT REQUIRED THUS LOWERING THE COST.
14026556300	INSTALL 165' OF 2" PMMP	-	-	0.09%	\$16,887.89	\$12,918.55	\$3,969.34	1/1/2015	12/31/2015	2/17/2015	2015-03-09	
15026562200	INSTALL 475' OF 2" PMMP	-	-	0.15%	\$27,213.42	\$24,167.79	\$3,045.63	1/1/2015	12/31/2015	2/16/2015	2015-03-09	
15026610500	INSTALL 27/4" SS FITTINGS	-	-	0.02%	\$2,821.73	\$4,141.80	-\$1,320.07	1/1/2015	12/31/2015		2015-03-10	
14026506600	RETIRE GAUGE	-	-	0.00%	\$176.38	\$52.51	\$123.87	1/1/2015	12/31/2015	3/11/2015	2015-03-11	

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14026498600	AWNING FOR NEW ODORIZER	-	-	-	-	0.09%	\$17,176.73	\$18,144.53	-\$967.80	1/1/2015			2015-03-16	07/10/15: REASON FOR UNDERUN = COST OF AWNING (\$1928) WAS INADVERTENTLY NOT CHARGED TO THIS JOB ORDER AND ACTUAL SEGA CHARGES (\$73) WAS \$3000 LESS THAN ESTIMATED (BKSLONE).	
14026554300	INSTALL 100' OF 2" PMMP	-	-	-	-	0.05%	\$9,323.55	\$9,670.68	-\$347.13	1/1/2015	12/31/2015	11/18/2014	2/25/2015	2015-03-17	
14026543800	INSTALL 20'-4" PMLP	-	-	-	-	0.07%	\$13,166.52	\$17,847.39	-\$4,680.87	1/1/2015			3/11/2015	2015-03-18	UNDERRUN EXPLANATION: THE ESTIMATED HARD SURFACE REPAIRS HAVE NOT HIT THE JOB ORDER AS OF 7/27/15. GES
14026557500	INSTALL 185' 2"-PMMP	-	-	-	-	0.34%	\$62,285.13	\$63,166.55	-\$881.42	1/1/2015	12/31/2015		3/2/2015	2015-03-19	
13026487600	RETIRE REG STATION #1174	-	-	-	-	0.02%	\$2,935.47	\$1,744.39	\$1,191.08	1/1/2015	12/31/2015		9/25/2014	2015-03-20	
15026561100	INSTALL 800' OF 8" PMLP	-	-	-	-	0.89%	\$162,625.77	\$154,725.75	\$7,900.02	1/1/2015			2/2/2015	2015-03-20	UNDERRUN EXPLANATION: THE HARD SURFACE REPAIRS HAVE NOT HIT AS OF 7/27/15. ALSO, THERE ARE NOT MASTER PAVE OR CONC ORDERS FOR 2015. THE 2014 ORDERS WERE CHARGED OFF ON DECEMBER 14, 2014.
14026544400	INSTALL 600' OF 2" PMMP	-	-	-	-	0.18%	\$32,399.93	\$46,853.58	-\$14,453.65	1/1/2015			3/19/2015	2015-03-23	UNDERRUN EXPLANATION: THIS PROJECT WAS PLANNED FOR OPEN CUT BUT WAS DIRECTLY ONALLY BORED INSTEAD. THIS HAD A COST SAVINGS EFFECT BECAUSE WE DID NOT HAVE TO ADD THE SPECIAL BACKFILL MATERIAL AND CONDUCT HARD SURFACE REPAIRS. GES
14026557400	INSTALL 1280'-2" PMIP	-	-	-	-	0.21%	\$39,150.30	\$35,502.16	\$3,648.14	1/1/2015	12/31/2015		2/11/2015	2015-03-24	
14026543600	INSTALL 30'-2" PMMP	-	-	-	-	0.00%	\$0.00	\$5,878.92	-\$5,878.92	1/1/2015				2015-03-31	UNDERRUN EXPLANATION: OPERATIONS WORKED THIS JOB AND FOR SOME REASON THE COSTS HAVE NEVER GONE TO POWERPLANT AS OF 7/27/15. IN AUGUST IF THE COSTS STILL HAVEN'T HIT, NOTIFY PLANT ACCOUNTING.
14026512200	RETIRE REG STATION	-	-	-	-	0.00%	\$0.00	\$815.38	-\$815.38	1/1/2015				2015-04-01	
13026482700	INSTALL 7430' OF 2 1/4" PMMP	-	-	-	-	6.78%	\$1,239,329.24	\$1,070,278.15	\$169,051.09	1/1/2015			6/16/2014	2015-04-07	INSTALLED 2" PLASTIC PMMP 4132' BY FISHEL COMPANY TWALKER/KY 09-04-15: LEVEL 2 VARIANCE TO EXPLAIN COST OVER RUN. CONTRACT PRICE WAS \$120,000 OVER DUE TO HARD SURFACE REPAIRS AND CHANGE IN BORING PRACTICES. SEGA WAS \$17,000 HIGHER.
14026505300	INSTALL 46'-6 1/4" PMLP	-	-	-	-	0.21%	\$37,486.63	\$34,150.53	\$3,336.10	1/1/2015	12/31/2015		3/19/2015	2015-04-08	
14026512300	DEMO REG STATION BLDG	-	-	-	-	0.01%	\$1,836.53	\$1,738.69	\$97.84	1/1/2015	12/31/2015			2015-04-08	
14026512400	RETIRE REG STATION	-	-	-	-	0.00%	\$118.68	\$815.38	-\$696.70	1/1/2015	12/31/2015			2015-04-08	
14026511200	INSTALL 80' OF 4" PM-LP	-	-	-	-	0.10%	\$17,987.70	\$13,311.23	\$4,676.47	1/1/2015	12/31/2015		4/6/2015	2015-04-09	
14026521500	INSTALL 830' 8" CSHP & 20' 3"	-	-	-	-	0.94%	\$172,568.87	\$153,511.91	\$19,056.96	1/1/2015			4/20/2015	2015-04-15	MONTH OF BAD WEATHER AND DEPTH OF TIE-INS. SPRICE 4-27-15 POWERPLANT SHOWS \$169,985, OVERRUN OF 11% (\$16,473). OVERRUN DUE TO WEATHER AND ROCK ENCOUNTERED. ADDITIONAL 150 MAN/HOURS OF LABOR ON JOB. WMS SHOWS SIGNIFICANT UNDERRUN DUE TO A DEPOSIT OF \$137,546 BEING CREDITED. D.LEMONS
13026491401	INSTALL WELD END CAPS	-	-	-	-	0.14%	\$24,873.45	\$24,582.66	\$290.79	1/1/2015	12/31/2015		3/11/2015	2015-04-21	
13026465201	INSTALL 5232' 2" PMMP	-	-	-	-	1.35%	\$247,667.76	\$556,170.79	-\$308,503.03	1/1/2015			3/30/2015	2015-04-22	PACKET TURNED IN TO CLOSE OUT LATER THAN REQUIRED TIME FRAME DUE TO TAPS ORDERS SCHEDULED FOR COORDINATOR D SORRELL. KBOTKINS 9/2/15 UNDERRUN EXPLANATION: NOT ALL COSTS HAVE BOOKED YET. ALSO, POWERPLANT SHOWS ABOUT \$100K MORE THAN WMS. PROJECT WAS ABLE TO BE DIRECTIONALLY BORED AVOIDING MOST OF THE SURFACE RESTORATION COSTS.
15026567000	INSTALL 365' 6"-PMMP	-	-	-	-	0.36%	\$66,332.87	\$31,152.40	\$35,180.47	1/1/2015			3/27/2015	2015-04-22	6/17/15: REASON FOR OVERRUN = ENCOUNTERED MUCH MORE ROCK THAN ANTICIPATED REQUIRING USE OF HOE RAM AND ADDITIONAL DUST FOR PADDING. THIS ALSO SLOWED THE JOB DOWN RESULTING IN IT TAKING 184 HRS OF COMPANY LABOR VS 90 THE HRS ORIGINALLY ESTIMATED. CONTRACT CREW ENDED UP BEING 108 HRS OF A 4-MAN CREW VS 48 HRS OF A 3-MAN CREW THAT WAS ORIGINALLY ESTIMATED. ALL THIS + OH'S RESULTED IN THE OVERRUN (BKSLONE)
15026573300	INSTALL 120' OF 4" PMLP MAIN	-	-	-	-	0.08%	\$14,234.32	\$22,690.44	-\$8,456.12	1/1/2015			4/21/2015	2015-04-24	TWALKER/KY 09-03-15: JOB UNDER RUN DUE TO \$8200 CHANGED TO 15-0265734-00 (558) WHICH SHOULD HAVE BEEN CHARGE TO THIS 557, ALSO \$2500 FOR DRIVEWAY AND STREET PAVING BY STANLEY PIPELINE HAVE NOT BEEN COMPETED AT THIS TIME. SEGA IS UNDER ESTIMATE BY \$3500 DUE TO THIS FACTORS ALSO.
15026563500	INSTALL 90'-2" PMLP	-	-	-	-	0.09%	\$16,265.87	\$21,894.12	-\$5,628.25	1/1/2015			4/21/2015	2015-04-24	UNDERRUN EXPLANATION: 450 SQUARE FEET OF HARD SURFACE REPAIRS THAT WERE ESTIMATED WERE NOT NEEDED LEADING TO THE UNDERRUN.
15026562000	INSTALL 25' 2" PMIP	-	-	-	-	0.18%	\$32,571.90	\$32,032.35	\$539.55	1/1/2015	12/31/2015		4/21/2015	2015-04-27	
13026472501	INSTALL 10,000 OF 2 1/4" PMMP	-	-	-	-	10.29%	\$1,881,281.69	\$1,823,315.79	\$57,965.90	1/1/2015	12/31/2015		5/26/2015	2015-04-29	

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14026496400	INSTALL 1450' OF 2"/4" PMMP	-	-	0.44%	\$79,615.89	\$137,260.12	-\$57,644.23	1/1/2015	12/31/2015	3/9/2015	2015-04-30	TWALKER/KY 09-04-15: JOB UNDER RUN DUE TO PROJECT WAS ESTIMATED FOR TEAM FISHEL TO WORK BUT STANLEY PIPELINE PERFORMED ALL WORK. ALONG WITH NO ROCK OR HARD SURFACE REPAIRS THIS LOWERED CONTRACT COST BY \$29,000. NO LAND SERVICE REQUIRED SINCE UK DEDICATED RIGHT OF WAY THIS SAVED \$2700 ALSO SEGA WAS \$13,000 LOWER THAN ESTIMATED. FINALLY PROJECT HAD \$12,000 CONTINGENCY FEE WAS NOT USED.	
14026509400	INSTALL 510'-6" PM-LP	-	-	1.12%	\$205,434.44	\$121,452.25	\$83,982.19	1/1/2015	12/31/2015	3/2/2015	2015-05-05	OVERRUN EXPLANATION: 175 ADDITIONAL FEET OF PIPE WERE ADDED BY CONSTRUCTION OVER WHAT WAS ESTIMATED.	
13026487201	INSTALL 50' OF 4" PMLP S/L	-	-	0.07%	\$12,220.90	\$11,667.07	\$553.83	1/1/2015	12/31/2015	4/29/2015	2015-05-07		
15026570200	RETIRE 2" TOP WORKS	-	-	0.00%	\$0.00	\$69.32	-\$69.32	1/1/2015	12/31/2015			2015-05-11	
15026570300	INSTALL 3" TOPWORKS	-	-	0.03%	\$6,170.54	\$15,578.35	-\$9,407.81	1/1/2015	12/31/2015			2015-05-11	REGULATORS WERE ESTIMATED, BUT PULLED FROM SPARES. REDUCED MATERAIL COST BY \$5000. LABOR ESTIMATED AT 64 HOURS, BUT ONLY 45 HOURS WERE NEEDED FOR A REDUCTION OF \$1500. LABOR REDUCTION RESULTED IN \$2000 SAVINGS IN SEGA AND OTHER. D.LEMONS 11/11/15
09026319100	INSTALL 505' 4" PMIP	-	-	0.48%	\$87,098.07	\$59,285.53	\$27,812.54	1/1/2015	12/31/2015	4/23/2015	4/28/2015	2015-05-11	OVERRUN EXPLANATION: TEN THOUSAND DOLLARS IN RIGHT-OF-WAYS COSTS WERE NOT INCLUDED IN THE ESTIMATE. ADDITIONALLY, THE CONTRACT COSTS EXCEEDED THE ESTIMATE BY ABOUT \$10K AND THE OVERHEAD EFFECT OF THOSE TWO OMISSIONS WAS ABOUT \$7,000.
15026563200	INSTALL 200'-2" PMMP	-	-	0.26%	\$47,354.51	\$37,131.82	\$10,222.69	1/1/2015	12/31/2015	5/5/2015	2015-05-19	POWERPLANT \$47150.68, 26% OVERRUN (\$10018). CONTRACT COST WAS \$6000 HIGHER, LABOR WAS \$2000 HIGHER, AND SEGA WAS \$2000 HIGHER THAN ESTIMATED. PROBLEMS WERE ENCOUNTERED WITH TIE-IN THAT DOUBLED LABOR HOURS AND ADDED CONTRACT ITEMS NOT ESTIMATED. D.LEMONS 9/17/15	
15026561700	INSTALL 1025' OF 2" PMMP	-	-	0.18%	\$33,492.00	\$46,833.11	-\$13,341.11	1/1/2015	12/31/2015	4/28/2015	2015-05-20	2015-05-20	TWALKER/KY 09-15-15: JOB UNDER RUN DUE TO PROJECT WAS ESTIMATED FOR \$8400 ELECTRONIC SEWER LOCATES BUT WE USE NON-ELECTRONIC LOCATE METHOD. SEGA WAS \$3200 LOWER THAN ESTIMATE AND PROJECT HAD \$4100 CONTINGENCY FEE.
14026537700	INSTALL 310' - 4" PMMP	-	-	0.37%	\$66,808.73	\$51,544.15	\$15,264.58	1/1/2015	12/31/2015	5/6/2015	2015-05-22	2015-05-22	OVERRUN EXPLANATION: THIS WAS A T&E JOB AND 89 HOURS OF LABOR WERE REQUIRED AND NOT ESTIMATED.
14026533000	INSTALL 500' OF 2" PMMP	-	-	0.32%	\$58,730.43	\$32,836.34	\$25,894.09	1/1/2015	12/31/2015	4/30/2015	2015-05-26	2015-05-26	9-16-15 POWERPLANT SHOWS OVERRUN OF 11% (\$3,751). EXPECT \$1000 IN CONCRETE RESTORATION TO STILL BE COMPLETED FOR TOTAL OVERRUN OF 14% (\$4,750). D.LEMONS
13026466001	INSTALL 300' 4" PMMP	-	-	0.49%	\$88,960.34	\$65,324.23	\$23,636.11	1/1/2015	12/31/2015	4/28/2015	2015-05-27	2015-05-27	PROJECT DURATION WAS LONGER THAN ESTIMATED AND MORE ROCK WAS ENCOUNTERED THAN ESTIMATED. CSPARKS 9/18/15
15026561300	INSTALL 150' - 2" PMMP	-	-	0.07%	\$12,035.24	\$12,671.52	-\$636.28	1/1/2015	12/31/2015	5/22/2015	2015-05-27	2015-05-27	
15026573600	INSTALL 80'-8" PMMP	-	-	0.35%	\$64,901.06	\$26,060.48	\$38,840.58	1/1/2015	12/31/2015	5/6/2015	2015-05-28	2015-05-28	2/27/15 COST OVERRUN OF \$39,000 (POWERPLANT SHOWS \$65,294.62). OVERRUN DUE TO SCOPE CHANGE FROM 80' TO 200' TO GET COVER OVER MAIN. ADDED 150 LABOR HOURS FOR \$4000, CONTRACT COST OF \$25000, AND MATERIAL OF \$2000. ALSO INCREASED SEGA AND OTHER ASSOCIATED COSTS. D.LEMONS 7/27/15
14026497300	INSTALL 200' - 4" PMIP	-	-	0.12%	\$21,932.59	\$19,782.01	\$2,150.58	1/1/2015	12/31/2015	5/26/2015	2015-05-29	2015-05-29	OVERRUN DUE TO INCREASE IN LABOR COSTS BETWEEN 2014 AND 2015 CONTRACTS ADDING \$2300 TO COST OF THE PROJECT. - JMP
13026439500	INSTALL 5498' - 2" PMMP	-	-	2.12%	\$387,123.13	\$301,235.09	\$85,888.04	1/1/2015	12/31/2015	5/29/2015	2015-06-01	2015-06-01	
13026438302	INSTALL 975' 4/6" PMLP	-	-	2.47%	\$451,551.60	\$175,069.14	\$276,482.46	1/1/2015	12/31/2015	2/6/2015	2015-06-02	2015-06-02	LVL 2 BUDGET VARIANCE CREATED 12/8/15. D.LEMONS THE PROJECT WAS ESTIMATED FOR 2200 SQUARE FEET OF PAVING, BUT 7346 WERE REQUIRED ALONG WITH 218 SQUARE YARDS OF MILL AND OVERLAY. ALSO, WE HAD ADDITIONAL CONTRACT COSTS FOR FLAGGERS. THIS ACCOUNTS FOR \$185,000 IN CONTRACT LABOR AND 60,000 FROM THE OVERHEAD EFFECT OF THESE OVERAGES. THE DURATION OF THE JOB REQUIRED 480 EXTRA HOURS OF COMPANY LABOR. THESE EXTRA REPAIRS WERE A RESULT OF THE REQUIREMENTS FROM CITY OFFICIALS.
14026559000	INSTALL WIRELESS EFC	-	-	0.04%	\$6,683.32	\$7,736.68	-\$1,053.36	1/1/2015	12/31/2015	6/1/2015	2015-06-02	2015-06-02	
14026559100	RETIRE EME	-	-	0.00%	\$0.00	\$58.73	-\$58.73	1/1/2015	12/31/2015			2015-06-02	
13026460101	INSTALL 500' 2" PMMP	-	-	0.53%	\$96,990.59	\$66,725.68	\$30,264.91	1/1/2015	12/31/2015	5/15/2015	2015-06-02	2015-06-02	OVERRUN EXPLANATION: CHECKING WITH CONSTRUCTION. PER DIEM LOOKS HIGH. 12/7 OVERRUN EXPLANATION: THE OVERRUN WAS CAUSED BY NOT ESTIMATING PER DIEM FOR THE FLAGGERS.
14026529001	INSTALL 2150'-2" PMMP	-	-	0.46%	\$84,684.61	\$114,293.83	-\$29,609.22	1/1/2015	12/31/2015	5/5/2015	2015-06-03	2015-06-03	TWALKER/KY-JOB UNDER RUN DUE TO NO ROCK ON SITE FOR PLANNED BORE AND NO STREET/HARD SURFACE REPAIR REQUIRED LOWERED CONTRACT COST \$21,000. ALSO SEGA WAS \$7000 LOWER THAN ESTIMATE

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14026559200	INSTALL WIRELESS EFC	-	-	-	0.04%	\$7,281.86	\$7,736.68	-\$454.82	1/1/2015	12/31/2015	6/2/2015	2015-06-03	
14026559300	RETIRE EME	-	-	-	0.00%	\$0.00	\$58.73	-\$58.73	1/1/2015	12/31/2015			2015-06-03
14026559400	INSTALL WIRELESS EFC	-	-	-	0.04%	\$6,633.13	\$7,736.68	-\$1,103.55	1/1/2015	12/31/2015	6/4/2015	2015-06-04	
14026559500	RETIRE EME	-	-	-	0.00%	\$0.00	\$58.73	-\$58.73	1/1/2015	12/31/2015			2015-06-04
14026559600	INSTALL WIRELESS EFC	-	-	-	0.04%	\$7,413.14	\$7,736.68	-\$323.54	1/1/2015	12/31/2015	6/5/2015	2015-06-05	
14026559700	RETIRE RECORDING GAUGE	-	-	-	0.00%	\$0.00	\$58.73	-\$58.73	1/1/2015	12/31/2015			2015-06-05
14026502001	INSTALL 30' OF 6" PMLP S/L	-	-	-	0.17%	\$31,411.59	\$36,756.09	-\$5,344.50	1/1/2015				2015-06-06
										12/31/2015	6/2/2015		TWALKER/KY 11-10-15: JOB UNDER RUN DUE TO JOB WAS COMPLETE FASTER THAN ESTIMATED WHICH LOWERED LABOR COST \$1500 AND SEGA WAS \$2800 LOWER THAT ESTIMATE.
13026492500	INSTALL REG STA 1217	-	-	-	0.09%	\$17,154.07	\$9,790.14	\$7,363.93	1/1/2015				2015-06-08
										12/31/2015	4/30/2015		JOB ESTIMATE OVER RUN DUE TO FABRICATION TO THE REGULATOR STATION BEING INSTALLED. DID NOT PLAN JOB FOR ANY CONTRACT EXPENSES SINCE THOSE CHARGES WERE MEANT TO BE CHARGED TO THE 559 JOB ORDER (INLET/OUTLET PIPING TO THE NEW REG STATION). ESTIMATED \$0 FOR CONTRACT, BUT \$10,275 WAS CHARGED TO THE JOB ORDER. THIS INCLUDED 3 MAN CREW FOR 38 HOURS AND AWELD AND RIG FOR 16 HOURS. SEGA RATES WERE ALSO APPROXIMATELY \$1200 MORE THAN ESTIMATED.
14026500902	INSTALL 330' OF IN/OUT PIPING	-	-	-	0.30%	\$55,549.83	\$44,657.20	\$10,892.63	1/1/2015		4/16/2015	2015-06-08	
										12/31/2015			OVERRUN EXPLANATION: JOB REQUIRED 45 MORE HOURS OF 3 MAN CREW THAN ESTIMATE D LEADING TO THE OVERRUN. THE OVERHEAD EFFECT ADDED TO THE OVERRUN.
15026575400	INSTALL 225' OF 2" PMMP	-	-	-	0.10%	\$18,580.28	\$12,918.61	\$5,661.67	1/1/2015		6/5/2015	2015-06-11	
										12/31/2015			TWALKER/KY 11-10-15: JOB OVER RUN DUE TO PROJECT PLANNED FOR 20 HOURS TOOK 40 HOURS TO COMPLETED RAISED CONTRACT COST BY \$3000. SEGA HIGHER BY \$1000.
14026540200	INSTALL 505' OF 2" PMMP	-	-	-	0.10%	\$17,646.62	\$24,630.21	-\$6,983.59	1/1/2015		6/11/2015	2015-06-16	
										12/31/2015			GAS ON MAIN 06/16/2015 13:28 TWALKER/KY 11-10-15: JOB UNDER RUN DUE TO NO SEWER VIDEO REQUIRED OR SIDEWALK REPAIRS LOWERED CONTRACT COST BY \$4000. SEGA \$1100 LOWER THAN PLANNED
14026552401	INSTALL 1375' OF 6" CSHP	-	-	-	0.70%	\$128,021.99	\$167,228.23	-\$39,206.24	1/1/2015		6/4/2015	2015-06-17	
										12/31/2015			COMPLETED IN WMSDOCS. SPRICE 7222015 PROJECT UNDER RUN DUE TO THE FOLLOWING; ESTIMATED 100 TONS OF STONE AND 0 WERE USED. ESTIMATED 300 TONS OF DUST AND ONLY 227 WERE USED TOTAL OF \$ DIFFERENCE. ESTIMATED 16 HOURS OF WELD AND RIG AND 0 HOURS WERE CHARGED TOTAL OF \$ DIFFERENCE. ESTIMATED \$4500 OF MISC. DOLLARS AND ONLY #38 WERE USED. ESTIMATED TIME FOR FISHEL LAND SERVICES TOTAL OF \$10152 AND \$0 WERE CHARGED TO THE JOB. SEGA WAS ESTIMATED FOR \$30282 AND ONLY \$24438 WAS CHARGED. - M HUGHES VARIANCE REPORT 11/12/15 TOTAL \$ DIFFERENCE FOR STONE AND DUST MENTIONED ABOVE IS \$6228 TOTAL \$ DIFFERENCE FOR WLD AND RIG MENTIONED ABOVE IS \$1216
14026557000	INSTALL 300' OF 6" CSHP S/L	-	-	-	0.25%	\$45,518.87	\$32,603.36	\$12,915.51	1/1/2015				2015-06-17
										12/31/2015	6/3/2015		COMPLETED IN WMSDOCS.SPRICE 07222015 OVERRUN EXPLANATION: PROJECT OVERRAN DUE TO ADDITIONAL MATERIALS BEING REQUIRED OTHER THAN WAS ESTIMATED.
14026542900	INSTALL 520'-12" CSHP	-	-	-	0.63%	\$115,996.89	\$135,943.43	-\$19,946.54	1/1/2015		5/12/2015	2015-06-18	
										12/31/2015			POWERPLANT \$114937 FOR UNDERRUN OF 15% (\$21000). NO ROCK ENCOUNTERED OR PADDING FOR \$6000 REDUCTION. NO SPECIAL RESTORATION AS ESTIMATED FOR \$9000 REDUCTION. SEGA WAS \$6000 LESS THAN ESTIMATED. D.LEMONS 11/11/15
14026541300	INSTALL 800'-2" PMMP	-	-	-	0.36%	\$65,801.61	\$100,760.39	-\$34,958.78	1/1/2015		5/19/2015	2015-06-30	
										12/31/2015			DUE TO RAINYWEATHER WE HAD. AND THE JOB WAS STACKED FOR EXTRA DEPTH ON MAIN AND S/L. CONTRACTOR WAS DIFFERENT FROM ESTIMATED, AND RESTORATION WAS OMITTED DUE TO NEGOTIATIONS WITH CITY FOR REDUCTION OF \$21000 IN CONTRACT COSTS. COORDINATOR WAS ON MULTIPLE JOBS WHICH REDUCED LABOR COST BY \$9000. THESE LED TO A REDUCTION OF \$8000 IN SEGA AND OTHER CHARGES. D.LEMONS 11/11/15
15026575500	INSTALL 30'-4" PMMP	-	-	-	0.04%	\$6,511.46	\$18,692.74	-\$12,181.28	1/1/2015		6/24/2015	2015-07-01	
										12/31/2015			INSTALL 27' 4" PMMP, ABANDON 27' 6" CS REUSED AS CASING COMPANY CREW IN LUE OF CONTRACTOR COMPLETED WORK. NO CONTRACT ITEMS CHARGED FOR \$8600. LABOR LOWER THAN EXPECTED, \$1500 UNDER. POSSIBLE THAT MORE LABOR WILL BE CHARGED. D.LEMONS 11/11/15
15026587300	RETIRE EFC'S	-	-	-	0.00%	\$0.00	\$72.59	-\$72.59	1/1/2015	12/31/2015			2015-07-03
15026587400	INSTALL NEW EFC & MI WIRELESS	-	-	-	0.06%	\$10,677.91	\$20,791.49	-\$10,113.58	1/1/2015				2015-07-03
										12/31/2015	7/1/2015		THIS PROJECT UNDERRAN DUE TO THE PROJECT DURATION BEING SHORTER THAN EXPECTED AND MATERIALS BEING LESS EXPENSIVE THAN ESTIMATED. CSPARKS 2/5/16
13026485300	RETIRE PIT REGULATOR # 1012	-	-	-	0.02%	\$3,704.16	\$3,574.79	\$129.37	1/1/2015	12/31/2015			2015-07-08

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13026488502	INSTALL 930' OF 6" PMIP	-	-	1.49%	\$271,685.15	\$241,519.25	\$30,165.90	1/1/2015	12/31/2015	5/11/2015	2015-07-10	OVERRUN EXPLANATION: JOB ORVERRAN BECAUSE 1600 ADDITIONAL UNITS OF PAVING WERE REQUIRED OVER WHAT WAS ESTIMATED.
14026522101	INSTALL 1412' OF 6" PMLP	-	-	1.43%	\$262,062.21	\$237,632.57	\$24,429.64	1/1/2015	12/31/2015	4/28/2015	2015-07-13	THIS PROJECT OVERRAN DUE TO THE PROJECT REQUIRING MORE HARD SURFACE RESTORATION THAN EXPECTED AND LONGER PROJECT DURATION THAN ANTICIPATED. CSPARKS 2/29/16
15026590000	INSTALL 396' - 4" PMMP	-	-	0.73%	\$132,818.63	\$174,708.46	-\$41,889.83	1/1/2015	12/31/2015	7/13/2015	2015-07-13	UNDERRUN EXPLANATION: THE LABOR WAS SIGNIFICANTLY OVERESTIMATED. THIS WAS AN EMERGENCY JOB AND OPERATIONS PROVIDED THE LABOR THEY WOULD NEED TO COMPLETE THE WORK. NEVERTHELESS, THE LABOR ENDED UP BEING ABOUT \$25,000 UNDER AND THE ASSOCIATED TRUCK EXPENSES FOR THE LABOR UNDER AS WELL TOGETHER WITH THE OVERHEAD EFFECT FROM THOSE TWO MISSES CAUSED THE UNDERRUN.
15026566001	INSTALL 400' OF 2" PMMP	-	-	0.28%	\$51,992.12	\$45,352.36	\$6,639.76	1/1/2015	12/31/2015	7/9/2015	2015-07-14	INSTALLED 455' OF 020 PMMP MAIN LINE. COULD NOT DIRECTIONAL BORE AS ORIGINALLY INTENDED DUE TO UNLOCATABLE UNDERGROUND UTILITIES. OPEN CUT ENTIRE INSTALLATION. UNDERRUN EXPLANATION: PROJECT UNDERRAN DUE TO NO PAVING BEING REQUIRED.
14026550801	INSTALL 1850' OF 4" PMMP	-	-	0.65%	\$118,306.33	\$203,934.00	-\$85,627.67	1/1/2015	12/31/2015	6/12/2015	2015-07-15	UNDERRUN EXPLANATION: JOB UNDERAN BECAUSE 5800 SQUARE FEET OF HARD SURFACE REPAIRS WERE NOT REQUIRED. THE OVERHAD EFFECT OF THIS ALSO CONTRIBUTED TO THE UNDERRUN.
15026593600	INSTALL 70'-3" PMLP SERVICE	-	-	0.07%	\$12,194.19	\$4,070.02	\$8,124.17	1/1/2015	12/31/2015		2015-07-16	THIS PROJECT OVERRAN DUE TO THE CONTRACTOR BEING CHANGED TO FISHEL, MORE HARD SURFACE RESTORATION THAN ESTIMATED, AND LONGER PROJECT DURATION THAN ESTIMATED. CSPARKS 2/5/16
14026556900	UPS CNG STATION GMB SETTING	-	-	0.42%	\$76,736.39	\$70,750.04	\$5,986.35	1/1/2015	12/31/2015	7/13/2015	2015-07-22	
14026541801	INSTALL 1400' OF 4" PMLP	-	-	1.16%	\$212,263.86	\$350,692.41	-\$138,428.55	1/1/2015	12/31/2015	7/1/2015	2015-07-25	UNDERRUN EXPLANATION: IT DOESN'T APPEAR THE PAVING COSTS HAVE HIT YET. RE-EVALUATE NEXT MONTH. UNDERRUN EXPLANATION: THE PAVING IS COMPLETE. EVIDENTLY, NOT AS MUCH PAVING WAS REQUIRED AS ESTIMATED. THIS PROJECT DID NOT HAVE AS LONG OF A PROJECT DURATION AS ESTIMATED AND DID NOT REQUIRE AS MUCH PAVING AS ESTIMATED. CSPARKS 2/5/16
15026575800	INSTALL 850' OF 2" PMMP	-	-	0.18%	\$32,643.68	\$24,883.44	\$7,760.24	1/1/2015	12/31/2015	7/27/2015	2015-07-27	OVERRUN EXPLANATION: THIS PROJECT OVERRAN BECASUE 850 FEET OF PIPE WAS ESTIMATED, BUT 921 FEET WAS REQUIRED TO DO THE WORK.
15026583600	INSTALL 461 REGULATORS	-	-	0.03%	\$6,208.88	\$9,086.05	-\$2,877.17	1/1/2015	12/31/2015	7/29/2015	2015-07-29	
15026583700	RETIRE 133 REGULATORS	-	-	0.00%	\$34.21	\$72.59	-\$38.38	1/1/2015	12/31/2015	7/29/2015	2015-07-29	
15026592500	GMB TO CAB	-	-	0.00%	\$0.00	\$1,516.51	-\$1,516.51	1/1/2015	12/31/2015		2015-07-29	
14026511800	INSTALL 275' - 4" PMIP	-	-	0.17%	\$30,742.49	\$48,764.78	-\$18,022.29	1/1/2015	12/31/2015	7/28/2015	2015-07-29	UNDERRUN EXPLANATION: JOB UNDERRAN BECAUSE DIRECTIONAL BORE HOURS WERE SHIFTED TO A 3 MAN CREW HOURS.
14026536000	INSTALL 155'-2" PMMP	-	-	0.05%	\$9,829.44	\$8,083.05	\$1,746.39	1/1/2015	12/31/2015	6/24/2015	2015-07-30	DUE TO WEATHER. SCHEDULING SEWER CAMARA CREW SO MAIN, S/L AND EXTENDING H/L COULD BE DIRECTIONAL BORED. SPRICE 8-12-15
15026571701	INSTALL 1185' OF 2 1/4" PMLP	-	-	0.43%	\$78,928.14	\$68,982.23	\$9,945.91	1/1/2015	12/31/2015	6/25/2015	2015-07-31	7/30/15 PAID 98-300 (7) HR TO FIND LEAK ON 124' OF 2" PL MAIN - RETESTED MAIN AT REQUEST OF ENGINEERING @ 90# FOR 1 HR BY KUHLMAN GUAGE. OVERRUN EXPLANATION: \$7800 IS LAND SURVEYING DOLLARS WERE NOT ESTIMATED LEADING TO THE OVERRUN.
15026595200	INSTALL 5'-4" PMLP	-	-	0.00%	\$153.08	\$3,523.42	-\$3,370.34	1/1/2015	12/31/2015	7/14/2015	2015-08-03	TO ABANDON SVC HAD TO REPLACE MAIN, ISNTALLED 5' PLASITC TESTED AT 90# FOR 1 HR SOAP TEST LAST FITTING NO LEAKS FOUND
14026555100	INSTALL 100' - 2" PMIP	-	-	0.07%	\$13,450.28	\$8,008.77	\$5,441.51	1/1/2015	12/31/2015	8/3/2015	2015-08-04	OVERRUN EXPLANATION: THE JOB TOOK ABOUT TWICE THE AMOUNT OF 3 MAN CREW LABOR HOURS AS WERE ESTIMATED. ADDITIONALLY, ABOUT TWICE THE AMOUNT OF 6" CONC RETE WAS REQUIRED AS WELL AS THE OVERHEAD EFFECT OF UNDER ESTIMATING THE PREVIOUS TWO QUANTITIES.
15026596200	INSTALL 3'-4" PMMP	-	-	0.03%	\$5,788.46	\$3,282.40	\$2,506.06	1/1/2015	12/31/2015		2015-08-07	

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15026596900	REPLACE EFC UNIT	-	-	-	0.00%	\$0.00	\$5,625.59	-\$5,625.59	1/1/2015			2015-08-07	REPLACED EFC & CDMA MODEM MINI-AT SER#13100052 UNDERRUN EXPLANATION: ESTIMATED COSTS PROVIDED BY PROJECT MANAGERS WAS INCO RRECT.
15026597000	RETIRE DAMAGE EFC UNIT	-	-	-	0.00%	\$0.00	\$65.06	-\$65.06	1/1/2015	12/31/2015		2015-08-07	
15026596600	REPLACE TOP WORKS W/627'S	-	-	-	0.00%	\$0.00	\$1,995.66	-\$1,995.66	1/1/2015	12/31/2015		2015-08-10	REPLACED REGULATORS IN TOP WORKS OF SETTING
15026596700	RETIRE TOP WORKS	-	-	-	0.00%	\$167.15	\$67.93	\$99.22	1/1/2015	12/31/2015	8/10/2015	2015-08-10	REPLACED REGULATORS IN TOP WORKS
15026571500	INSTALL 605' OF 2" PMMP	-	-	-	0.06%	\$10,950.98	\$27,360.35	-\$16,409.37	1/1/2015		8/7/2015	2015-08-13	UNDERRUN EXPLANATION: ONLY 86% OF THE PIPE ESTIMATED WAS INSTALLED AND ONLY ONE THIRD OF THE SPECIAL BACKFILL WAS REQUIRED. SINCE THE PIPE WAS NOT LAID IN THE STREET THE WHOLE WAY, NO 6&2 WAS REQUIRED AND ONLY 60% OF THE COLD ESTIMATED COLD PATCH WAS REQUIRED. ONLY TWO HOURS OF THE 16 ESTIMATED FOR 3 MAN CREW WERE REQUIRED.
14026548800	INSTALL 82'-4" CSHP	-	-	-	0.23%	\$42,866.06	\$26,167.63	\$16,698.43	1/1/2015		8/3/2015	2015-08-17	UNDERRUN EXPLANATION: JOB WAS ESTIMATED FOR INDIVIDUAL LABOR ITEMS PLUS OVERTIME, BUT THE CONTRACTOR WAS PAID FOR 3-MAN CREW HOURS. SO NO WELDER, WELD HELPER, WELD RIG, ETC WERE REQUIRED. AT THE TIME OF THE PREVIOUS EXPLANATION, ALL COSTS HAD NOT YET HIT THE JOB ORDER. THIS PROJECT OVERRRAN DUE TO EXTRA OVERTIME, STONE DUST, WELDING TIME, AND PROJECT DURATION. CSPARKS 2/5/16
14026548002	INSTALL 1500' OF 12" CSHP	-	-	-	3.03%	\$553,867.44	\$597,508.45	-\$43,641.01	1/1/2015	12/31/2015	8/10/2015	2015-08-18	LEVEL 2 BUDGET VARIANCE EXPLANATION FILLED OUT TO EXPLAIN BUDGET OVERRUN.
15026596800	INSTALL 155'-4" PMLP	-	-	-	0.08%	\$15,264.78	\$27,993.76	-\$12,728.98	1/1/2015		8/17/2015	2015-08-18	ORDER COMPLETED BY WILLIAM DENNINGHOFF. 12/11/15: REASON FOR UNDERRUN - \$5000 R/W PAYMENT HAS NOT POSTED + \$2500 CONTINGENCY NOT NEEDED. THESE TWO PLANNED EXPENSES + OH'S ACCOUNT FOR UNDERRUN (BKSLONE).
15026592400	INSTALL 600' OF 2" PMMP	-	-	-	0.16%	\$29,428.17	\$28,657.97	\$770.20	1/1/2015		8/15/2015	2015-08-21	8/15/15 FISHEL 98-405 (8)HR - ARTS RENTAL FAILED TO DELIVER TRENCHER ON 8/14/15 AS PROMISED - DELIVERED ON 8/15/15 @ 1430 - DUG W/MINI - OK TO TRENCH PER ENGINEERING - 8/19/15 SEWER LOCATES (BUCHANON) ONSITE 0815 8/19/15 BORING CREW 8/19/15 PER ENGINEERING- LINE EXTENDED
15026597200	INSTALL 300'-3" PMLP	-	-	-	0.39%	\$70,945.25	\$19,032.18	\$51,913.07	1/1/2015		8/17/2015	2015-08-21	HAULED SPOIL OFF JOB SITE INSTALLED 208' 3" LP. TESTED IN FIELD, TEST OK. INSTALLED 77' 3" LP TESTED IN FIELD TEST OK OVERRUN EXPLANATION: AN ADDITIONAL \$29K IN PAVING WERE REQUIRED OVER WHAT WAS ESTIMATED. THE JOB TOOK 270 MAN-HOURS LONGER THAN ESTIMATED AND THE OVERHEAD EFFECT OF THESE SHORTAGES WAS \$10K.
14026557200	INSTALL 440'-12" CSHP	-	-	-	1.42%	\$260,319.39	\$188,072.28	\$72,247.11	1/1/2015		7/21/2015	2015-08-21	OVERRUN EXPLANATION: PROJECT WAS ESTIMATED FOR STANLEY, BUT WORKED BY FISHEL COMPANY RESULTING IN A \$13K INCREASE JUST IN THE CONTRACT CHANGE. ADDITIONALLY, ABOUT \$11K IN ADDITIONAL WELD AND RIG COSTS WERE REQUIRED AND \$38K IN ADDITIONAL 3 MAN CREW. THE ADDITIONAL OUTAGE WAS THE RESULT OF THE CUMULATIVE EFFECT OF SMALLER OVERAGES IN OVERTIME, TOP SOIL, SILT FENCE, AND OTHER ITEMS. ADDITIONALLY, THE OVERHEAD EFFECT OF THE OVERAGES WAS AN ADDITIONAL \$16K.
15026575000	RETIRE GAUGE AT STATION 1070	-	-	-	0.00%	\$101.87	\$581.75	-\$479.88	1/1/2015	12/31/2015	8/24/2015	2015-08-24	REMOVED GAUGE
14026529600	INSTALL 1450' OF 4" PMIP	-	-	-	0.30%	\$54,253.41	\$72,194.98	-\$17,941.57	1/1/2015		8/6/2015	2015-08-24	UNDERRUN EXPLANATION: ONLY 1367 FEET OF THE 1450 FEET ESTIMATED WAS INSTALLED LEADING TO THE UNDERRUN.
14026553300	GMB TO CAB CONVERSATION	-	-	-	0.00%	\$0.00	\$1,184.44	-\$1,184.44	1/1/2015	12/31/2015		2015-08-25	
15026587500	INSTALL 70'-2" PMLP	-	-	-	0.02%	\$3,973.85	\$13,019.44	-\$9,045.59	1/1/2015		8/25/2015	2015-08-25	INSTALLED 38' OF 2" PLASTIC PIPE/ TESTED AT 90# FOR 1 HOUR AND SOAP TESTED TIE IN JOINTS AT OPERATING PRESSURE/ MAIN INS. OK 1533 / 8-25-15 / DENNINGHUND UNDERRUN EXPLANATION: PROJECT WAS ESTIMATED FOR A CONTRACTOR, BUT COMPANY CREW DID THE WORK AND DID IT A LESSOR COST.
14026529500	RETIRE REG STA 1365	-	-	-	0.00%	\$0.00	\$69.32	-\$69.32	1/1/2015	12/31/2015		2015-08-25	
14026529700	RETIRE REG STA 1365 STRUCTURE	-	-	-	0.03%	\$5,935.37	\$69.32	\$5,866.05	1/1/2015			2015-08-25	THIS PROJECT OVERRAN DUE TO THE PROJECT DURATION AND LABOR BEING GREATER THAN EXPECTED. CSPARKS 2/5/16
15026567200	RETIRE REG STA 1365	-	-	-	0.00%	\$0.00	\$69.32	-\$69.32	1/1/2015	12/31/2015		2015-08-25	

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15026571000	INSTALL 2100' OF 2" PMMP	-	-	0.38%	\$69,252.43	\$44,466.31	\$24,786.12	1/1/2015	12/31/2015	7/24/2015	2015-08-27	OVERRUN EXPLANATION: PROJECT WAS ESTIMATED UNDER STANLEY BUT WORKED BY FISHEL, THE HIGHER PRICED CONTRACTOR. ADDITIONALLY, 165 UNITS OF ROCK AND 210 UNITS OF COLD PATCH WERE USED BUT NOT ESTIMATED.
15026566501	INSTALL 600' OF 2" PMMP	-	-	0.16%	\$28,499.52	\$42,626.36	-\$14,126.84	1/1/2015	12/31/2015	8/26/2015	2015-08-28	UNDERRUN EXPLANATION: PROJECT UNDERRAN BECAUSE NONE OF THE UNITS FOR DIRECT IONAL BORE WERE REQUIRED.
15026574500	INSTALL NEW OUTLET VALVE	-	-	0.03%	\$5,782.58	\$1,237.44	\$4,545.14	1/1/2015	12/31/2015	7/30/2015	2015-08-28	
15026574600	RETIRE OUTLET VALVE RUN 1	-	-	0.00%	\$366.06	\$248.36	\$117.70	1/1/2015	12/31/2015	7/30/2015	2015-08-28	
15026589200	INSTALL CONTROL REGULATOR	-	-	0.04%	\$6,588.60	\$7,858.61	-\$1,270.01	1/1/2015	12/31/2015	8/29/2015	2015-08-29	REPLACED CONTROL REG (441-57S) WITH NEW 3" MOONEY FLOW GRID
15026589300	RETIRE CONTROL REGULATOR	-	-	0.00%	\$0.00	\$67.93	-\$67.93	1/1/2015	12/31/2015		2015-08-29	
15026565600	INSTALL 600' - 8" PMMP	-	-	0.49%	\$89,142.50	\$125,931.97	-\$36,789.47	1/1/2015	12/31/2015	8/3/2015	2015-08-31	UNDERRUN EXPLANATION: 87% OF FOOTAGE WAS REQUIRED, ONLY 80% OF THE BACKFILL, 40% OF THE ROCK EXCAVATION, AND 0% OF THE ESTIMATED TRACK HOW HOURS WERE REQUIRED RESULTING IN THE \$49K UNDERRUN.
15026579900	INSTALL 280' - 4 & 8" PMMP	-	-	0.38%	\$69,972.99	\$73,658.15	-\$3,685.16	1/1/2015	12/31/2015	8/18/2015	2015-09-03	PIPE INSTALLED BY OPEN CUT. NO SEWER LOCATES NEEDED. THIS PROJECT UNDERRAN DUE TO NO ROCK BEING ENCOUNTERED AND LESS HARD SURFACE RESTORATION BEING REQUIRED THAN ESTIMATED. CSPARKS 2/5/16
14026530900	INSTALL 20'-6" PMLP	-	-	0.06%	\$11,535.48	\$16,879.46	-\$5,343.98	1/1/2015	12/31/2015		2015-09-04	INSTALLED 23' 6" PLASTIC MAIN UNDERRUN EXPLANATION: COMPANY CREW INSTALLED PROJECT WHEN IT WAS ESTIMATED FOR A CONTRACTOR. IT DOESN'T APPEAR THAT ALL CHARGES HAVE HIT THE PROJECT YET. CSPARKS 2/5/16
14026547202	INSTALL 1154' OF 2" PMMP	-	-	0.11%	\$20,156.03	\$24,229.75	-\$4,073.72	1/1/2015	12/31/2015	8/31/2015	2015-09-04	
14026553900	INSTALL 575'-4"&6" PMLP	-	-	0.85%	\$155,363.38	\$158,270.31	-\$2,906.93	1/1/2015	12/31/2015	6/15/2015	2015-09-08	MAIN INSTALLED AND TESTED BY STANLEY PIPE
13026485001	INSTALL 335' OF 4"/6" LP MAIN	-	-	0.48%	\$87,013.78	\$96,621.47	-\$9,607.69	1/1/2015	12/31/2015	9/10/2015	2015-09-10	UNDERRUN EXPLANATION: THIS JOB UNDERRAN BECAUSE 80 FEWER HOURS OF LABOR WERE REQUIRED THAN ESTIMATED. ALSO THERE WERE FEWER HARD SURFACE REPAIRS THAN WERE ESTIMATED. THIS ALSO RESULTED IN A REDUCTION OF OVERHEADS OF \$3K.
14026538400	INSTALL 2 NEW FISHER CONTROLS	-	-	0.06%	\$10,173.76	\$9,377.71	\$796.05	1/1/2015	12/31/2015	10/2/2015	2015-09-11	
14026538500	RETIRE CONTROLLER	-	-	0.00%	\$0.00	\$123.62	-\$123.62	1/1/2015	12/31/2015		2015-09-11	
15026605500	RETIRE GAUGE & TRANSMITTERS	-	-	0.00%	\$0.00	\$65.06	-\$65.06	1/1/2015	12/31/2015		2015-09-11	
15026604500	RETIRE 2" RW 441-57S CONTROL R	-	-	0.00%	\$710.74	\$127.70	\$583.04	1/1/2015	12/31/2015	9/18/2015	2015-09-13	
14026546400	REPLACE TOPWORKS R-1484	-	-	0.11%	\$20,197.67	\$15,325.35	\$4,872.32	1/1/2015	12/31/2015	4/20/2015	2015-09-14	REPLACED 2" TOPWORKS WITH 3" TOPWORKS. INSTALLED NEW 441-57S FOR MONITOR REG, INSTALLED 441-57S FOR CONTROL
14026546500	RETIRE TOP WORKS R-1484	-	-	0.00%	\$0.00	\$69.32	-\$69.32	1/1/2015	12/31/2015		2015-09-14	
15026579600	INSTALL 200'-6" PMLP	-	-	0.87%	\$159,473.00	\$37,937.30	\$121,535.70	1/1/2015	12/31/2015	8/28/2015	2015-09-15	THIS PROJECT OVERRAN DUE TO THE CONTRACTOR BEING CHANGED TO FISHEL, HARD SURFACE RESTORATION, INCREASED PROJECT SCOPE, AND OVERTIME THAT WAS NOT ESTIMATED. CSPARKS 2/5/16
14026503700	INSTALL CONTROLS BUILDING	-	-	0.26%	\$48,427.61	\$61,171.72	-\$12,744.11	1/1/2015	12/31/2015		2015-09-15	THIS PROJECT UNDERRAN DUE TO THE PROJECT DURATION BEING SHORTER THAN EXPECTED AND THE COST OF MATERIALS BEING LOWER THAN ESTIMATED. CSPARKS 2/5/16
11026397700	RETIRE OIL SEAL RELIEF	-	-	0.02%	\$2,839.03	\$5,527.27	-\$2,688.24	1/1/2015	12/31/2015	9/15/2015	2015-09-17	OIL SEAL DISCONNECTED PUMP & KEROSENE DRUM PICKED UP
14026551600	RETIRE OIL SEAL	-	-	0.00%	\$286.47	\$3,420.44	-\$3,133.97	1/1/2015	12/31/2015		2015-09-17	OIL SEAL DISCONNECTED, PUMPED & KEROSENE DRUM PICKED UP
14026551900	RETIRE OIL SEAL	-	-	0.00%	\$153.85	\$3,420.44	-\$3,266.59	1/1/2015	12/31/2015		2015-09-17	OIL SEAL DISCONNECTED PUMPED & KEROSENE DRUM PICKED UP
15026604000	INSTALL 3" MOONEY CONTROL REG	-	-	0.08%	\$14,826.45	\$15,515.16	-\$688.71	1/1/2015	12/31/2015	9/17/2015	2015-09-17	
15026604100	RETIRE 3" RW 441-57S CONTROL R	-	-	0.00%	\$831.91	\$129.13	\$702.78	1/1/2015	12/31/2015	9/17/2015	2015-09-17	
15026605200	INSTALL 22'-2" PMMP	-	-	0.70%	\$128,190.92	\$29,027.01	\$99,163.91	1/1/2015	12/31/2015		2015-09-17	THIS PROJECT OVERRAN DUE TO THE FLOODWALL BEING DAMAGED DURING PIPE INSTALLATION. CSPARKS 2/5/16
15026604400	INSTALL 2" MOONEY CONTROL REG	-	-	0.03%	\$4,766.90	\$8,983.16	-\$4,216.26	1/1/2015	12/31/2015	9/18/2015	2015-09-18	
14026531100	INSTALL 20'-6" PMLP	-	-	0.06%	\$10,179.65	\$17,739.46	-\$7,559.81	1/1/2015	12/31/2015		2015-09-21	INSTALLED 39' 6" PLASTIC MAIN ON LP SYSTEM PRETESTED 50' OF 6" PLASTIC PIPE FOR 1HR 90PDS REMAINDER PLASTIC PRETESTED PIPE USED FOR JOB# 15026593800 THIS PROJECT UNDERRAN DUE TO BEING PERFORMED BY A COMPANY CREW. IT DOES NOT APPEAR THAT ALL COSTS HAVE BEEN CHARGED TO THE PROJECT YET. CSPARKS 2/5/16

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15026593700	INSTALL 5' - 6" PMLP	-	-	0.00%	\$370.74	\$13,296.10	-\$12,925.36	1/1/2015			2015-09-21	INSTALLED 5' 6" P, PRETEST PIPE 14-0265311-00. SOAP TESTED TIE IN AT OP PARTIAL EX'D 1/4/2016 -JL THIS PROJECT IS UNDERRUNNING BECAUSE IT WAS PERFORMED BY A COMPANY CREW AND IT DOES NOT APPEAR THAT CHARGES HAVE BEEN APPLIED TO THE JOB ORDER YET. CSP ARKS 2/5/16
10026325700	INSTALL 1" RELIEF VALVE	-	-	0.01%	\$1,010.74	\$2,685.46	-\$1,674.72	1/1/2015	12/31/2015	9/21/2015	2015-09-21	INSTALLED 1" BV & 1" FISHER 1805 PRV & 627R BYPASS REGULATOR
15026607400	RETIRE BYPASS REGULATOR	-	-	0.00%	\$0.00	\$265.06	-\$265.06	1/1/2015	12/31/2015		2015-09-21	
15026608900	RETIRE RV AND GAUGE	-	-	0.00%	\$0.00	\$785.17	-\$785.17	1/1/2015	12/31/2015		2015-09-21	RETIRE AND PLUGGED RELIEF VALVE AND PRESSURE RECORDING GAUGE
15026584700	INSTALL 100' - 4" PMLP	-	-	0.21%	\$37,510.91	\$32,968.63	\$4,542.28	1/1/2015	12/31/2015	9/17/2015	2015-09-24	
15026584800	INSTALL 120' - 4" S/L	-	-	0.05%	\$9,005.03	\$9,404.87	-\$399.84	1/1/2015	12/31/2015	7/20/2015	2015-09-24	
15026588300	INSTALL 100' OF 2" PMMP	-	-	0.04%	\$7,951.32	\$7,305.99	\$645.33	1/1/2015	12/31/2015	9/24/2015	2015-09-25	
15026595700	INSTALL 20'-4" CS&PMLP	-	-	0.16%	\$29,426.07	\$30,001.25	-\$575.18	1/1/2015	12/31/2015	9/24/2015	2015-09-28	
15026567100	INSTALL PRESSURE RECORD GAUG	-	-	0.02%	\$3,967.28	\$4,082.89	-\$115.61	1/1/2015	12/31/2015	5/22/2015	2015-09-29	
15026598900	REPLACE MAIN - LEAKAGE	-	-	6.44%	\$1,176,981.91	\$1,407,290.55	-\$230,308.64	1/1/2015	12/31/2015	9/16/2015	2015-09-29	THIS PROJECT UNDERRAN DUE TO LESS PIPING NEEDED THAN ANTICIPATED TO GO ACROSS STEELE RD. AND BEING ABLE TO BORE INSTEAD OF CUTTING STEELE ROAD. CSPARK S 2/29/16
15026600200	INSTALL 120' - 4" PMLP	-	-	0.02%	\$3,571.81	\$5,499.70	-\$1,927.89	1/1/2015	12/31/2015	9/28/2015	2015-09-29	INSTALLED 130' OF 4" PM TESTED 100 PSIG FOR 1 HOUR PARTIAL EX FOR 2015 ON 1/5/2016 -JL
15026589100	INSTALL 905' OF 6" PMMP	-	-	0.28%	\$50,938.09	\$81,081.75	-\$30,143.66	1/1/2015	12/31/2015	9/3/2015	2015-09-30	THIS PROJECT UNDERRAN DUE TO THE PROJECT DURATION BEING SHORTER THAN ESTIMATED AND LESS ROCK BEING ENCOUNTERED THAN ESTIMATED. CSPARKS 2/5/16
14026554101	INSTALL 45'-2" PMIP	-	-	0.46%	\$83,412.00	\$70,040.33	\$13,371.67	1/1/2015	12/31/2015	9/25/2015	2015-10-01	THIS PROJECT OVERRAN BECAUSE IT WAS ESTIMATED ON THE 2013 CONTRACTS AND PAID ON THE 2014 CONTRACTS. CSPARKS 2/5/16
14026517701	INSTALL 250' CSHP AND PMLP	-	-	1.22%	\$223,107.92	\$215,420.39	\$7,687.53	1/1/2015	12/31/2015	9/16/2015	2015-10-05	
15026587900	INSTALL 20'-6" PMMP	-	-	0.22%	\$40,765.06	\$24,458.09	\$16,306.97	1/1/2015	12/31/2015	9/29/2015	2015-10-08	OVERRUN EXPLANATION: JOB TOOK AN EXTRA 40 HOURS OF COMPANY LABOR, 14 HOURS OF FLAGGER, AND 98 TONS OF BACKFILL LEADING TO THE OVERRUN.
15026566100	INSTALL 20'-2" PMMP	-	-	0.05%	\$9,583.02	\$14,141.63	-\$4,558.61	1/1/2015	12/31/2015	9/21/2015	2015-10-09	
15026573900	RETIRE GMB SETTING	-	-	0.00%	\$0.00	\$69.32	-\$69.32	1/1/2015	12/31/2015		2015-10-13	RELOCATED GMB SETTING. CUSTOMER TO ASSUME RESPONSIBILITY OF OLD SETTING
15026577501	INSTALL 25' OF 4" CS SL	-	-	0.13%	\$23,064.22	\$36,821.40	-\$13,757.18	1/1/2015	12/31/2015		2015-10-13	THIS PROJECT UNDERRAN DUE TO THE COST ASSOCIATED WITH RUNNING ELECTRIC SERVICE TO THE SETTING BEING LESS THAN EXPECTED AND LESS PIPING BEING REQUIRED THAN ANTICIPATED. CSPARKS 2/29/16
15026566300	INSTALL 20'-4" PMLP	-	-	0.14%	\$24,694.51	\$10,405.63	\$14,288.88	1/1/2015	12/31/2015	11/13/2015	2015-10-14	LOCATE WIRE AND BURIED TAPE SHOWN ON JOB ORDER - - RELATED BY LOCATION AND DATE WORKED - - 15-0265661-00 & 15-0265662-00 DG-12-9-2015 JOB ESTIMATED FOR 24 HOURS, BUT NEEDED 78 HOURS TO COMPLETE. THIS INCREASED LABOR BY \$2000, CONTRACT BY \$9000, AND SEGA/OTHER BY \$3000. D.LEMONS 2/29/16
15026601800	INSTALL FISHER 627 REGS	-	-	0.01%	\$1,674.63	\$1,906.18	-\$231.55	1/1/2015	12/31/2015		2015-10-14	
15026601900	RETIRE FISHER 621-107 REGS	-	-	0.00%	\$0.00	\$60.77	-\$60.77	1/1/2015	12/31/2015		2015-10-14	
15026611700	INSERT 360' OF 2" PMLP MAIN	-	-	0.05%	\$9,801.49	\$43,847.11	-\$34,045.62	1/1/2015	12/31/2015		2015-10-14	INSTALLED 360' DUE TO GRADE 1 LEAK. TESTED MAIN 90 PSI 1 HR, SOAPTESTED TIE IN FITTING BOLTED COUPLING AT OP BY JODY @ PREMIRE TWALKERKY 02-29-16. JOB UNDER RUN DUE TO NO COMPANY LABOR/OVERHEADS POSTED TO JOB AT THIS TIME APPORX \$17,000, ALSO \$7800 FOR CONTRACTOR WAS PAID TO THE 558 15-0266118-00
14026526000	INSTALL 3000' OF 2 1/4" PMMP	-	-	0.69%	\$126,881.84	\$89,034.75	\$37,847.09	1/1/2015	12/31/2015	9/10/2015	2015-10-15	THIS PROJECT OVERRAN DUE TO MORE ROCK BEING ENCOUNTERED THAN ESTIMATED. CSP ARKS 3/28/16
15026594900	INSTALL 100'-2" PMMP	-	-	0.06%	\$10,115.44	\$10,185.01	-\$69.57	1/1/2015	12/31/2015	10/14/2015	2015-10-15	
15026609600	T-4 TAP FOR MATRIKS WELLS	-	-	0.18%	\$32,900.76	\$18,699.39	\$14,201.37	1/1/2015	12/31/2015	10/14/2015	2015-10-15	OVERRUN EXPLANATION: THIRTY-SEVEN MORE CREW HOURS WERE REQUIRED OVER WHAT WAS ESTIMATED.
15026612400	INSTALL 97' - 2" PM	-	-	0.01%	\$2,167.54	\$3,620.33	-\$1,452.79	1/1/2015	12/31/2015	10/16/2015	2015-10-16	INSTALLED 97' OF 2" PM TESTED 100 PSIG FOR 1 HR PARTIAL EX FOR 2015 ON 1/5/2016 -JL
15026582300	RETIRE STATION 1160	-	-	0.00%	\$0.00	\$553.54	-\$553.54	1/1/2015	12/31/2015		2015-10-19	
15026588400	INSTALL 250' OF 2" PMMP	-	-	0.38%	\$70,103.94	\$119,440.24	-\$49,336.30	1/1/2015	12/31/2015	9/16/2015	2015-10-19	THIS PROJECT UNDERRAN DUE TO SHORTER PROJECT DURATION THAN EXPECTED AND LESS LAND SERVICES COSTS. CSPARKS 2/29/16

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15026581100	INSTALL 2500' OF 2" PMIP	-	-	-	0.35%	\$63,182.18	\$75,377.88	-\$12,195.70	1/1/2015	12/31/2015	9/9/2015	2015-10-20	THIS PROJECT UNDERRAN DUE TO LESS ROCK BEING ENCOUNTERED THAN EXPECTED AND SHORTER PROJECT DURATION THAN EXPECTED. CSPARKS 2/29/16
15026598300	INSTALL 120' OF 4" PMMP	-	-	-	0.12%	\$21,470.76	\$24,275.36	-\$2,804.60	1/1/2015	12/31/2015	10/22/2015	2015-10-26	
15026593201	INSTALL 160' OF 2" PMMP	-	-	-	0.03%	\$5,893.44	\$20,222.67	-\$14,329.23	1/1/2015	12/31/2015	10/27/2015	2015-10-28	PROJECT UNDER RUN DUE TO INSTALLATION METHODS CHANGING. PROJECT ORIGINALLY PLANNED FOR OPEN CUT THEN REVISED FOR DIRECTIONAL BORE. ESTIMATED THE JOB FOR A DURATION OF 40 HOURS, BUT THE PROJECT WAS FINISHED IN 19 HOURS = SEGA AND LABOR (\$3500 UNDER ESTIMATE). ESTIMATED 16 HOURS FOR 3 MAN CREW, 2 MAN BORE CREW, AND ELECTRONIC VIDEO. ONLY 4 HOURS FOR 2 MAN BORE CREW, 6 HOURS FOR 5 MAN CREW, AND 6 HOURS ELECTRONIC VIDEO WERE CHARGED = CONTRACT (\$9000 UNDER ESTIMATE).
15026597800	INSTALL EFC	-	-	-	0.02%	\$2,854.47	\$3,979.37	-\$1,124.90	1/1/2015	12/31/2015		2015-10-28	
15026597900	RETIRE EFC	-	-	-	0.00%	\$44.01	\$60.77	-\$16.76	1/1/2015	12/31/2015	12/1/2015	2015-10-28	
15026560600	INSTALL 550' - 4" PM	-	-	-	0.36%	\$65,140.92	\$68,201.96	-\$3,061.04	1/1/2015	12/31/2015	10/7/2015	2015-10-29	PARTIAL EX'D 12/22/2015 -JL
15026615300	INSTALL 8'-6" PMLP	-	-	-	0.05%	\$9,333.94	\$15,941.41	-\$6,607.47	1/1/2015	12/31/2015		2015-11-02	UNDERRUN EXPLANATION: JOB WAS ESTIMATED FOR A CONTRACT CREW WITH COMPANY OVERSIGHT, BUT WAS WORKED WITH COMPANY CREW INSTEAD. DID NOT TAK AS LONG TO COMPLETE.
14026552200	INSTALL PCF TO ABANDON MAIN	-	-	-	0.17%	\$31,718.09	\$21,661.89	\$10,056.20	1/1/2015	12/31/2015		2015-11-03	SENT EMAIL FOR SERVICE MATERIAL TO BE REMOVED FROM MATERIALS TO STEPHANIE P ENDELTON ON 11/16/15 OVERRUN EXPLANATION: THIS JOB OVERRAN BECAUSE IT TOOK ALMOST 40 MORE HOURS THAN ESTIMATED.
15026574800	INSTALL PILOT HEATER	-	-	-	0.00%	\$816.44	\$2,598.72	-\$1,782.28	1/1/2015	12/31/2015	10/2/2015	2015-11-04	
15026577301	INSTALL 244' OF 6" PMLP	-	-	-	0.50%	\$91,255.83	\$73,408.83	\$17,847.00	1/1/2015	12/31/2015	11/2/2015	2015-11-04	OVERRUN EXPLANATION: THIS JOB OVERRAN BECAUSE 20 MORE HOUR OF CONTRACT LABOR WERE REQUIRED AS WELL AS 40 MORE TONS OF BACKFILL
14026546801	INSTALL 3370' OF 2 1/4" PMMP	-	-	-	3.60%	\$657,635.05	\$475,220.72	\$182,414.33	1/1/2015	12/31/2015	6/22/2015	2015-11-05	THIS PROJECT OVERRAN DUE TO BEING ESTIMATED ON THE 2014 INSTEAD OF 2015 CONTRACTS, EXTRA FLAGGING AND PROJECT DURATION. CSPARKS 3/28/16
14026551101	RETIRE SCRUBBER	-	-	-	0.10%	\$18,673.70	\$33,627.39	-\$14,953.69	1/1/2015	12/31/2015		2015-11-06	SCRUBBER RETIRED WITH MAIN & STATION REPLACEMENT UNDERRUN EXPLANATION: THIS JOB ORDER UNDERRAN BECAUSE THE SCRUBBER WAS ABANDONED WITH THE MAIN INSTEAD OF INDEPENDANTLY WITH CONTROL FITTINGS.
15026564500	INSTALL NEW REGULATOR STATION	-	-	-	0.55%	\$99,883.37	\$91,837.39	\$8,045.98	1/1/2015	12/31/2015	11/5/2014	2015-11-06	
15026564600	RETIRE REGULATOR STATION	-	-	-	0.00%	\$142.56	\$58.73	\$83.83	1/1/2015	12/31/2015	4/29/2015	2015-11-06	
14026535801	INSTALL 4115' OF 2" PMMP	-	-	-	1.71%	\$313,094.22	\$240,107.15	\$72,987.07	1/1/2015	12/31/2015	11/6/2015	2015-11-08	THIS PROJECT OVERRAN DUE TO EXTRA FLAGGING BEING REQUIRED. CSPARKS 3/28/16
15026584200	INSTALL 510' OF 2" PMIP	-	-	-	0.35%	\$63,755.56	\$30,301.85	\$33,453.71	1/1/2015	12/31/2015	10/27/2015	2015-11-10	THIS PROJECT OVERRAN DUE TO THE PROJECT DURATION BEING NEARLY TWICE AS LONG AS ESTIMATED ON AN HOURLY PROJECT AND A 4-MAN CREW BEING USED INSTEAD OF A 3-MAN CREW AS ESTIMATED. CSPARKS 3/28/16 PROJECT WAS ORIGINALLY PLANNED TO BE INSTALLED IN THE GRASS WITH A FEW DRIVEWAY APRON RESTORATIONS, BUT WAS INSTALLED IN THE STREET. THE JOB ORDER WAS NOT ABLE TO BE REVISED DUE TO THE PURCHASE ORDER NOT BEING FULFILLED. PAVEMENT RESTORATION CAUSED A LARGE VARIANCE IN THE CONTRACT SINCE IT WAS NOT ORIGINALLY ESTIMATED FOR. PROJECT WAS DESIGNED FOR 56 HOURS WITH A 3-MAN CREW, BUT 91 HOURS OF A 4-MAN CREW WERE CHARGED, WHICH CAUSED A VARIANCE IN THE CONTRACT. CONTRACT WAS ESTIMATED FOR 3 TONS OF SAND AND 17 TONS OF STONE, BUT 16 TONS OF SAND AND 34 TONS OF STONE WERE USED, WHICH WAS DUE TO THE MAIN BEING INSTALLED IN THE PAVEMENT RATHER THAN THE GRASS. SEGA RATES WERE ESTIMATED AT \$5,487, BUT \$11,301 WERE CHARGED,
13026445700	INSTALL CWT HEATER	-	-	-	0.97%	\$177,009.39	\$247,364.17	-\$70,354.78	1/1/2015	12/31/2015	7/23/2015	2015-11-12	UNDERRUN EXPLANATION: THE HEATER COST WAS \$63K LOWER THAN THE ORIGINAL QUOTE LEADING TO THE UNDERRUN.
13026445800	RETIRE WATER BATH HEATER	-	-	-	0.00%	\$842.03	\$69.32	\$772.71	1/1/2015	12/31/2015	8/14/2015	2015-11-12	
15026560800	INSTALL 2825' OF 2" PMMP	-	-	-	0.22%	\$40,997.79	\$48,937.37	-\$7,939.58	1/1/2015	12/31/2015	10/19/2015	2015-11-12	UNDERRUN EXPLANATION: THIS JOB UNDERRAN BECAUSE ALMOST 40 FEWER HOURS OF LABOR WERE REQUIRED THAN ESTIMATED.
15026604900	INSTALL 300'-2" PMMP	-	-	-	0.09%	\$16,053.52	\$15,154.92	\$898.60	1/1/2015	12/31/2015	11/9/2015	2015-11-12	
14026510900	RETIRE 8' X 11' X 8' BUILDING	-	-	-	0.00%	\$359.70	\$516.51	-\$156.81	1/1/2015	12/31/2015	11/13/2015	2015-11-13	RETIRE REGULATOR STRUCTURE (BUILDING)
15026605900	INSTALL HEATER	-	-	-	0.02%	\$2,805.47	\$5,018.03	-\$2,212.56	1/1/2015	12/31/2015	11/13/2015	2015-11-13	
15026606000	RETIRE HEATER	-	-	-	0.00%	\$33.44	\$65.06	-\$31.62	1/1/2015	12/31/2015	11/13/2015	2015-11-13	
14026498902	INSTALL 222' OF 2" PMMP	-	-	-	0.35%	\$64,105.72	\$42,189.20	\$21,916.52	1/1/2015	12/31/2015	11/2/2015	2015-11-16	OVERRUN EXPLANATION: THIS PROJECT OVERRAN BECAUSE CONTRACT COSTS WERE \$22K HIGHER THAN ESTIMATED DUE TO REQUIRING AN ADDITIONAL 37 HOURS OF 3 MAN CREW AND AN ADDITIONAL 3 UNITS OF SEWER CAMERA LOCATES. ADDITIONALLY, DUE TO THE ADDED DURATION, \$2K MORE IN COMPANY LABOR INSPECTION WAS REQUIRED.

Project No.	Project Title/Description	Ann Actu al	An nu al	Vari an ce	Per cent of Bud get	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
14026558001	INSTALL 3400'OF 4"PMMP	-	-	-	0.42%	\$77,132.72	\$138,642.43	-\$61,509.71	1/1/2015	12/31/2015	10/23/2015	2015-11-17	THIS PROJECT UNDERRAN DUE TO THE PROJECT BEING BORED INSTEAD OF OPEN CUT AND LESS ROCK BEING ENCOUNTERED THAN ESTIMATED. CSPARKS 3/28/16 TWALKER/KY 04-04-16: LEVEL 2 VARIANCE FILLED OUT AND ADDED TO WMS.DOCS PROJECT WAS ESTIMATED TO ENCOUNTER ROCK DURING CONSTRUCTION PLANNED FOR 800' OF OPEN CUT/DIRECT ROCK BORE PRICING BUT ONLY PAID FOR 90' OF ROCK WHICH SAVED \$ 22,500 OPEN CUT AND \$12,200 BORE IN CONTRACT COST. ALSO, SEGA WAS \$ 13,000 LESS THAN ESTIMATE AND \$ 10,000 CONTINGENCY FEE WAS NOT USED DURING CONSTRUCTION
15026571500	INSTALL 340'-4" PMMP	-	-	-	0.07%	\$12,844.86	\$15,522.68	-\$2,677.82	1/1/2015	12/31/2015	11/9/2015	2015-11-17	
15026603200	INSTALL NEW RECTIFIER	-	-	-	0.05%	\$8,659.86	\$8,026.63	\$633.23	1/1/2015	12/31/2015	11/17/2015	2015-11-18	INSTALLED NEW RECTIFIER WILL RETIRE OLD RECTIFIER WILL SEND TO CAPITOL CLOSEOUT TO EXECUTE 11-18-2015 1509 JMM
15026603300	RETIRE DAMAGE RECTIFIER	-	-	-	0.00%	\$0.00	\$62.20	-\$62.20	1/1/2015	12/31/2015		2015-11-18	RETIRE RECTIFIER AND FACILITY ID
15026609700	RETIRE RELIEF VALVE	-	-	-	0.00%	\$631.97	\$964.30	-\$332.33	1/1/2015	12/31/2015	11/18/2015	2015-11-18	ABANDOND & REMOVED & BLIND PLATED PRV
15026610000	RETIRE RELIEF VALVE	-	-	-	0.00%	\$626.65	\$964.30	-\$337.65	1/1/2015	12/31/2015	11/18/2015	2015-11-18	RETIRED PRV ON LP RUN R WILLIAMS JSMITH 11-18-2015
15026592300	INSTALL 595'-2" PMMP	-	-	-	0.28%	\$51,597.66	\$43,170.15	\$8,427.51	1/1/2015	12/31/2015	10/19/2015	2015-11-18	OVERRUN EXPLANATION: THE COMPANY LABOR REQUIRED WAS ABOUT \$8K HIGER THAN WAS ESTIMATED.
15026579300	INSTALL 1000' OF 2"PMMP	-	-	-	0.10%	\$18,010.51	\$23,762.10	-\$5,751.59	1/1/2015	12/31/2015	11/16/2015	2015-11-19	OVERRUN EXPLANATION: 1000 FEET OF PIPE WAS ESTIMATED, BUT ONLY 802 FEET WERE REQUIRED.
15026610700	GMB TO CAB CONVERSION	-	-	-	0.00%	\$0.00	\$716.66	-\$716.66	1/1/2015	12/31/2015		2015-11-19	
14026544601	PM INSTALL NEW ATHENS POD	-	-	-	5.72%	\$1,045,649.84	\$1,015,613.33	\$30,036.51	1/1/2015	12/31/2015	8/19/2015	2015-11-20	
15026619500	PM INSTALL OUTLET FOR ATHENS	-	-	-	0.00%	\$62.60	\$0.00	\$62.60	1/1/2015	12/31/2015		2015-11-20	
15026622300	PM RETIRE STATION ATHENS POD	-	-	-	0.00%	\$0.00	\$1,000.00	-\$1,000.00	1/1/2015	12/31/2015		2015-11-20	
15026622400	PM RETIRE BLDG ATHENS STATION	-	-	-	0.00%	\$0.00	\$100.00	-\$100.00	1/1/2015	12/31/2015		2015-11-20	
15026567900	INSTALL 1373' - 2" PMMP	-	-	-	0.12%	\$21,704.84	\$20,094.45	\$1,610.39	1/1/2015	12/31/2015	11/11/2015	2015-11-20	INSTALLED AND TESTED 1373' OF 2" PM TESTED AT 100 PSIG FOR 1 HR.
14026547400	INSTALL NEW REUGULATORS	-	-	-	0.02%	\$3,131.48	\$5,857.21	-\$2,725.73	1/1/2015	12/31/2015		2015-11-20	
14026547500	RETIRE STATION REGULATORS	-	-	-	0.03%	\$5,467.61	\$58.07	\$5,409.54	1/1/2015	12/31/2015		2015-11-20	COMPLETELY REMOVED AND REPLACED REGULATOR STATION 1488 INSTALLED NEW 627 REGULATORS OVERRUN EXPLANATION: ONLY ONE HOUR OF COMPANY LABOR WAS ESTIMATED, BUT 86 HOURS WERE REQUIRED.
15026615500	INSTALLING HEATER ON R-1488	-	-	-	0.01%	\$1,131.75	\$2,769.21	-\$1,637.46	1/1/2015	12/31/2015	10/2/2015	2015-11-20	
14026518301	INSTALL 605'-6" PMMP	-	-	-	0.79%	\$145,276.57	\$83,695.04	\$61,581.53	1/1/2015	12/31/2015	10/5/2015	2015-11-24	THIS PROJECT OVERRAN DUE TO MORE ROCK BEING ENCOUNTERED THAN EXPECTED. CSPARKS 3/28/16
15026593300	INSTALL 340' - 2" PMLP	-	-	-	0.11%	\$19,560.65	\$22,721.40	-\$3,160.75	1/1/2015	12/31/2015	11/17/2015	2015-11-24	
15026573800	INSTALL NEW METER ONLY GMB	-	-	-	0.07%	\$12,075.75	\$10,430.54	\$1,645.21	1/1/2015	12/31/2015	10/6/2015	2015-11-25	METER CHANGE TO 16M RELOCATE MI WIRELESS & EFC
15026570801	INSTALL 2129' OF 8" PHHP	-	-	-	3.52%	\$643,899.57	\$673,332.47	-\$29,432.90	1/1/2015	12/31/2015		2015-12-03	ISSUED BACKORDER CANCELATION #31264 FOR ALL NON-DELIVERED ITEMS INCLUDING HIGH DENSITY PIPE. 3/11/16
15026600800	RETIRE CLAM SHELL STRUCTION	-	-	-	0.00%	\$338.58	\$287.90	\$50.68	1/1/2015	12/31/2015	12/3/2015	2015-12-03	RETIRED CLAM SHELL STRUCTURE - JMP PER J MULLINS
15026621600	INSTALL NEW CATALYTIC HEATER	-	-	-	0.02%	\$3,206.21	\$2,951.89	\$254.32	1/1/2015	12/31/2015	12/4/2015	2015-12-04	INSTALLED NEW DUAL PILOT CAT HEATER IN REPLACE OF OLD ONE
15026621800	ABANDON CATALYTIC HEATER	-	-	-	0.00%	\$136.61	\$56.61	\$80.00	1/1/2015	12/31/2015	12/4/2015	2015-12-04	
15026614300	INSTALL 4" PMMP SVC LINE	-	-	-	0.23%	\$42,415.94	\$24,296.40	\$18,119.54	1/1/2015	12/31/2015		2015-12-05	PARTIAL EX 12/21/15 -JL OVERRUN EXPLANATION: THE ESTIMATED REQUIREMENTS TO SERVE THE CUSTOMER WERE AN MILE COSTING \$28K AND THE DESIGN CAPITAL SERVICE COSTING \$24K. THE MAIN INSTALL JOB ORDER WAS VOIDED AND JUST THE CAPITAL SERVICE WAS INSTALLED. THOUGH THIS ONE OVERRAN, THE COST WAS ABOUT THE SAME AS THE ORIGINAL MILE AND SERVICE LINE.
15026591800	INSTALL 4050'-4"&2440'-6" PMMP	-	-	-	3.99%	\$729,972.84	\$626,994.11	\$102,978.73	1/1/2015	12/31/2015	12/3/2015	2015-12-07	MATERIAL UPDATE NOTE: 500' 4" PIPE LIC. REMAINDER OF 2050' 4" PIPE UNACCOUNTED FOR WHEN JOB WAS RESUMED IN 2015. PIPE WAS APPARENTLY USED FOR OTHER JOBS BUT WAS NOT TRANSFERRED. LIC ENTRY OK PER BDAWES. OVERRUN EXPLANATION: AN ADDITIONAL 54 HOURS OF SEWER CAMERA LOCATES WERE REQUIRED FOR THIS JOB AS WELL AS 1100 SQ. FEET OF COLD PATCH OVER WHAT WAS ESTIMATED. THE HARD SURFACE REPAIRS CAME OVER FROM PAVE AND CONC JOB ORDERS.

Project No.	Project Title/Description	Annual Actual	Annual Variance	Annual Variance in Dollars	Percent of Budget	Total Actual Project Cost	Total Budget Project Cost	Variance in Dollars	Date Original Budget Start	Date Original Budget End	Date Actual Start	Date Actual End	Job Order Comments
15026625500	INSTALL 5' OF 6"PMLP	-	-	-	0.00%	\$342.18	\$6,823.05	-\$6,480.87	1/1/2015			2015-12-08	INSTALLED 6' 6" PLASTIC UNDERRUN EXPLANATION: PROJECT WAS ESTIMATED FOR 90 HOURS OF COMPANY LABOR, BUT WAS WORKED IN 3 HOURS.
15026611600	INSTALL 333' OF 2" PMMP	-	-	-	0.21%	\$38,175.47	\$42,238.25	-\$4,062.78	1/1/2015	12/31/2015		2015-12-08	
14026554600	INSTALL 3227'-12" CSHP	-	-	-	3.98%	\$727,103.46	\$595,585.24	\$131,518.22	1/1/2015		8/25/2015	2015-12-09	PARTIAL EX 12/22/2015 -JL 5/10/16: OVERRUN EXPLANATION = AN ADDITIONAL 342' OF 12" CSHP WAS INSTALLED VS EWHAT WAS ESTIMATED DUE TO A MAPPING ERROR IN IDENTIFYING THE END OF PREVIOUSLY INSTALLED CS PIPE IN WHICH IT TIE-INTO. ATTEMPTS TO REVISE JO WERE UNSUCCESSFUL DUE TO OUTSTANDING INVOICES. LEVEL 2 BUDGET VARIANCE ISSUED & APPROVED 4/12/16 (BKSLONE).
14026552701	INSTALL 1150' OF 2"PMMP	-	-	-	0.17%	\$30,544.51	\$46,695.71	-\$16,151.20	1/1/2015	12/31/2015	11/30/2015	2015-12-10	UNDERRUN EXPLANATION: PROJECT WAS ESTIMATED WITH 517 UNITS OF DB WITH SEWER CAMERA; HOWEVER, THE PIPE WAS OPEN CUT WITHOUT SEWER CAMERA.
15026567500	INSTALL 700' OF 12" CSHP	-	-	-	1.87%	\$341,297.87	\$419,704.43	-\$78,406.56	1/1/2015	12/31/2015	5/29/2015	2015-12-10	OVERRUN EXPLANATION: JOB WAS ESTIMATED FOR HEAVY ROCK BORE, BUT THE PROJECT WAS NOT BORED. THIS RESULTED IN THE UNDERRUN.
15026612000	INSTALL 149' - 2" PM	-	-	-	0.07%	\$13,215.44	\$7,063.45	\$6,151.99	1/1/2015		12/10/2015	2015-12-15	PARTIAL EX 12/22/2015 -JL OVERRUN EXPLANATION: CONTRACT COSTS EXCEEDED ESTIMATE BY \$5K DUE TO 21 HOURS OF ADDITIONAL CONTRACT LAOBR OVER WHAT WAS ESTIMATED AS WELL AS AN ADDITIONAL 5 TONS OF BACKFILL.
15026624100	INSTALL 92' 4" PMMP	-	-	-	0.12%	\$21,582.45	\$30,496.11	-\$8,913.66	1/1/2015	12/31/2015	12/12/2015	2015-12-16	PARTIAL EX'D 12/30/2015 -KB 5/10/16: UNDERUN EXPLANATION = ESTIMATED FOR 140 HRS AND TOOK ONLY 90 + CON TRACT LABOR LESS DUE TO TEMP ASPHALT REPAIR VS PERMANENT (BKSLONE).
14026504000	INSTALL CONTROLS BUILDING	-	-	-	0.11%	\$19,987.35	\$61,171.72	-\$41,184.37	1/1/2015	12/31/2015		2015-12-17	UNDERRUN EXPLANATION: ESTIMATED CONTRACT LABOR WAS NOT REQUIRED.
14026547300	INSTALL 350' OF 2"PMMP	-	-	-	0.18%	\$33,040.94	\$16,942.88	\$16,098.06	1/1/2015		12/16/2015	2015-12-18	OVERRUN EXPLANATION: ESTIMATED FOR 32 HOURS OF 3 MAN CREW FOR OPEN CUT, BUT REQUIRED 48 HOURS FOR DB. SIX HOURS OF SEWER CAMERA WERE ALSO REQUIRED BUT NOT ESTIMATED.
15026623700	INSTALL 97' OF 2" PMMP	-	-	-	0.05%	\$9,299.45	\$16,326.16	-\$7,026.71	1/1/2015		12/17/2015	2015-12-22	PARTIAL EX 12/23/2015 -JL UNDERRUN EXPLANATION: PROJECT ONLY REQUIRED 21 HOURS TO COMPLETED VS THE 48 HOURS ESTIMATED. THIS REDUCED BOTH THE COMPANY LABOR AND THE CONTRACT LABOR RESULTING IN THE UNDERRUN.
14026510800	INSTALL 16X16X8 PARKLINE BLDG	-	-	-	0.41%	\$75,023.00	\$88,652.76	-\$13,629.76	1/1/2015	12/31/2015	12/10/2015	2015-12-23	INSTALLED NEW PARKLINE BUILDING BY METAL BUILDING ERECTORS. OVERRUN EXPLANATION: THE JOB OVERRAN BECAUSE \$7k IN TREE CLEARING CONTRACTOR WERE REQUIRED, BUT ONLY \$2K WERE ESTIMATED.
15026613000	INSTALL NEW CHAIN LINK FENCE	-	-	-	0.03%	\$5,195.30	\$6,221.00	-\$1,025.70	1/1/2015	12/31/2015	11/23/2015	2015-12-24	FENCE & SIGNS INSTALLED
15026610100	INSTALL PIF - WURLAND AVE	-	-	-	0.17%	\$30,365.79	\$23,063.44	\$7,302.35	1/1/2015		12/21/2015	2015-12-29	OVERRUN EXPLANATION: JOB TOOK 18 HOURS LONGER RESULTING IN HIGHER LABOR COST. ALSO, 6&2 AND EXTRA DEPTH WERE REQUIRED, BUT NOT ESTIMATED. THREE MAN CREW ESTIMATED AND 4 MAN CREW REQUIRED. THESE ADDITIONAL ITEMS RESULTED IN THE OVERRUN.
15026616600	INSTALL 4"PIF (6'-4"PMLP)	-	-	-	0.08%	\$13,898.83	\$22,267.83	-\$8,369.00	1/1/2015	12/31/2015	12/28/2015	2015-12-30	UNDERRUN EXPLANATION: JOB UNDERRAN BECAUSE ABOUT HALF AS MUCH LABOR DOLLARS WERE REQUIRED OVER WHAT WAS ESTIMATED.
						2015 Construction Project Budget	\$18,282,679.86						

PSC Case No. 2016-00162
Staff Set 1 DR No. 013b
Attachment B
Respondent: Eric T. Belle

(\$000)

Years	Annual Actual Cost	Annual Original Budget	Variance in Dollars	Variance in Percent	Slippage Factor
2006	\$8,159	\$9,000	-\$841	-9.344%	90.7%
2007	\$9,494	\$12,403	-\$2,909	-23.454%	76.5%
2008	\$13,581	\$14,711	-\$1,130	-7.681%	92.3%
2009	\$12,998	\$12,856	\$142	1.105%	101.1%
2010	\$10,125	\$10,254	-\$129	-1.258%	98.7%
2011	\$14,348	\$12,159	\$2,189	18.003%	118.0%
2012	\$18,904	\$14,650	\$4,254	29.038%	129.0%
2013	\$24,747	\$21,335	\$3,412	15.993%	116.0%
2014	\$32,190	\$29,758	\$2,432	8.173%	108.2%
2015	\$31,614	\$30,105	\$1,509	5.012%	105.0%
Totals	\$176,160	\$167,231	\$8,929	5.339%	105.3%

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

14. Provide the following monthly account balances and a calculation of the average (13-month) account balances for calendar year 2015:

- a. Plant in service (Account No. 101);
- b. Plant purchased or sold (Account No. 102);
- c. Property held for future use (Account No. 105);
- d. Completed construction not classified (Account No. 106);
- e. Construction work in progress (Account No. 107);
- f. Depreciation reserve (Account No. 108);
- g. Materials and supplies (include all accounts and subaccounts);
- h. Computation and development of minimum cash requirements;
- i. Balance in accounts payable applicable to amounts included in utility plant in service (If actual is indeterminable, give reasonable estimate.);
- j. Balance in accounts payable applicable to amounts included in plant under construction (If actual is undeterminable, give reasonable estimate.);
and
- k. Balance in accounts payable applicable to prepayments by major category or subaccount.

Response:

Please see Attachment A.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

15. Provide a reconciliation and detailed explanation of each difference, if any, in Columbia's capitalization and net investment rate base of for the base period.

Response:

Please see Attachment A, which shows a reconciliation of base period rate base at August 31, 2016 to capitalization from Columbia's forecasted balance sheet as of August 31, 2016. The base period rate base is shown in column 1 and adjustments to rate base are shown in column 2 to arrive at the forecasted balance sheet amounts for the accounts included in rate base in column 3, lines 1 through 9.

The amounts in column 2 reflect the difference between rate base and the forecasted balance sheet and are primarily due to Columbia's methodology for calculating rate base. Some examples are as follows: (1) rate base includes a calculation for "slippage" in net plant-in-service which is not reflected in the balance sheet; (2) rate base excludes Construction Work-In-Progress (Account

107) which is included in the balance sheet; (3) rate base includes capital expenditures that are incremental to Columbia's financial forecast and which are not yet reflected in the balance sheet; (4) rate base includes cash working capital which is not a balance sheet item; (5) rate base calculates materials and supplies, prepayments, and storage gas on a 13-month average, whereas the balance sheet reflects the balance in these accounts as of August 31, 2016; and (6) deferred income taxes are calculated based on assumptions used in the development of rate base which are not yet reflected in the balance sheet.

Column 3, lines 10 through 20 provide the remaining balance sheet accounts that are not included in rate base to arrive at total capitalization.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Reconciliation of Rate Base to Capital
For the Base Period Ended August 31, 2016

Line No.	Description	Base Period Rate Base as of 8/31/2016 (\$000) (1)	Rate Making Adjustments (\$000) (2)	Balance Sheet 8/31/2016 (\$000) (3)
1	Gross Plant	410,826	(1,795)	409,031
2	CWIP	-	7,127	7,127
3	Accumulated Depr. & Amort.	(144,892)	(504)	(145,396)
4	Cash Working Capital	4,883	(4,883)	-
5	Materials & Supplies	82	8	90
6	Prepayments	470	109	579
7	Storage Gas	43,283	3,851	47,134
8	Deferred Income Taxes and Credits	(74,885)	(695)	(75,580)
9	Rate Base	239,766	3,219	242,985
10	Assets not in Rate Base			
11	Cash & temporary investments			-
12	Accounts receivable			8,736
13	Deferred gas cost			999
14	Other current assets			3,690
15	Deferred assets			1,036
16	Regulatory assets			12,942
17	Other non-current assets			4,547
18	Liabilities not in Rate Base			
19	Current Liabilities			(35,585)
20	Non-current Liabilities			(15,247)
21	Total Capitalization (Includes Short-term Debt)			224,103

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

16. Provide a rate base, capital structure, and statement of income for Columbia for the most recent 12-month period for which information is available at the time it files its application and for the base period used in the application. Provide detailed explanations necessary to reconcile the data for the 12-month period with the filed base period information.

Response:

Please refer to Attachment A of this response for the statement of income for the twelve months ending April 30, 2016 and August 31, 2016.

Please see Schedule B-1 of Columbia's Application for the calculation of the base period rate base. Detailed rate base calculations are not readily available for test periods other than the periods provided in Columbia's Application.

Please refer to Attachment B of this response for the capital structure as of April 30, 2016.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Income Statement
For the Twelve Months Ended April 30, 2016 and the Base Period

Line No.	Description	TME 4/30/2016 \$	Base 8/31/2016 \$
			[1]
1	Operating Revenues		
2	Gas Service	70,740,121	69,628,812
3	Transportation	20,903,171	21,950,547
4	Other Revenue	11,525,333	10,463,825
5	Total Operating Revenues	<u>103,168,625</u>	<u>102,043,184</u>
6	Operating Expenses		
7	Gas Purchased	35,975,329	30,222,805
8	Operations	31,183,533	34,147,063
9	Maintenance	4,207,958	4,594,699
10	Depreciation & Depletion	8,621,804	8,807,151
11	Taxes - Other Than Income	3,897,221	4,010,989
12	Total Operating Expenses	<u>83,885,845</u>	<u>81,782,708</u>
13	Operating Income (Loss)	19,282,780	20,260,476
14	Other Income (Deductions)		
15	Income From Investment in Subsidiary	14,504	17,000
16	Interest Income and Other, Net	3,232,998	2,311,000
17	Interest Expense	(5,435,831)	(5,315,000)
18	Total Other Income	<u>(2,188,329)</u>	<u>(2,987,000)</u>
19	Income Before Income Taxes	17,094,451	17,273,476
20	Income Taxes	<u>6,714,898</u>	<u>6,038,578</u>
21	Net Income	<u><u>10,379,553</u></u>	<u><u>11,234,898</u></u>

[1] Unbilled revenue is not included in the budgeted months of the Base Period.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Capitalization
As of April 30, 2016

Line No.	Description (1)	Amount (\$) (2)	(\$) (3)
1	Common Stock	23,806,200	C/S Issued 0
2	Additional Paid in Capital	6,518,524	
3	OCI	0	
4	Retained Earnings	84,098,593	
5	Total Equity	114,423,317	
6	Long-term Debt	83,375,000	
7	Current Maturities	4,210,000	
8	Short-term Debt (1)	416,128	
9	Total Debt	88,001,128	
10	Total Capitalization	202,424,445	
11	Total Equity / Total Capital	56.53%	
12	Total Debt / Total Capital	43.47%	

(1) 13 month average

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

17. Provide the information shown in Schedule 17 for each construction project in progress, or planned to be in progress, during the 12 months preceding the base period, the base period, and the forecasted test period.

Response:

See Attachment A to Staff 01-17.

KY PSC Case No. 2016-00162
Staff Set 1 DR No. 017
Attachment A
Respondent: Eric T. Belle

Line No.	Project No.	Description of Project	Construction Amount	AFUDC Capitalized	Indirect Costs Other Costs	Total Cost	Estimated Physical Percent Completed
1	0555.32140265487	Install 11500' Of 4"/6" Pmmp	969,482.94	9,430.43	329,346.06	1,308,259.43	100%
2	0555.32150265701	Install 1600' Of 2"Pmmp Main	44,993.51	357.41	10,856.85	56,207.77	100%
3	0555.32150265743	Install 1633' Of 2" Pmmp	(3,114.02)		5,921.04	2,807.02	100%
4	0555.32150265782	Install 700' - 2" & 4" Pmmp	2,403.20	107.06	510.78	3,021.04	0%
5	0555.32150265786	Install 1500' Of 2" Pmmp	7,704.56	56.45	9,899.16	17,660.17	100%
6	0555.32150265802	Install 100'- 2" Pmip	7,152.86	337.72	1,799.27	9,289.85	90%
7	0555.32150265878	Install 2600' Of 2"/4"Pmmp	149,432.02	1,191.22	36,604.55	187,227.79	100%
8	0555.32150265911	Install 5025' Of 2"Pmmp Main	81,581.67	939.25	17,212.95	99,733.87	100%
9	0555.32150265923	Install 595'-2" Pmmp	36,337.08	149.83	9,187.29	45,674.20	100%
10	0555.32150265998	Install 1125' Of 2"Pmmp Main	17,081.75	56.35	4,104.04	21,242.14	100%
11	0555.32150266002	Install 120' - 4" Pmlp	2,939.52	0.72	631.57	3,571.81	100%
12	0555.32150266003	Install 900' Of 2"Pmmp	2,056.00	5.37	504.73	2,566.10	0%
13	0555.32150266005	Install 250' Of 2"Pmmp	5,446.87	19.41	2,586.96	8,053.24	100%
14	0555.32150266090	Install 100' Of 2" Pmip	34,711.63	29.01	8,485.70	43,226.34	100%
15	0555.32150266120	Install 149' - 2" Pm	10,879.48	23.59	2,312.37	13,215.44	100%
16	0555.32150266124	Install 97' - 2" Pm	1,781.70	7.15	378.69	2,167.54	100%
17	0555.32150266137	Install 750' Of 2"Pmmp	(6,509.61)			(6,509.61)	0%
18	0555.32150266191	Install 125' Of 2" Pmmp	6,780.74	4.13	1,566.23	8,351.10	100%
19	0555.32150266213	Install 128' Of 2" Pmmp	6,795.92	13.66	1,365.98	8,175.56	100%
20	0555.32150266235	Install 3000' Of 4"Pmmp	11,624.30	114.19	4,377.38	16,115.87	0%
21	0555.32150266237	Install 97' Of 2" Pmmp	7,669.88	13.14	1,616.43	9,299.45	100%
22	0555.32150266249	Install 225' Of 4"Pmlp	31,873.17	89.19	7,706.79	39,669.15	100%
23	0555.32160266267	Install 92' Of 2"Pmip	11,474.51	14.68	2,782.58	14,271.77	100%
24	0555.32160266270	Install 1100'-2" Pmmp	20,704.90	84.82	4,971.42	25,761.14	100%
25	0555.32160266274	Install 100' Of 2" Pmmp	5,326.95	17.45	1,280.39	6,624.79	100%
26	0555.32160266306	Install 770' Of 2"Pmmp	27,648.20	60.15	6,836.10	34,544.45	100%
27	0555.32160266315	Install 150'-4"Pmmp	15,666.30	26.03	3,822.58	19,514.91	100%
28	0555.32160266343	Install 120' Of 2" Pmmp	7,182.00	11.32	1,770.26	8,963.58	0%

29	0555.32160266374	Install 300' Of 2"Pmmp	19,961.23	2.00	4,948.47	24,911.70	100%
30	0555.32160266379	Install 485' Of 2"Pmmp	11,015.38	29.28	2,687.75	13,732.41	100%
31	0555.32160266391	Install 300' Of 2"Pmmp	27,876.51	60.99	6,801.87	34,739.37	100%
32	0555.32160266412	Install 40' Of 2" Pmmp	4,166.81	9.00	1,016.70	5,192.51	100%
33	0557.32110263839	Install 6500'-8"&2"Pmmp	9.43	0.44	2.28	12.15	100%
34	0557.32110263905	Install 6592' - 2",3",4" Pmmp	688,976.85	3,242.12	145,285.81	837,504.78	100%
35	0557.32120264009	Install 1900' Of 2"Pmmp	8.72	0.39	2.11	11.22	0%
36	0557.32120264104	Install 3400' Of 12"Wthmp	17,525.15	1,013.24	3,727.47	22,265.86	0%
37	0557.32130264537	Install 4130' Of 2"/4"Pmmp	74.93	3.35	12.67	90.95	100%
38	0557.32130264654	Install 3685' Of 2"/6" Pmmp	145,593.74	713.28	35,728.18	182,035.20	50%
39	0557.32130264713	Install 3"Poly Critical Valve	17,662.12	47.38	4,266.42	21,975.92	100%
40	0557.32130264744	Install 730'-6" & 470'-2" Pmmp	16,327.69	692.52	4,072.96	21,093.17	10%
41	0557.32130264772	Insert 550' Of 2"Pmmp Main	6,913.18	516.17	1,247.58	8,676.93	0%
42	0557.32130264847	Install 2000'-8" Cshp	199.71	8.54	40.88	249.13	0%
43	0557.32130264862	Install 6535' 4" - Pmmp	18.30	0.77	3.75	22.82	0%
44	0557.32140264931	Install 7300' 2" Pmmp	1.85	0.06	0.31	2.22	0%
45	0557.32140265099	Install 2170' Of 2" Pmip	74.27	2.77	(5.50)	71.54	0%
46	0557.32140265219	Install 230'-6" Wthp & 10'-12"	134,119.66	574.93	32,891.36	167,585.95	0%
47	0557.32140265358	Install 4115' Of 2" Pmmp	252,428.88	2,384.21	58,864.96	313,678.05	100%
48	0557.32140265546	Install 3227'-12" Cshp	581,916.00	11,012.44	134,175.02	727,103.46	100%
49	0557.32150265649	Install 1523' - 12" Cshp	166,395.95	854.23	39,555.05	206,805.23	100%
50	0557.32150265675	Install 700' Of 12" Cshp	274,026.94	5,445.43	61,825.50	341,297.87	100%
51	0557.32150265684	Install 350' - 4" Pmip	2,285.65	56.77	503.56	2,845.98	0%
52	0557.32150265809	Install 250'Of 8"/12" Cshp	73,805.06	59.15	9,422.44	83,286.65	15%
53	0557.32150265832	Install 1163'-2" Pmmp	52,206.14	115.37	12,806.58	65,128.09	50%
54	0557.32150265849	Install 15'-6" Pmmp	4,709.43	288.06	1,140.80	6,138.29	0%
55	0557.32150265887	Insert 120' - 3" Pmlp	2,236.38	98.43	559.43	2,894.24	25%
56	0557.32150265926	Install 1210'-4" Pmip	52,124.95	142.43	12,851.82	65,119.20	50%
57	0557.32150265939	Install 2040'-2" Pmmp	3,398.11	83.11	764.69	4,245.91	0%
58	0557.32150266026	Install 40'-4" Pmip	37,284.17	1,898.93	8,054.31	47,237.41	10%
59	0557.32150266038	Install 3035' Of 2"/4"/6"Pmmp	190,836.43	1,249.80	46,512.04	238,598.27	25%
60	0557.32150266076	Install 360'-6"Pmlp	1,768.42	19.72	421.87	2,210.01	0%
61	0557.32150266087	Install 4500' Of 2" Pmmp	93,911.90	519.46	22,075.22	116,506.58	20%
62	0557.32150266098	Install 1310' - 2" Pmmp	2,820.24	11.74	688.14	3,520.12	0%
63	0557.32150266105	Install 2"/4" Ss Fittings	2,327.13	(0.02)	494.62	2,821.73	100%
64	0557.32150266139	Install 100' - 2" Pmmp	34,842.39	59.43	8,599.12	43,500.94	50%
65	0557.32150266141	Install 60' - 12" Cs-Hp	234,808.05	964.61	56,919.46	292,692.12	100%
66	0557.32150266149	Install 660'-2"/4" Pmmp	4,759.83	134.66	963.63	5,858.12	0%

67	0557.32150266157	Install 7200' - 2" & 4" Pmmp	17,101.31	70.68	4,078.21	21,250.20	20%
68	0557.32150266174	Install 600' - 4" Pm	2,342.37	9.75	571.54	2,923.66	10%
69	0557.32150266180	Install 1200' Of 4"/8" Pmmp	121,907.22	1,090.87	29,827.82	152,825.91	0%
70	0557.32150266182	Install 3640' Of 6" Pmmp	280,171.01	286.92	69,386.01	349,843.94	10%
71	0557.32150266186	Install 660'-4" Pmlp	28,034.33	82.59	6,801.74	34,918.66	100%
72	0557.32150266207	Install 1585' - 2" Pmmp	2,277.84	46.86	555.79	2,880.49	0%
73	0557.32150266241	Install 92' 4" Pmmp	17,768.66	35.96	3,777.83	21,582.45	100%
74	0557.32160266271	Install 2"Ss Fitting	1,227.08	4.93	246.64	1,478.65	100%
75	0557.32160266285	Install 50' Of 4"Pmlp	43,342.07	160.43	10,611.68	54,114.18	100%
76	0557.32160266287	Install 24'-4" Pm&Cs	61,375.59	101.92	14,975.64	76,453.15	100%
77	0557.32160266299	Install 140'-4"&6" Pmmp	58,488.77	161.31	14,271.26	72,921.34	100%
78	0557.32160266324	Install 10'-4" Pmlp	564.74	11.75	137.80	714.29	0%
79	0557.32160266359	Install 50' Of 4"Pmlp Main	12,910.59	166.64	3,153.70	16,230.93	100%
80	0559.32120264229	Install 625'-2"Wthp&4"Pmlp	69,323.74	2,093.68	17,097.52	88,514.94	0%
81	0559.32140265259	Install 3700' 2" Pmmp	50.00	0.63	12.20	62.83	0%
82	0559.32140265285	Install 100' Of 4" Cshp	5,840.08	275.71	1,398.95	7,514.74	0%
83	0559.32140265406	Install 100' Of 4" Cshp	5,026.65	212.51	463.30	5,702.46	0%
84	0559.32140265426	Install 220'-2" Pmmp	5,486.70	458.70	1,284.74	7,230.14	0%
85	0559.32150265606	Install 550' - 4" Pm	53,612.06	132.07	11,396.79	65,140.92	100%
86	0559.32150265609	Install 200' Of 2" Pmip	43,217.19	1,022.80	10,275.94	54,515.93	100%
87	0559.32150265784	Install 100' Of 12" Cshp	120,375.86	2,056.90	28,448.05	150,880.81	10%
88	0559.32150265937	Install 5' - 6" Pmlp	302.38	0.56	67.80	370.74	100%
89	0559.32150266037	Install 15' Of 2" Pmmp	371.89	16.59	79.04	467.52	0%
90	0559.32150266047	Install 182' - 2" Pm	26,250.95	4.67	6,355.18	32,610.80	100%
91	0559.32150266048	Install 192' - 2" Pm	23,042.66	61.17	4,970.32	28,074.15	100%
92	0559.32150266078	Install 250' - 2" Pm	18,092.46	82.90	4,394.08	22,569.44	100%
93	0559.32150266082	Install 392' Of 6" Pmmp	202,417.01	1,928.35	43,968.54	248,313.90	100%
94	0559.32150266096	T-4 Tap For Matriks Wells	26,886.28	293.64	5,720.84	32,900.76	100%
95	0559.32150266144	Install 50' Of 6" Pmmp Bypass	14,739.52	269.19	3,267.79	18,276.50	0%
96	0559.32150266169	Install 292' - 2" Pm	42,478.58	97.04	10,237.44	52,813.06	100%
97	0559.32150266228	Install 15' Of 2"Pmmp W/2"Sst	10,922.13	28.43	2,236.14	13,186.70	100%
98	0559.32160266327	Install 2500' Of 8" Phhp	2,385.25	29.79	582.00	2,997.04	0%
99	0559.32160266354	Install 250' Of 2" Pmmp	9,635.48	11.93	2,385.78	12,033.19	0%
100	0559.32160266382	Install 75' - 4" Pmlp	1,194.91	0.94	295.45	1,491.30	5%
101	0561.32130264505	Install 770'- 6" Cshp	448,987.38	17,608.70	102,271.27	568,867.35	0%
102	0561.32140265226	Install 59' 6" Pmmp & 64' 4"P	14,724.55	75.29	1,986.44	16,786.28	0%
103	0561.32140265252	Pce-Install 625'-2" Pmmp	1,049.33	48.98	220.88	1,319.19	0%
104	0561.32140265307	Install 35'-6" Cshp	5,035.69	125.42	1,242.28	6,403.39	0%

105	0561.32140265313	Install 20'-3" Pmlp	501.54	26.97	126.16	654.67	0%
106	0561.32140265500	Install 2140' Of 2" & 4" Mp	67,396.22	57.72	16,687.70	84,141.64	50%
107	0561.32140265502	Install 400' Of 4" Pmmp	28,331.73	106.43	6,730.88	35,169.04	100%
108	0561.32150265827	Install 2795' - 4" & 2" Pmmp	642.80	13.25	156.84	812.89	0%
109	0561.32150265829	Install 5700'-4" & 2" Pmmp	300,557.16	1,005.60	75,404.33	376,967.09	50%
110	0561.32150265889	Install 1150' Of 4" Pmmp	157,071.12	2,347.79	34,724.93	194,143.84	100%
111	0561.32150265950	Install 260'-4"-Cshp	9,293.13	19.09	2,298.12	11,610.34	0%
112	0561.32150265986	Install 740' - 2"/4" Pmip	4,612.52	199.72	961.15	5,773.39	0%
113	0561.32150265992	Install 400' Of 4"Pmmp	6,208.67	44.48	7,578.35	13,831.50	100%
114	0561.32150266131	Install 30' - 4" Pmmp	(8,102.38)		1,740.29	(6,362.09)	100%
115	0561.32150266172	Install 1628'-2"&4" Pmmp	74,944.89	206.07	18,484.12	93,635.08	50%
116	0561.32150266232	Install 550'-4" Pmmp	53,388.11	484.47	13,076.81	66,949.39	50%
117	0561.32160266265	Install 217' Of 2"Pmmp	(2,273.92)	7.73	638.07	(1,628.12)	50%
118	0561.32160266289	Install 30' Of 4"Pmlp Main	(1,483.71)	49.57	2,905.62	1,471.48	100%
119	0561.32160266329	Install 425' Of 2" Pmmp	6,961.09	5.64	1,720.93	8,687.66	100%
120	0561.32160266347	Install 105' Of 2" Pmmp	25,424.83	2.01	6,303.42	31,730.26	0%
121	0561.32160266389	Insert 100' Of 2"Pmlp	13,404.62	33.27	3,270.72	16,708.61	100%
122	0561.32160266406	Install 5522 Of 4"Pmmp	(6,558.70)	12.36	9,273.56	2,727.22	100%
123	0563.32140265449	Install 125' Of 6"Wthp S/L	63,531.42	3,127.17	12,344.81	79,003.40	100%
124	0563.32150266108	Install 4" Plastic Sl	412.30	11.59	82.87	506.76	100%
125	0563.32150266143	Install 4" Pmmp Svc Line	34,892.69	78.40	7,417.39	42,388.48	100%
126	0563.32150266264	Install 20' - 4" Pm S/L	5,219.42	108.63	1,273.54	6,601.59	100%
127	0565.32160266350	Install 40' Of 8"Csmpl S/L	257.74	2.25	62.89	322.88	100%
128	0573.32090263119	Install Catalytic Heater	(41,880.99)	9,625.49	(8,382.97)	(40,638.47)	0%
129	0573.32150265946	Install Dual Run Regulator	26,230.48	805.10	5,202.84	32,238.42	0%
130	0573.32150266167	Install Catalytic Heater	3,322.25	7.59	669.50	3,999.34	100%
131	0573.32160266339	Install Spitfire Reliter	4,294.69	53.62	1,047.90	5,396.21	0%
132	0573.32160266340	Install Spitfire Reliter	4,244.69	53.00	1,035.70	5,333.39	0%
133	0575.32150266112	R-1860 Land Aquisition	48,867.00	749.78		49,616.78	0%
134	0577.32140265037	Install Controls Building	38,288.90	2,980.69	7,158.02	48,427.61	100%
135	0577.32150265714	Install New Reg Structure	22,556.83	1,030.09	5,121.15	28,708.07	0%
136	0577.32150266130	Install New Chain Link Fence	4,183.60	2.34	1,009.36	5,195.30	100%
137	0577.32160266319	Install Chain Link Fence	(12,952.00)			(12,952.00)	0%
138	0583.32110263939	Replace Recording Guage	1,518.34	71.67	367.46	1,957.47	0%
139	0583.32130264457	Install Cwt Heater	147,584.32	19,242.87	12,295.85	179,123.04	100%
140	0583.32130264784	Install 2 New Fisher 627 Regs	2,965.32	215.07	583.21	3,763.60	0%
141	0583.32140264933	Replace Control Regulator	67.45	3.03	11.40	81.88	0%
142	0583.32140265242	Install New Topworks	4,353.32	296.60	792.34	5,442.26	0%

143	0583.32150266059	Install Heater	2,306.06	9.27	490.14	2,805.47	100%
144	0583.32150266061	Install Recording Gauge	1,654.54	60.43	351.66	2,066.63	0%
145	0583.32150266064	Install Heater	2,128.39	94.83	452.38	2,675.60	0%
146	0583.32150266068	Install Heater	5,016.30	111.65	1,181.49	6,309.44	0%
147	0583.32150266109	Install Regs & Heater	6,088.63	119.22	1,485.63	7,693.48	0%
148	0583.32150266209	Install Fh Pressure Controller	4,105.25	85.31	1,001.69	5,192.25	0%
149	0583.32150266225	Install Catalytic Heater	1,299.28	36.54	261.16	1,596.98	0%
150	0583.32160266414	Install New Reg Setting Valves	19,377.81	66.37	4,149.82	23,594.00	50%
151	0585.32140265108	Install 16x16x8 Parkline Bldg	61,698.51	180.21	13,144.28	75,023.00	100%
152	0587.32140265582	Replace Gmb Setting	29,455.86	519.27	6,717.21	36,692.34	100%
153	0587.32150265693	Install Wireless Efc	5,760.54		1,411.87	7,172.41	100%
154	0587.32150265738	Install New Meter Only Gmb	11,283.92	77.38	714.45	12,075.75	100%
155	0587.32150265976	Install Efc	7,882.58	82.67	1,498.44	9,463.69	100%
156	0587.32150266050	Install New Gmb Setting	77,028.63	2,000.30	16,359.83	95,388.76	100%
157	0587.32150266164	Install Mi Mini-At Efc W/Modem	2,125.97	77.62	451.86	2,655.45	0%
158	0587.32150266247	Install Mi Mini-At Efc W/Modem	10,200.55	25.87	2,438.22	12,664.64	100%
159	0587.32160266308	Install Mi-Wireless	119.00	0.08		119.08	100%
160	0587.32160266317	Install Mi Wireless	6,349.42	1.19	1,529.87	7,880.48	100%
161	0587.32160266321	Install 2" Bypass Valve	360.75	3.49	81.68	445.92	0%
162	0587.32160266387	Install Mi Wireless/Efc	12,703.60	13.99	3,123.61	15,841.20	100%
163	0595.32140265400	Install New Rectifier / Gb	9,228.40	404.65	1,679.64	11,312.69	0%
164	0595.32150266017	Nstall Groundbed	15,680.98	278.50	3,493.77	19,453.25	100%
165	0595.32150266101	Install Pif - Wurtland Ave	25,027.53	45.41	5,292.85	30,365.79	100%
166	0595.32150266166	Install 4"Pif (6'-4"Pmlp)	11,445.20	53.01	2,400.62	13,898.83	100%
167	0595.32150266188	Install Rectifier & Deep Well	56,071.51	469.43	12,852.43	69,393.37	100%
168	0595.32150266189	Install 4" Pif	15,164.16	45.81	3,076.35	18,286.32	100%
169	0595.32160266395	Instal New Rectifier & Gb	8,029.98	38.77	1,970.91	10,039.66	0%
170	7303.32130264377	Install 900' Of 8"Pmlp	8,765.93	655.31	1,617.29	11,038.53	0%
171	7403.32130264774	Install 10644'-2"&4" Pmip	1,025,550.63	25,186.23	241,148.94	1,291,885.80	100%
172	7505.32150265735	Pm Scada Work At Athens Pod	35,680.06	33.96		35,714.02	100%
173	7507.32150265899	Pm Huntington Alloy Land	46,134.33	2,298.75		48,433.08	0%
174	7511.32150266239	Install 6800' Of 12" Cshp	416,493.01	1,816.16	101,961.36	520,270.53	100%
175	7515.32150265912	Install 5200' Of 4"Pmmp	1,477,893.89	49,715.03	333,103.64	1,860,712.56	0%
176	7517.32150265989	Replace Main - Leakage	936,608.56	4,975.47	235,397.88	1,176,981.91	100%
177	7519.32160266311	Install 770'-6" Cshp	25,196.06	57.12	6,147.84	31,401.02	100%
178	7519.32160266313	Install 3300'-2",4",6" Pmmp	455,666.03	1,513.86	111,137.01	568,316.90	100%
179	7603.32150266251	Install 7156'-2"&4"Pmip	64,465.15	296.34	15,729.50	80,490.99	25%

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

18. Provide, in the format provided in Schedule 18, an analysis of Columbia's Construction Work in Progress ("CWIP") as defined in the Uniform System of Accounts for each of the projects identified in Schedule 17.

Response:

See Attachment A to Staff 01-18.

PSC Case No. 2016-00162
Staff Set 1 DR No. 018
Attachment A
Respondent: Eric T. Belle

Line No	Project No.	Date Construction Began	Estimated Project Completion Date	Percent of Elapsed Time	Original Budget Estimate	Most Recent Budget Estimate	Total Project Expenditures to Date	Percent of Total Expenditures
1	0555.32140265487	3/10/2016	4/22/2016		\$987,245.95	\$987,245.95	\$1,585,332.67	161%
2	0555.32150265701	1/27/2016	3/1/2016		\$41,816.93	\$41,816.93	\$56,207.77	134%
3	0555.32150265743	12/15/2015	1/7/2016		\$41,595.16	\$41,595.16	\$35,043.34	84%
4	0555.32150265782		8/1/2016		\$29,423.00	\$29,423.00	\$3,021.00	10%
5	0555.32150265786	3/17/2016	4/4/2016		\$61,244.23	\$61,244.23	\$51,114.71	83%
6	0555.32150265802	7/27/2015	6/1/2016		\$10,178.00	\$10,178.00	\$9,290.00	91%
7	0555.32150265878	3/17/2016	3/30/2016		\$149,112.25	\$149,112.25	\$141,757.99	95%
8	0555.32150265911	12/3/2015	2/5/2016		\$93,216.79	\$93,216.79	\$99,733.87	107%
9	0555.32150265923	10/1/2015	11/18/2015		\$43,170.15	\$43,170.15	\$51,597.66	120%
10	0555.32150265998	3/14/2016	3/16/2016		\$21,575.97	\$21,575.97	\$21,242.14	98%
11	0555.32150266002	9/28/2015	9/29/2015		\$5,499.70	\$5,499.70	\$3,571.81	65%
12	0555.32150266003		7/15/2016		\$38,309.00	\$38,309.00	\$1,608.00	4%
13	0555.32150266005	2/11/2016	2/26/2016		\$9,443.13	\$9,443.13	\$13,383.16	142%
14	0555.32150266090	3/22/2016	3/30/2016		\$21,145.05	\$21,145.05	\$38,678.47	183%
15	0555.32150266120	12/10/2015	12/15/2015		\$7,063.45	\$7,063.45	\$13,215.44	187%
16	0555.32150266124	10/16/2015	10/16/2015		\$3,620.33	\$3,620.33	\$2,167.54	60%
17	0555.32150266137		8/15/2016		\$20,886.00	\$20,886.00	\$0.00	0%
18	0555.32150266191	1/12/2016	1/13/2016		\$21,872.30	\$21,872.30	\$8,351.10	38%
19	0555.32150266213	1/4/2016	1/6/2016		\$10,601.58	\$10,601.58	\$8,175.56	77%
20	0555.32150266235		9/1/2016		\$115,368.00	\$115,368.00	\$16,729.00	15%
21	0555.32150266237	12/17/2015	12/22/2015		\$16,326.16	\$16,326.16	\$9,299.45	57%
22	0555.32150266249	2/26/2016	3/16/2016		\$55,397.12	\$55,397.12	\$39,669.15	72%
23	0555.32160266267	2/25/2016	2/26/2016		\$13,243.61	\$13,243.61	\$14,271.77	108%
24	0555.32160266270	4/8/2016	4/14/2016		\$51,250.67	\$51,250.67	\$25,004.48	49%
25	0555.32160266274	3/14/2016	3/14/2016		\$29,645.33	\$29,645.33	\$6,624.79	22%
26	0555.32160266306	5/17/2016	5/24/2016		\$56,907.18	\$56,907.18	\$6,485.45	11%
27	0555.32160266315	2/15/2016	2/22/2016		\$9,921.91	\$9,921.91	\$19,514.91	197%
28	0555.32160266343		8/1/2016		\$19,838.00	\$19,838.00	\$3,395.00	17%
29	0555.32160266374	5/12/2016	5/23/2016		\$41,438.42	\$41,438.42	\$599.12	1%
30	0555.32160266379	4/14/2016	4/19/2016		\$23,557.33	\$23,557.33	\$13,732.41	58%
31	0555.32160266391	4/4/2016	4/6/2016		\$19,642.33	\$19,642.33	\$34,739.37	177%
32	0555.32160266412	4/14/2016	4/15/2016		\$11,363.77	\$11,363.77	\$5,192.51	46%
33	0557.32110263905		6/30/2016		\$475,846.00	\$475,846.00	\$827,355.00	174%
34	0557.32120264009		10/1/2018		\$147,437.00	\$147,437.00	\$11.00	0%
35	0557.32120264104		12/31/2018		\$476,366.00	\$476,366.00	\$22,267.00	5%
36	0557.32130264537	10/13/2014	12/31/2017		\$513,947.00	\$513,947.00	\$91.00	0%
37	0557.32130264654		12/31/2016		\$243,877.00	\$243,877.00	\$562.00	0%
38	0557.32130264713	1/9/2014	1/17/2014		\$10,515.00	\$10,515.00	\$21,976.00	209%
39	0557.32130264744	5/27/2016	8/15/2016		\$269,774.00	\$269,774.00	\$14,314.00	5%
40	0557.32130264772		12/31/2017		\$8,046.00	\$8,046.00	\$8,677.00	108%
41	0557.32130264847		12/31/2017		\$371,764.00	\$371,764.00	\$249.00	0%
42	0557.32130264862		12/31/2017		\$456,367.00	\$456,367.00	\$23.00	0%
43	0557.32140264931		12/31/2017		\$557,924.00	\$557,924.00	\$2.00	0%
44	0557.32140265219	3/14/2016	4/20/2016		\$162,626.42	\$162,626.42	\$138,143.95	85%
45	0557.32140265358	11/6/2015	11/8/2015		\$240,107.15	\$240,107.15	\$313,094.22	130%
46	0557.32140265546	8/25/2015	12/9/2015		\$595,585.24	\$595,585.24	\$727,103.46	122%

PSC Case No. 2016-00162
Staff Set 1 DR No. 018
Attachment A
Respondent: Eric T. Belle

Line No	Project No.	Date Construction Began	Estimated Project Completion Date	Percent of Elapsed Time	Original Budget Estimate	Most Recent Budget Estimate	Total Project Expenditures to Date	Percent of Total Expenditures
47	0557.32150265649	3/10/2016	3/15/2016		\$314,077.85	\$314,077.85	\$192,785.32	61%
48	0557.32150265675	5/29/2015	12/10/2015		\$419,704.43	\$419,704.43	\$341,297.87	81%
49	0557.32150265684		9/30/2017		\$81,479.00	\$81,479.00	\$2,846.00	3%
50	0557.32150265809	8/24/2016	1/28/2017		\$193,870.00	\$193,870.00	\$30,304.00	16%
51	0557.32150265832	4/29/2016	12/31/2016		\$184,406.00	\$184,406.00	\$23,890.00	13%
52	0557.32150265849	8/27/2015	12/31/2017		\$31,539.00	\$31,539.00	\$6,138.00	19%
53	0557.32150265887	5/17/2016	5/26/2016		\$18,619.70	\$18,619.70	\$1,858.62	10%
54	0557.32150265926	4/12/2016	9/15/2016		\$154,545.00	\$154,545.00	\$27,947.00	18%
55	0557.32150265939		12/31/2016		\$276,063.00	\$276,063.00	\$4,246.00	2%
56	0557.32150266026	9/3/2015	1/31/2016		\$8,128.00	\$8,128.00	\$47,237.00	581%
57	0557.32150266038	2/18/2016	12/31/2016		\$665,925.00	\$665,925.00	\$121,282.00	18%
58	0557.32150266076		12/31/2016		\$122,602.00	\$122,602.00	\$2,210.00	2%
59	0557.32150266087	3/22/2016	12/31/2016		\$622,666.00	\$622,666.00	\$96,333.00	15%
60	0557.32150266098		12/29/2016		\$181,172.00	\$181,172.00	\$3,520.00	2%
61	0557.32150266105		3/10/2015		\$4,141.80	\$4,141.80	\$2,821.73	68%
62	0557.32150266139	4/19/2016	12/31/2016		\$40,270.00	\$40,270.00	\$22,016.00	55%
63	0557.32150266141	4/11/2016	4/25/2016		\$191,112.40	\$191,112.40	\$202,573.51	106%
64	0557.32150266149		12/31/2017		\$167,573.00	\$167,573.00	\$5,858.00	3%
65	0557.32150266157	5/31/2016	12/31/2016		\$696,094.00	\$696,094.00	\$19,160.00	3%
66	0557.32150266174	4/18/2016	12/31/2016		\$45,262.00	\$45,262.00	\$2,924.00	6%
67	0557.32150266180	5/17/2016	7/31/2016		\$523,529.00	\$523,529.00	\$116,026.00	22%
68	0557.32150266182	4/11/2016	12/31/2016		\$238,033.00	\$238,033.00	\$30,268.00	13%
69	0557.32150266186	2/29/2016	3/17/2016		\$127,906.86	\$127,906.86	\$34,918.66	27%
70	0557.32150266207		11/30/2017		\$213,124.00	\$213,124.00	\$2,880.00	1%
71	0557.32150266241	12/12/2015	12/16/2015		\$30,496.11	\$30,496.11	\$21,582.45	71%
72	0557.32160266271	1/4/2016	1/13/2016		\$3,072.36	\$3,072.36	\$1,478.65	48%
73	0557.32160266285	3/21/2016	4/5/2016		\$28,864.59	\$28,864.59	\$40,844.15	142%
74	0557.32160266287	3/7/2016	3/17/2016		\$61,397.22	\$61,397.22	\$76,453.15	125%
75	0557.32160266299	2/15/2016	3/22/2016		\$85,795.96	\$85,795.96	\$72,921.34	85%
76	0557.32160266359	4/22/2016	4/22/2016		\$24,740.93	\$24,740.93	\$15,133.55	61%
77	0559.32120264229	2/5/2014	8/1/2014		\$55,001.00	\$55,001.00	\$22,612.00	41%
78	0559.32140265259		12/31/2018		\$82.00	\$82.00	\$63.00	77%
79	559.3214027		12/31/2017		\$47,010.00	\$47,010.00	\$7,515.00	16%
80	0559.32140265406		12/31/2016		\$53,153.00	\$53,153.00	\$5,702.00	11%
81	0559.32140265426	6/1/2016	9/30/2016		\$37,491.00	\$37,491.00	\$7,230.00	19%
82	0559.32150265606	10/7/2015	10/29/2015		\$68,201.96	\$68,201.96	\$65,140.92	96%
83	0559.32150265609	4/4/2016	4/18/2016		\$60,650.62	\$60,650.62	\$50,133.87	83%
84	0559.32150265784	5/11/2016	9/1/2016		\$135,288.00	\$135,288.00	\$65,633.00	49%
85	0559.32150265937		9/21/2015		\$13,296.10	\$13,296.10	\$370.74	3%
86	0559.32150266037		12/31/2018		\$15,851.00	\$15,851.00	\$468.00	3%
87	0559.32150266047	2/2/2016	1/23/2016		\$28,604.29	\$28,604.29	\$32,609.94	114%
88	0559.32150266048	1/7/2016	1/14/2016		\$28,596.29	\$28,596.29	\$27,309.51	96%
89	0559.32150266078	3/4/2016	3/21/2016		\$21,457.54	\$21,457.54	\$22,569.44	105%
90	0559.32150266082	11/19/2015	2/1/2016		\$249,063.31	\$249,063.31	\$248,313.90	100%
91	0559.32150266096	10/14/2015	10/15/2015		\$18,699.39	\$18,699.39	\$32,900.76	176%
92	0559.32150266144	12/29/2015	1/30/2016		\$14,831.00	\$14,831.00	\$11,459.00	77%

PSC Case No. 2016-00162
Staff Set 1 DR No. 018
Attachment A
Respondent: Eric T. Belle

Line No	Project No.	Date Construction Began	Estimated Project Completion Date	Percent of Elapsed Time	Original Budget Estimate	Most Recent Budget Estimate	Total Project Expenditures to Date	Percent of Total Expenditures
93	0559.32150266169	2/9/2016	2/26/2016		\$50,631.27	\$50,631.27	\$52,813.06	104%
94	0559.32150266228	1/11/2016	1/13/2016		\$23,166.88	\$23,166.88	\$1,793.71	8%
95	0559.32160266327		12/31/2017		\$124.00	\$124.00	\$2,997.00	2417%
96	0559.32160266354	5/9/2016	5/30/2016		\$21,570.00	\$21,570.00	\$1,201.00	6%
97	0559.32160266382		8/30/2016		\$36,370.00	\$36,370.00	\$1,228.00	3%
98	0561.32140265226	12/2/2014	12/2/2014		\$55,095.17	\$55,095.17	\$16,786.28	30%
99	0561.32140265252		12/31/2017		\$21,145.00	\$21,145.00	\$1,319.00	6%
100	0561.32140265307		12/31/2016		\$16,897.00	\$16,897.00	\$6,403.00	38%
101	0561.32140265313		12/31/2016		\$16,677.00	\$16,677.00	\$655.00	4%
102	0561.32140265500	4/4/2016	5/31/2016		\$375,888.00	\$375,888.00	\$16,997.00	5%
103	0561.32140265502	12/9/2015	2/5/2016		\$122,276.01	\$122,276.01	\$35,169.04	29%
104	0561.32150265827		7/15/2016		\$233,068.00	\$233,068.00	\$813.00	0%
105	0561.32150265829		8/31/2016		\$724,237.00	\$724,237.00	\$205,453.00	28%
106	0561.32150265889	1/7/2016	3/17/2016		\$187,499.39	\$187,499.39	\$187,556.71	100%
107	0561.32150265950		12/31/2017		\$99,989.00	\$99,989.00	\$1,852.00	2%
108	0561.32150265986	10/27/2015	12/31/2017		\$43,950.00	\$43,950.00	\$5,773.00	13%
109	0561.32150265992	2/15/2016	3/26/2016		\$48,946.01	\$48,946.01	\$38,831.50	79%
110	0561.32150266131	4/8/2016	4/11/2016		\$15,032.87	\$15,032.87	\$9,007.91	60%
111	0561.32150266172	4/18/2016	6/30/2016		\$214,498.00	\$214,498.00	\$31,995.00	15%
112	0561.32150266232	2/29/2016	4/30/2016		\$59,234.00	\$59,234.00	\$48,739.00	82%
113	0561.32160266265	1/5/2016	1/12/2016		\$5,562.76	\$5,562.76	\$3,599.88	65%
114	0561.32160266289	2/3/2016	2/11/2016		\$13,287.61	\$13,287.61	\$14,863.48	112%
115	0561.32160266329		6/30/2016		\$52,546.00	\$52,546.00	\$1,690.00	3%
116	0561.32160266347	5/10/2016	5/25/2016		\$14,375.82	\$14,375.82	\$604.09	4%
117	0561.32160266389	4/5/2016	4/6/2016		\$20,136.33	\$20,136.33	\$16,708.61	83%
118	0561.32160266406	4/27/2016	5/16/2016		\$44,238.76	\$44,238.76	\$3,706.90	8%
119	0563.32140265449		4/7/2016		\$87,019.42	\$87,019.42	\$79,003.40	91%
120	0563.32150266108	1/6/2016	4/22/2016		\$330.00	\$330.00	\$507.00	154%
121	0563.32150266143		12/5/2015		\$24,296.40	\$24,296.40	\$42,415.94	175%
122	0563.32150266264		12/25/2016		\$14,741.00	\$14,741.00	\$6,602.00	45%
123	0565.32160266350		9/1/2016		\$33,829.00	\$33,829.00	\$323.00	1%
124	0573.32090263119		9/30/2016		\$20,583.00	\$20,583.00	\$53,104.00	258%
125	0573.32150265946		6/30/2016		\$110,701.00	\$110,701.00	\$32,238.00	29%
126	0573.32150266167	1/4/2016	1/4/2016		\$5,466.45	\$5,466.45	\$3,999.34	73%
127	0573.32160266339		10/31/2016		\$9,543.00	\$9,543.00	\$5,396.00	57%
128	0573.32160266340		10/31/2016		\$9,579.00	\$9,579.00	\$5,333.00	56%
129	0575.32150266112		12/31/2015		\$58,470.00	\$58,470.00	\$49,617.00	85%
130	0577.32140265037		9/15/2015		\$61,171.72	\$61,171.72	\$48,427.61	79%
131	0577.32150265714		10/31/2015		\$64,364.00	\$64,364.00	\$28,708.00	45%
132	0577.32150266130	11/23/2015	12/24/2015		\$6,221.00	\$6,221.00	\$5,195.30	84%
133	0577.32160266319		6/30/2017		\$15,949.00	\$15,949.00	-\$12,952.00	-81%
134	0583.32110263939		12/31/2015		\$4,690.00	\$4,690.00	\$1,957.00	42%
135	0583.32130264457	3/4/2014	11/12/2015		\$247,364.17	\$247,364.17	\$177,009.39	72%
136	0583.32130264784		12/31/2016		\$13,102.00	\$13,102.00	\$3,764.00	29%
137	0583.32140264933		12/31/2015		\$10,844.00	\$10,844.00	\$82.00	1%
138	0583.32140265242		4/30/2016		\$10,228.00	\$10,228.00	\$5,442.00	53%

PSC Case No. 2016-00162
Staff Set 1 DR No. 018
Attachment A
Respondent: Eric T. Belle

Line No	Project No.	Date Construction Began	Estimated Project Completion Date	Percent of Elapsed Time	Original Budget Estimate	Most Recent Budget Estimate	Total Project Expenditures to Date	Percent of Total Expenditures
139	0583.32150266059	11/13/2015	11/13/2015		\$5,018.03	\$5,018.03	\$2,805.47	56%
140	0583.32150266061		12/31/2015		\$5,960.00	\$5,960.00	\$2,067.00	35%
141	0583.32150266064		12/31/2015		\$5,641.00	\$5,641.00	\$2,676.00	47%
142	0583.32150266068		12/31/2015		\$4,670.00	\$4,670.00	\$6,309.00	135%
143	0583.32150266109		12/31/2015		\$5,014.00	\$5,014.00	\$7,693.00	153%
144	0583.32150266209		3/31/2016		\$4,531.00	\$4,531.00	\$5,192.00	115%
145	0583.32150266225		12/31/2015		\$4,605.00	\$4,605.00	\$1,597.00	35%
146	0583.32160266414	4/6/2016	4/30/2016		\$16,687.00	\$16,687.00	\$22,530.00	135%
147	0585.32140265108	12/10/2015	12/23/2015		\$88,652.76	\$88,652.76	\$75,023.00	85%
148	0587.32140265582	2/16/2016	3/4/2016		\$28,475.39	\$28,475.39	\$36,692.34	129%
149	0587.32150265693		3/30/2016		\$10,858.09	\$10,858.09	\$5,209.49	48%
150	0587.32150265738	10/6/2015	11/25/2015		\$10,430.54	\$10,430.54	\$12,075.75	116%
151	0587.32150265976	10/2/2015	5/5/2016		\$3,979.37	\$3,979.37	\$2,507.19	63%
152	0587.32150266050	1/15/2016	5/16/2016		\$56,153.69	\$56,153.69	\$83,259.00	148%
153	0587.32150266164		12/31/2015		\$4,562.00	\$4,562.00	\$2,655.00	58%
154	0587.32150266247		1/12/2016		\$3,473.30	\$3,473.30	\$7,621.87	219%
155	0587.32160266308		3/10/2016		\$21,366.20	\$21,366.20	\$119.08	1%
156	0587.32160266317	3/9/2016	3/9/2016		\$21,366.20	\$21,366.20	\$2,730.52	13%
157	0587.32160266321		12/31/2016		\$2,141.00	\$2,141.00	\$351.00	16%
158	0587.32160266387	3/28/2016	4/21/2016		\$11,497.17	\$11,497.17	\$8,372.61	73%
159	0595.32140265400		12/31/2016		\$72,280.00	\$72,280.00	\$11,313.00	16%
160	0595.32150266017	11/3/2015	1/14/2016		\$9,757.06	\$9,757.06	\$19,453.25	199%
161	0595.32150266101	12/21/2015	12/29/2015		\$23,063.44	\$23,063.44	\$30,365.79	132%
162	0595.32150266166	12/28/2015	12/30/2015		\$22,267.83	\$22,267.83	\$13,898.83	62%
163	0595.32150266188	12/14/2015	2/26/2016		\$67,884.57	\$67,884.57	\$69,393.37	102%
164	0595.32150266189	1/4/2016	1/6/2016		\$24,735.09	\$24,735.09	\$18,286.32	74%
165	0595.32160266395		6/30/2017		\$41,863.00	\$41,863.00	\$6,422.00	15%
166	7303.32130264377		12/31/2016		\$80,296.00	\$80,296.00	\$10,950.00	14%
167	7403.32130264774	8/11/2015	6/20/2016		\$969,382.00	\$969,382.00	\$1,119,592.00	115%
168	7505.32150265735		12/31/2016		\$84,386.00	\$84,386.00	\$31,277.00	37%
169	7507.32150265899		12/31/2017		\$50,000.00	\$50,000.00	\$48,433.00	97%
170	7511.32150266239	3/2/2016	5/10/2016		\$1,922,533.70	\$1,922,533.70	\$454,589.88	24%
171	7515.32150265912	2/15/2016	6/1/2016		\$1,731,008.00	\$1,731,008.00	\$1,652,021.00	95%
172	7517.32150265989	9/16/2015	9/29/2015		\$1,407,290.55	\$1,407,290.55	\$1,176,981.91	84%
173	7519.32160266311		2/5/2016		\$603,927.83	\$603,927.83	\$31,401.02	5%
174	7519.32160266313	2/18/2016	3/30/2016		\$481,639.36	\$481,639.36	\$582,514.77	121%
175	7603.32150266251	4/13/2016	12/31/2016		\$948,641.00	\$948,641.00	\$80,491.00	8%

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

19. Provide a calculation of the rate or rates used to capitalize interest during construction for the three most recent calendar years. Explain each component entering into the calculation of the rate(s).

Response:

Year	AFUDC Borrowed	AFUDC Equity	Total AFUDC
2013	2.33%	5.35%	7.68%
2014	2.53%	5.25%	7.78%
2015	2.72 %	5.31%	8.03%

AFUDC rates were calculated using the following FERC-prescribed formula:

$$A_i = s \left(\frac{S}{W} \right) + d \left(\frac{D}{D+P+C} \right) \left(1 - \frac{S}{W} \right)$$

$$A_e = \left[1 - \frac{S}{W} \right] \left[p \left(\frac{P}{D+P+C} \right) + c \left(\frac{C}{D+P+C} \right) \right]$$

A_i =Gross allowance for borrowed funds used during construction rate.

A_e =Allowance for other funds used during construction rate.

S =Average short-term debt.

s =Short-term debt interest rate.

D =Long-term debt.

d =Long-term debt interest rate.

P =Preferred stock.

p =Preferred stock cost rate.

C = Common equity.

c = Common equity cost rate.

W = Average balance in construction work in progress less asset retirement costs

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

20. Provide, in the format provided in Schedule 20. an analysis of the gross additions, retirements, and transfers for each major functional gas plant property group or account for Columbia occurring in the base period and forecasted test period. For any account in which transfers regularly occur in the normal course of business, include a general description of the nature of the transfers.

Response:

Please see Schedule B-2.3 of Columbia's Rate Application. Account transfers do not regularly occur in the normal course of business for Columbia.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

21. Provide the following information for each item of property or plant held for future use at the beginning of the base period:

- a. Description of property;
- b. Location;
- c. Date purchased;
- d. Cost;
- e. Estimated date to be placed in service;
- f. Brief description of intended use: and
- g. Current status of each project.

Response:

Columbia did not have property or plant held for future use at the beginning of the base period.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

22. List all properties leased to the utility and all improvements to leased Properties, together with annual lease payments which are capitalized, in the format provided in Schedule 22.

Response:

Columbia does not have any capitalized leases.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

23. Provide a listing of all non-utility property and accounts where amounts are recorded. Include a description of the property, the date purchased, and the cost.

Response:

Columbia's non-utility plant investment is zero as reflected in Account 121.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

24. Provide the journal entries relating to the purchase of gas utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise since Columbia's, or its predecessor's, inception. Also, provide a schedule showing the calculation of the acquisition adjustment at the date of purchase or each item of utility plant, the amortization period, and the unamortized balance at the beginning of the base period.

Response:

The following are the journal entries associated with the purchase of Inland Gas Company in 1992:

DR Account 102-Gas Plant purchased at original cost	5,702,902
CR Account 102-Gas Plant purchased (Accum. Depr.)	(3,371,049)
CR Account 234-Accounts Payable	(2,331,853)
DR Account 107-Construction Work in Progress	267,306
DR Account 101-Gas Plant in Service	3,103,743
CR Account 108-Accum. Depreciation	(3,371,049)
DR Account 101-Gas Plant in Service	2,331,853
DR Account 102-Gas Plant purchased (Accum. Depr.)	3,371,049
CR Account 102-Gas Plant purchased at original cost	(5,702,902)

There were no plant acquisition adjustments related to this transaction.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

25. Provide a copy of Columbia's most recent depreciation study. If no such study exists, provide a copy of Columbia's most recent depreciation schedule. The schedule should include a list of all facilities by account number, service life and accrual rate for each plant item, the methodology that supports the schedule and the date the schedule was last updated.

Response:

A depreciation study was conducted by Gannett Fleming Valuation and Rate Consultants, LLC as of December 31, 2015. The study was submitted as part of Columbia's Application for Adjustment in Rates filed May 27, 2016, in accordance with Filing Requirement 16-(7)(s) and is located in Tab 49 of the filing.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

26. Provide Columbia's cash account balances at the beginning of calendar year 2015 and at the end of each month since then.

Response:

	<u>Cash Account 131</u>
Dec-14	\$1,019,403
Jan-15	\$1,283,930
Feb-15	\$1,381,661
Mar-15	\$1,934,594
Apr-15	\$745,232
May-15	\$387,042
Jun-15	\$594,084
Jul-15	\$488,718
Aug-15	\$577,396
Sep-15	\$403,868
Oct-15	\$333,952
Nov-15	\$777,990
Dec-15	\$733,988
Jan-16	\$986,405
Feb-16	\$1,561,827
Mar-16	\$647,669
Apr-16	\$458,950

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

27. Provide the average number of natural gas customers on Columbia's system (actual and projected), by rate schedule, for the base period and the three most recent calendar years.

Response:

Please see Attachment A to this response.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

28. Provide a schedule showing a comparison of the balance in the revenue accounts for each of the 12 most recent months available at the time this response is prepared to the same month of the immediately preceding 12-month period year for each revenue account or subaccount included in Columbia's chart of accounts. Include appropriate footnotes to show the month each rate increase was granted and the month the full increase was recorded in the accounts. See Schedule 28.

Response:

Please see Attachment A to this response for the revenue account balances for the twelve months ending April 2015 and April 2016.

Columbia Gas of Kentucky, Inc. Case No. 2016-00162													
Comparison of Revenue Account Balances With Those of the Preceding Year "000 Omitted"													
Account 480 Residential Sales Revenue	May-15 / May-14	Jun-15 / Jun-14	Jul-15 / Jul-14	Aug-15 / Aug-14	Sep-15 / Sep-14	Oct-15 / Oct-14	Nov-15 / Nov-14	Dec-15 / Dec-14	Jan-16 / Jan-15	Feb-16 / Feb-15	Mar-16 / Mar-15	Apr-16 / Apr-15	Total
Most Recent 12 Months	3,742	2,482	2,376	2,246	2,041	2,271	3,224	5,657	8,075	8,528	6,090	4,215	50,948
Previous 12 Months	3,426	2,542	2,226	2,248	2,332	2,800	6,148	11,700	14,781	15,110	13,198	6,531	83,043
Increase	316	-	150	-	-	-	-	-	-	-	-	-	-
(Decrease)	-	(59)	-	(2)	(291)	(529)	(2,925)	(6,043)	(6,706)	(6,582)	(7,108)	(2,316)	(32,095)

Columbia Gas of Kentucky, Inc. Case No. 2016-00162													
Comparison of Revenue Account Balances With Those of the Preceding Year "000 Omitted"													
Account 481.1 Commercial Sales Revenue	May-15 / May-14	Jun-15 / Jun-14	Jul-15 / Jul-14	Aug-15 / Aug-14	Sep-15 / Sep-14	Oct-15 / Oct-14	Nov-15 / Nov-14	Dec-15 / Dec-14	Jan-16 / Jan-15	Feb-16 / Feb-15	Mar-16 / Mar-15	Apr-16 / Apr-15	Total
Most Recent 12 Months	1,657	1,106	1,069	1,061	811	895	1,209	2,109	3,068	3,318	2,280	1,530	20,113
Previous 12 Months	1,480	1,143	984	1,020	1,132	1,302	2,424	4,872	6,187	6,235	5,569	2,657	35,005
Increase	176	-	85	41	-	-	-	-	-	-	-	-	-
(Decrease)	-	(37)	-	-	(321)	(407)	(1,215)	(2,762)	(3,119)	(2,917)	(3,289)	(1,127)	(14,892)

Columbia Gas of Kentucky, Inc. Case No. 2016-00162													
Comparison of Revenue Account Balances With Those of the Preceding Year "000 Omitted"													
Account 481.2 Industrial Sales Revenue	May-15 / May-14	Jun-15 / Jun-14	Jul-15 / Jul-14	Aug-15 / Aug-14	Sep-15 / Sep-14	Oct-15 / Oct-14	Nov-15 / Nov-14	Dec-15 / Dec-14	Jan-16 / Jan-15	Feb-16 / Feb-15	Mar-16 / Mar-15	Apr-16 / Apr-15	Total
Most Recent 12 Months	47	92	(20)	32	44	78	118	111	148	163	127	97	1,036
Previous 12 Months	99	6	58	(39)	39	54	102	281	209	253	369	134	1,567
Increase	-	85	-	71	5	24	16	-	-	-	-	-	-
(Decrease)	(53)	-	(79)	-	-	-	-	(170)	(61)	(90)	(242)	(37)	(531)

Columbia Gas of Kentucky, Inc. Case No. 2016-00162													
Comparison of Revenue Account Balances With Those of the Preceding Year "000 Omitted"													
Account 483 Public Utilities	May-15 / May-14	Jun-15 / Jun-14	Jul-15 / Jul-14	Aug-15 / Aug-14	Sep-15 / Sep-14	Oct-15 / Oct-14	Nov-15 / Nov-14	Dec-15 / Dec-14	Jan-16 / Jan-15	Feb-16 / Feb-15	Mar-16 / Mar-15	Apr-16 / Apr-15	Total
Most Recent 12 Months	5	4	2	3	3	2	4	5	4	10	9	1	52
Previous 12 Months	9	4	4	5	5	7	8	16	18	22	17	12	124
Increase	-	0	-	-	-	-	-	-	-	-	-	-	-
(Decrease)	(4)	-	(1)	(1)	(2)	(5)	(3)	(11)	(14)	(12)	(8)	(11)	(71)

Columbia Gas of Kentucky, Inc. Case No. 2016-00162													
Comparison of Revenue Account Balances With Those of the Preceding Year "000 Omitted"													
Account 487 Forfeited Discounts	May-15 / May-14	Jun-15 / Jun-14	Jul-15 / Jul-14	Aug-15 / Aug-14	Sep-15 / Sep-14	Oct-15 / Oct-14	Nov-15 / Nov-14	Dec-15 / Dec-14	Jan-16 / Jan-15	Feb-16 / Feb-15	Mar-16 / Mar-15	Apr-16 / Apr-15	Total
Most Recent 12 Months	42	7	25	22	19	19	31	23	37	49	55	43	373
Previous 12 Months	47	34	26	24	25	24	21	47	72	95	106	97	619
Increase	-	-	-	-	-	-	10	-	-	-	-	-	-
(Decrease)	(5)	(27)	(2)	(2)	(6)	(5)	-	(24)	(34)	(46)	(50)	(54)	(246)

Columbia Gas of Kentucky, Inc. Case No. 2016-00162													
Comparison of Revenue Account Balances With Those of the Preceding Year "000 Omitted"													
Account 488 Misc. Service Revenue	May-15 / May-14	Jun-15 / Jun-14	Jul-15 / Jul-14	Aug-15 / Aug-14	Sep-15 / Sep-14	Oct-15 / Oct-14	Nov-15 / Nov-14	Dec-15 / Dec-14	Jan-16 / Jan-15	Feb-16 / Feb-15	Mar-16 / Mar-15	Apr-16 / Apr-15	Total
Most Recent 12 Months	6	7	6	5	10	21	20	9	8	7	8	7	113
Previous 12 Months	10	20	10	12	9	14	31	10	8	6	11	14	155
Increase	-	-	-	-	1	7	-	-	0	0	-	-	-
(Decrease)	(4)	(13)	(4)	(7)	-	-	(11)	(1)	-	-	(3)	(7)	(42)

Columbia Gas of Kentucky, Inc. Case No. 2016-00162													
Comparison of Revenue Account Balances With Those of the Preceding Year "000 Omitted"													
Account 489 Transportation Revenue	May-15 / May-14	Jun-15 / Jun-14	Jul-15 / Jul-14	Aug-15 / Aug-14	Sep-15 / Sep-14	Oct-15 / Oct-14	Nov-15 / Nov-14	Dec-15 / Dec-14	Jan-16 / Jan-15	Feb-16 / Feb-15	Mar-16 / Mar-15	Apr-16 / Apr-15	Total
Most Recent 12 Months	1,471	1,319	1,236	1,222	1,252	1,323	1,588	2,131	2,816	2,587	2,257	1,774	20,974
Previous 12 Months	1,414	1,241	1,183	1,205	1,200	1,365	1,912	2,374	2,998	2,929	2,486	1,942	22,250
Increase	57	78	52	17	52	-	-	-	-	-	-	-	-
(Decrease)	-	-	-	-	-	(42)	(325)	(243)	(183)	(342)	(229)	(168)	(1,276)

Columbia Gas of Kentucky, Inc. Case No. 2016-00162													
Comparison of Revenue Account Balances With Those of the Preceding Year "000 Omitted"													
Account 489 Unbilled Transportation Revenue	May-15 / May-14	Jun-15 / Jun-14	Jul-15 / Jul-14	Aug-15 / Aug-14	Sep-15 / Sep-14	Oct-15 / Oct-14	Nov-15 / Nov-14	Dec-15 / Dec-14	Jan-16 / Jan-15	Feb-16 / Feb-15	Mar-16 / Mar-15	Apr-16 / Apr-15	Total
Most Recent 12 Months	(119)	(36)	(4)	14	(4)	152	192	(14)	383	(216)	(274)	(145)	(71)
Previous 12 Months	(69)	(33)	2	14	15	182	437	72	93	80	(478)	(200)	115
Increase	-	-	-	-	-	-	-	-	290	-	204	55	-
(Decrease)	(50)	(3)	(6)	-	(19)	(30)	(245)	(86)	-	(296)	-	-	(186)

Columbia Gas of Kentucky, Inc. Case No. 2016-00162													
Comparison of Revenue Account Balances With Those of the Preceding Year "000 Omitted"													
Account 493 Rent from Gas Property	May-15 / May-14	Jun-15 / Jun-14	Jul-15 / Jul-14	Aug-15 / Aug-14	Sep-15 / Sep-14	Oct-15 / Oct-14	Nov-15 / Nov-14	Dec-15 / Dec-14	Jan-16 / Jan-15	Feb-16 / Feb-15	Mar-16 / Mar-15	Apr-16 / Apr-15	Total
Most Recent 12 Months	10	10	10	10	8	6	6	6	6	4	5	5	85
Previous 12 Months	9	10	10	10	10	10	10	10	10	10	10	10	120
Increase	1	0	0	0	-	-	-	-	-	-	-	-	-
(Decrease)	-	-	-	-	(2)	(4)	(4)	(4)	(4)	(6)	(5)	(5)	(35)

Columbia Gas of Kentucky, Inc. Case No. 2016-00162													
Comparison of Revenue Account Balances With Those of the Preceding Year "000 Omitted"													
Account 495 Other Gas Revenue	May-15 / May-14	Jun-15 / Jun-14	Jul-15 / Jul-14	Aug-15 / Aug-14	Sep-15 / Sep-14	Oct-15 / Oct-14	Nov-15 / Nov-14	Dec-15 / Dec-14	Jan-16 / Jan-15	Feb-16 / Feb-15	Mar-16 / Mar-15	Apr-16 / Apr-15	Total
Most Recent 12 Months	1,355	121	17	495	789	496	793	346	1,882	1,673	1,220	1,769	10,954
Previous 12 Months	630	609	351	1,434	875	225	3,830	4,791	1,355	1,575	1,754	278	17,708
Increase	724	-	-	-	-	271	-	-	526	97	-	1,491	-
(Decrease)	-	(488)	(334)	(939)	(86)	-	(3,037)	(4,445)	-	-	(535)	-	(6,754)

Columbia Gas of Kentucky, Inc. Case No. 2016-00162													
Comparison of Revenue Account Balances With Those of the Preceding Year "000 Omitted"													
Account 495 Unbilled Gas Revenue	May-15 / May-14	Jun-15 / Jun-14	Jul-15 / Jul-14	Aug-15 / Aug-14	Sep-15 / Sep-14	Oct-15 / Oct-14	Nov-15 / Nov-14	Dec-15 / Dec-14	Jan-16 / Jan-15	Feb-16 / Feb-15	Mar-16 / Mar-15	Apr-16 / Apr-15	Total
Most Recent 12 Months	(1,422)	(450)	12	44	(147)	999	1,811	1,013	1,255	(1,307)	(1,880)	(1,338)	(1,410)
Previous 12 Months	(698)	(328)	(4)	46	171	1,998	5,027	2,074	543	(84)	(5,513)	(2,368)	864
Increase	-	-	16	-	-	-	-	-	712	-	3,633	1,030	-
(Decrease)	(724)	(122)	-	(2)	(318)	(999)	(3,216)	(1,061)	-	(1,223)	-	-	(2,274)

PSC approved non-base rates:		May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Gas Cost Recovery	\$/Mcf	5.6811	6.1314	6.1314	6.1314	6.8904	6.8904	6.8904	7.1976	7.1976	7.1976	6.5417	6.5417
Research & Development	\$/Mcf	0.0128	0.0128	0.0128	0.0128	0.0128	0.0128	0.0128	0.0128	0.0128	0.0128	0.0111	0.0111
Energy Assistance Program	\$/Mcf	0.0540	0.0540	0.0540	0.0540	0.0540	0.0540	0.0540	0.0540	0.0540	0.0540	0.0494	0.0494
AMRP - Rate GSR, SVGTS	\$/Bill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.13	1.13	1.13	1.13
AMRP - Rate GSO, GDS, SV	\$/Bill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.02	4.02	4.02	4.02
AMRP - Rate IUS, IU DS	\$/Bill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.63	38.63	38.63	38.63
AMRP - Rate IS, DS, SAS	\$/Bill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	229.15	229.15	229.15	229.15
Energy Efficiency Conservatio	\$/Bill	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.77	0.77	0.77

		May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Gas Cost Recovery	\$/Mcf	6.5417	5.2630	5.2630	5.2630	2.7190	2.7190	2.7190	2.8329	2.8329	2.8329	2.2251	2.2251
Research & Development	\$/Mcf	0.0111	0.0111	0.0111	0.0111	0.0111	0.0111	0.0111	0.0111	0.0111	0.0111	0.0139	0.0139
Energy Assistance Program	\$/Mcf	0.0494	0.0494	0.0494	0.0494	0.0494	0.0494	0.0494	0.0494	0.0494	0.0494	0.0597	0.0597
AMRP - Rate GSR, SVGTS	\$/Bill	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	2.25	2.25	2.25	2.25
AMRP - Rate GSO, GDS, SV	\$/Bill	4.02	4.02	4.02	4.02	4.02	4.02	4.02	4.02	8.02	8.02	8.02	8.02
AMRP - Rate IUS, IU DS	\$/Bill	38.63	38.63	38.63	38.63	38.63	38.63	38.63	38.63	76.96	76.96	76.96	76.96
AMRP - Rate IS, DS, SAS	\$/Bill	229.15	229.15	229.15	229.15	229.15	229.15	229.15	229.15	449.59	449.59	449.59	449.59
Energy Efficiency Conservatio	\$/Bill	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.69	0.69	0.69	0.69

Increase / (Decrease)		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April
Gas Cost Recovery	\$/Mcf	0.8606	(0.8684)	(0.8684)	(0.8684)	(4.1714)	(4.1714)	(4.1714)	(4.3647)	(4.3647)	(4.3647)	(4.3166)	(4.3166)
Research & Development	\$/Mcf	(0.0017)	(0.0017)	(0.0017)	(0.0017)	(0.0017)	(0.0017)	(0.0017)	(0.0017)	(0.0017)	(0.0017)	0.0028	0.0028
Energy Assistance Program	\$/Mcf	(0.0046)	(0.0046)	(0.0046)	(0.0046)	(0.0046)	(0.0046)	(0.0046)	(0.0046)	(0.0046)	(0.0046)	0.0103	0.0103
AMRP - Rate GSR, SVGTS	\$/Bill	1.1300	1.1300	1.1300	1.1300	1.1300	1.1300	1.1300	1.1300	1.1200	1.1200	1.1200	1.1200
AMRP - Rate GSO, GDS, SV	\$/Bill	4.0200	4.0200	4.0200	4.0200	4.0200	4.0200	4.0200	4.0200	4.0000	4.0000	4.0000	4.0000
AMRP - Rate IUS, IU DS	\$/Bill	38.6300	38.6300	38.6300	38.6300	38.6300	38.6300	38.6300	38.6300	38.3300	38.3300	38.3300	38.3300
AMRP - Rate IS, DS, SAS	\$/Bill	229.1500	229.1500	229.1500	229.1500	229.1500	229.1500	229.1500	229.1500	220.4400	220.4400	220.4400	220.4400
Energy Efficiency Conservatio	\$/Bill	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	(0.0800)	(0.0800)	(0.0800)

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

29. Provide a copy of each cost of service study filed with Columbia's rate application in Excel spreadsheet format with all formulae intact and unprotected and with all columns and rows accessible.

Response:

Please see Attachments A, B and C for Columbia's allocated cost of service studies. Attachment A is the Customer-Demand study, Attachment B is the Demand-Commodity study and Attachment C is the Average study.

COLUMBIA GAS OF KENTUCKY, INC.

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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>	<u>DESCRIPTION</u>
PAGE	PAGE	PAGE	PAGE	PAGE	
1	26	52	78	104	RATE OF RETURN - PROFORMA @ PROPOSED RATES
2	27	53	79	105	RATE OF RETURN - PROFORMA @ AUTHORIZED RETURN
3	28	54	80	106	DEVELOPMENT OF PROFORMA ADJUSTMENTS
4	29	55	81	107	RATE OF RETURN BY CLASS @ CURRENT RATES
5	30	56	82	108	GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. (ACCTS 101,106)
6	31	57	83	109	GROSS DIST. & GENERAL PLANT ALLOCATION (ACCTS 101,106)
7	32	58	84	110	GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. DEPR. RESERVE
8	33	59	85	111	GROSS DIST. & GENERAL PLANT ALLOCATION DEPR. RESERVE
9	34	60	86	112	GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. DEPR. EXPENSE
10	35	61	87	113	GROSS DIST. & GENERAL PLANT ALLOCATION DEPR. EXPENSE
11	36	62	88	114	OPERATING REVENUE @ CURRENT RATES
12	37	63	89	115	PRODUCTION EXPENSE ALLOCATION
13	38	64	90	116	DISTRIBUTION O & M EXPENSE ALLOCATION - LABOR
14	39	65	91	117	CUST ACCTS & CUST SERVICE & INFOR EXP ALLOC - LABOR
15	40	66	92	118	SALES AND A & G EXPENSE ALLOCATION - LABOR
16	41	67	93	119	DISTRIBUTION O & M EXPENSE ALLOCATION - M & E
17	42	68	94	120	CUST ACCTS & CUST SERVICE & INFOR EXP ALLOC - M & E
18	43	69	95	121	SALES AND A & G EXPENSE ALLOCATION - M & E
19	44	70	96	122	OPERATION & MAINTENANCE EXPENSE SUMMARY
20	45	71	97	123	TAXES OTHER THAN INCOME
21	46	72	98	124	KENTUCKY STATE INCOME TAX - CURRENT
22	47	73	99	125	KENTUCKY STATE INCOME TAX - DEFERRED
23	48	74	100	126	FEDERAL INCOME TAX - CURRENT
24	49	75	101	127	FEDERAL INCOME TAX - DEFERRED
25	50	76	102	128	WORKING CAPITAL/RATE BASE SUMMARY
N/A	51	77	103	129	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 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		45,377,927	35,826,919	7,519,240	6,082	60,163	1,965,523	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	1,869,413	4,409,559	6,416	118,616	1,377,826	0	0
8		KENTUCKY STATE INCOME TAX		1,416,522	322,167	815,902	1,190	22,268	254,995	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		96,782,888	68,150,417	23,682,797	41,435	227,455	4,680,784	0	0
11		OPERATING INCOME		21,307,652	8,001,283	9,829,399	14,793	254,283	3,207,894	0	0
12		INTEREST EXPENSE		<u>6,688,725</u>	<u>4,933,634</u>	<u>1,338,314</u>	<u>1,956</u>	<u>12,816</u>	<u>402,005</u>	<u>0</u>	<u>0</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		14,618,927	3,067,649	8,491,085	12,837	241,467	2,805,889	0	0
14		RATE BASE		253,360,781	186,880,075	50,693,701	74,098	485,470	15,227,467	0	0
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	4.28%	19.39%	19.96%	52.38%	21.07%	0.00%	0.00%
16		UNITIZED RETURN		1.00	0.51	2.31	2.37	6.23	2.51	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	88,921,262	24,299,869	42,059	128,450	4,698,885	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		45,377,926	35,969,099	7,416,667	5,924	56,229	1,930,007	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		7,781,824	6,023,821	1,412,449	1,806	3,679	340,069	0	0
6		KENTUCKY STATE INCOME TAX		1,416,523	1,079,810	269,317	350	1,307	65,739	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		96,782,888	73,204,648	20,036,529	35,827	87,623	3,418,255	0	0
9		OPERATING INCOME		21,307,656	15,716,614	4,263,340	6,232	40,828	1,280,630	0	0
10		INTEREST EXPENSE		<u>6,688,725</u>	<u>4,933,634</u>	<u>1,338,314</u>	<u>1,956</u>	<u>12,816</u>	<u>402,005</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		14,618,931	10,782,980	2,925,026	4,276	28,012	878,625	0	0
12		RATE BASE		253,360,781	186,880,075	50,693,701	74,098	485,470	15,227,467	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	29,241,438	(2,385,416)	(6,022)	(353,284)	(1,088,357)	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		234,603	269,995	(22,025)	(56)	(3,262)	(10,049)	0	0
4	LESS: PSC FEES @ 0.00190100		<u>48,301</u>	<u>55,588</u>	<u>(4,535)</u>	<u>(11)</u>	<u>(672)</u>	<u>(2,069)</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		25,125,474	28,915,855	(2,358,856)	(5,955)	(349,350)	(1,076,239)	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,507,528</u>	<u>1,734,951</u>	<u>(141,531)</u>	<u>(357)</u>	<u>(20,961)</u>	<u>(64,574)</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		23,617,946	27,180,904	(2,217,325)	(5,598)	(328,389)	(1,011,665)	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>8,266,274</u>	<u>9,513,316</u>	<u>(776,064)</u>	<u>(1,959)</u>	<u>(114,936)</u>	<u>(354,083)</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		15,351,672	17,667,588	(1,441,261)	(3,639)	(213,453)	(657,582)	0	0

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(B)	(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	35,643,516	7,443,227	5,991	60,163	1,942,125	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)	(3,489,495)	2,188,513	3,765	118,615	694,152	0	0	
6	KENTUCKY STATE INCOME TAX [5]		(91,006)	(655,141)	410,848	707	22,268	130,313	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	61,630,798	20,980,684	38,210	227,454	3,849,030	0	0	
9	OPERATING INCOME		5,955,978	(1,950,974)	5,704,601	9,870	254,281	1,938,212	0	0	
10	INTEREST EXPENSE [7]		<u>6,688,725</u>	<u>4,933,634</u>	<u>1,338,314</u>	<u>1,956</u>	<u>12,816</u>	<u>402,005</u>	<u>0</u>	<u>0</u>	
11	INCOME AVAILABLE FOR COMMON EQUITY		(732,747)	(6,884,608)	4,366,287	7,914	241,465	1,536,207	0	0	
12	RATE BASE [8]		253,360,781	186,880,075	50,693,701	74,098	485,470	15,227,467	0	0	
13	RATE OF RETURN EARNED ON RATE BASE		2.35%	-1.04%	11.25%	13.32%	52.38%	12.73%	0.00%	0.00%	
14	UNITIZED RETURN		1.00	(0.44)	4.79	5.67	22.29	5.42	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)
	(B)		\$	\$	\$	\$	\$	\$	\$	\$
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 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	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 INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION RESERVE ALLOC.
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
PAGE 7 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		0	0	0	0	0	0	0	0
3	303.00	MISC. INTANGIBLE PLANT		49,104	38,051	7,947	7	88	3,010	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>3,424,538</u>	<u>2,653,693</u>	<u>554,206</u>	<u>549</u>	<u>6,161</u>	<u>209,929</u>	<u>0</u>	<u>0</u>
7		TOTAL INTANGIBLE PLANT		3,473,642	2,691,744	562,153	556	6,249	212,939	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		0	0	0	0	0	0	0	0
15	374.20	LAND - OTHER DISTRIBUTION		(523)	(386)	(88)	0	0	(49)	0	0
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION		184,637	136,250	30,910	45	0	17,433	0	0
17	374.50	RIGHTS OF WAY		942,676	695,629	157,814	227	0	89,007	0	0
18	375.20	CITY GATE - MEAS & REG STRUCTURES		2,063	1,523	346	0	0	195	0	0
19	375.30	STRUC & IMPROV-GENERAL M&R		(78)	(58)	(14)	0	0	(8)	0	0
20	375.40	STRUC & IMPROV-REGULATING		497,862	367,388	83,347	119	0	47,008	0	0
21	375.40	DIRECT STRUC & IMPROV-REGULATING		3,028	0	0	0	3,028	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		3,369,677	2,611,181	545,327	540	6,062	206,566	0	0
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV		199,220	154,377	32,240	32	359	12,213	0	0
25	375.80	STRUC & IMPROV-COMMUNICATION		0	0	0	0	0	0	0	0
26	376.00	MAINS		58,817,583	43,403,259	9,846,652	14,116	0	5,553,556	0	0
27	376.00	DIRECT MAINS		8,703	0	0	0	8,703	0	0	0
28	378.10	M & R GENERAL		372,072	274,563	62,289	89	0	35,131	0	0
29	378.20	M & R GENERAL - REGULATING		3,453,479	2,548,426	578,147	829	0	326,078	0	0
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES		36,634	27,033	6,133	9	0	3,459	0	0
31	379.10	STA EQUIP - CITY		267,731	197,567	44,821	65	0	25,279	0	0
32	380.00	SERVICES		61,085,053	53,894,121	6,974,691	611	0	215,630	0	0

33 380.00 DIRECT SERVICES

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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 INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION EXPENSE ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 9 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)
				\$	\$	\$	\$	\$	\$	\$	\$
INTANGIBLE PLANT											
1	301.00	ORGANIZATION		0	0	0	0	0	0	0	0
2	303.00	MISC. INTANGIBLE PLANT		2,478	1,920	401	0	4	152	0	0
3	303.10	DIS SOFTWARE		0	0	0	0	0	0	0	0
4	303.20	FARA SOFTWARE		0	0	0	0	0	0	0	0
5	303.30	OTHER SOFTWARE		<u>1,271,617</u>	<u>985,383</u>	<u>205,790</u>	<u>204</u>	<u>2,287</u>	<u>77,952</u>	<u>0</u>	<u>0</u>
6		TOTAL INTANGIBLE PLANT		1,274,096	987,303	206,191	204	2,291	78,104	0	0
7 PRODUCTION PLANT											
8	304.10	LAND		0	0	0	0	0	0	0	0
9	305.00	STRUCTURES & IMPROVEMENTS		0	0	0	0	0	0	0	0
10	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>
11		TOTAL PRODUCTION PLANT		0	0	0	0	0	0	0	0
12 DISTRIBUTION PLANT											
13	374.10	LAND - CITY GATE & M/L IND M&R		0	0	0	0	0	0	0	0
14	374.20	LAND - OTHER DISTRIBUTION		0	0	0	0	0	0	0	0
15	374.40	LAND RIGHTS - OTHER DISTRIBUTION		11,508	8,492	1,927	3	0	1,086	0	0
16	374.50	RIGHTS OF WAY		35,215	25,986	5,896	8	0	3,325	0	0
17	375.20	CITY GATE - MEAS & REG STRUCTURES		72	53	12	0	0	6	0	0
18	375.30	STRUC & IMPROV-GENERAL M&R		0	0	0	0	0	0	0	0
19	375.40	STRUC & IMPROV-REGULATING		69,888	51,573	11,700	17	0	6,599	0	0
20	375.40	DIRECT STRUC & IMPROV-REGULATING		744	0	0	0	744	0	0	0
21	375.60	STRUC & IMPROV-DIST. IND. M & R		0	0	0	0	0	0	0	0
22	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM		185,730	143,924	30,058	30	334	11,385	0	0
23	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV		33,049	25,610	5,348	6	60	2,026	0	0
24	375.80	STRUC & IMPROV-COMMUNICATION		0	0	0	0	0	0	0	0
25	376.00	MAINS		5,087,613	3,754,302	851,718	1,221	0	480,372	0	0
26	376.00	DIRECT MAINS		151	0	0	0	151	0	0	0
27	378.10	M & R GENERAL		17,220	12,708	2,883	4	0	1,626	0	0
28	378.20	M & R GENERAL - REGULATING		304,399	224,626	50,960	73	0	28,742	0	0
29	378.30	M & R EQUIP - LOCAL GAS PURCHASES		1,512	1,116	253	0	0	143	0	0
30	379.10	STA EQUIP - CITY		0	0	0	0	0	0	0	0
31	380.00	SERVICES		6,496,995	5,732,169	741,827	65	0	22,934	0	0

32 380.00 DIRECT SERVICES

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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	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	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	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 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 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 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.	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	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 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
 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 15 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALOC	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		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.	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			DISTRIBUTION EXPENSES							
2	870		783,470	597,050	133,276	134	1,403	51,608	0	0
3	871		17,885	5,977	4,319	9	0	7,580	0	0
4	874		4,797,660	3,793,309	709,808	741	166	293,635	0	0
5	875		118,379	87,351	19,817	28	6	11,178	0	0
6	876		29,602	0	6,146	7	5,944	17,505	0	0
7	878		485,057	348,960	133,934	63	0	2,100	0	0
8	879		655,941	471,897	181,118	85	0	2,840	0	0
9	880		1,211,487	923,224	206,085	206	2,168	79,802	0	0
10	881		<u>82,157</u>	<u>62,609</u>	<u>13,975</u>	<u>14</u>	<u>147</u>	<u>5,412</u>	<u>0</u>	<u>0</u>
11			8,181,638	6,290,377	1,408,478	1,287	9,834	471,660	0	0
12			MAINTENANCE							
13	885		2,571	1,959	437	0	5	169	0	0
14	886		251,838	185,828	42,158	60	12	23,778	0	0
15	887		2,202,076	1,624,890	368,628	529	110	207,920	0	0
16	889		144,736	106,800	24,228	35	8	13,666	0	0
17	890		51,880	0	10,771	12	10,418	30,679	0	0
18	892		431,251	380,484	49,240	4	0	1,522	0	0
19	893		118,176	85,018	32,631	15	0	512	0	0
20	894		<u>199,573</u>	<u>152,086</u>	<u>33,949</u>	<u>33</u>	<u>357</u>	<u>13,146</u>	<u>0</u>	<u>0</u>
21			3,402,101	2,537,065	562,042	688	10,910	291,392	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	ALOC	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											
2	901		0	0	0	0	0	0	0	0	0
3	902		399,502	358,186	41,065	4	16	232	0	0	0
4	903		3,252,912	2,916,496	334,367	33	130	1,887	0	0	0
5	904		1,027,585	891,707	135,035	21	62	760	0	0	0
6	905		1,073	962	110	0	0	1	0	0	0
7	920		0	0	0	0	0	0	0	0	0
8	921		253	227	26	0	0	0	0	0	0
9	931		0	0	0	0	0	0	0	0	0
10	935		<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>
11			4,681,325	4,167,578	510,603	58	208	2,880	0	0	0
12											
13	907		(2,789)	(2,501)	(287)	0	0	(2)	0	0	0
14	908		1,198,971	1,074,973	123,242	12	48	695	0	0	0
15	909		65,932	59,113	6,777	1	3	38	0	0	0
16	910		257,797	231,136	26,499	3	10	150	0	0	0
17	920		0	0	0	0	0	0	0	0	0
18	921		13,868	12,434	1,425	0	1	8	0	0	0
19	931		0	0	0	0	0	0	0	0	0
20	935		<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>
21			1,533,779	1,375,155	157,656	16	62	889	0	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.	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	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	17,975,026	14,528,137	2,656,889	2,050	21,021	766,923	0	0
8	ADMINISTRATIVE & GENERAL									
9	920	SALARIES	2,963,302	2,381,490	442,533	369	3,604	135,306	0	0
10	921	OFFICE SUPPLIES & EXPENSES	894,098	718,551	133,523	111	1,087	40,826	0	0
11	922	ADMIN. EXPENSES TRANSFERED	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	7,869,789	6,324,643	1,175,255	979	9,570	359,341	0	0
13	924	PROPERTY INSURANCE	81,748	65,698	12,208	10	100	3,733	0	0
14	925	INJURIES AND DAMAGES	1,043,923	793,148	204,903	147	1,713	44,014	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	3,351,467	2,546,363	657,830	470	5,499	141,304	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS	0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	197,760	158,932	29,533	24	241	9,030	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	176,190	141,597	26,312	22	214	8,045	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	(62,123)	(49,926)	(9,278)	(7)	(76)	(2,837)	0	0
21	931	RENTS	642,175	516,091	95,901	80	781	29,322	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>208,245</u>	<u>38,697</u>	<u>32</u>	<u>315</u>	<u>11,832</u>	<u>0</u>	<u>0</u>
25		TOTAL ADMIN & GENERAL - M & E	<u>17,417,580</u>	<u>13,804,936</u>	<u>2,807,437</u>	<u>2,237</u>	<u>23,048</u>	<u>779,922</u>	<u>0</u>	<u>0</u>
26		TOTAL O & M EXPENSE - M & E	35,736,302	28,553,967	5,586,693	4,685	44,069	1,546,882	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	8,181,638	6,290,377	1,408,478	1,287	9,834	471,660	0	0
13		DISTRIBUTION - O&M MAINT.	PAGE 17	3,402,101	2,537,065	562,042	688	10,910	291,392	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>17,417,580</u>	<u>13,804,936</u>	<u>2,807,437</u>	<u>2,237</u>	<u>23,048</u>	<u>779,922</u>	<u>0</u>	<u>0</u>
18		TOTAL M & E EXPENSE		<u>35,736,302</u>	<u>28,553,967</u>	<u>5,586,693</u>	<u>4,685</u>	<u>44,069</u>	<u>1,546,882</u>	<u>0</u>	<u>0</u>
19		TOTAL O & M EXPENSES		45,095,029	35,643,516	7,443,227	5,991	60,163	1,942,125	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	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	(6,095,609)	8,303,962	14,342	395,164	2,762,677	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		6,688,725	4,933,634	1,338,314	1,956	12,816	402,005	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>4,603,798</u>	<u>1,410,584</u>	<u>2,516</u>	<u>23,517</u>	<u>573,417</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(1,233,308)	(10,699,407)	6,893,378	11,826	371,647	2,189,260	0	0
10		STATE INCOME TAX @ 6.00%		(73,998)	(641,961)	413,600	710	22,299	131,355	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)	(641,961)	413,600	710	22,299	131,355	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)	(655,141)	410,848	707	22,268	130,313	0	0

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	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>65,775,434</u>	<u>18,381,323</u>	<u>33,739</u>	<u>86,571</u>	<u>3,024,565</u>	<u>0</u>	<u>0</u>	
3	OPERATING INCOME BEFORE TAXES		5,380,520	(6,095,609)	8,303,962	14,342	395,164	2,762,677	0	0	
4	LESS: RECONCILING ITEMS:										
5	IMPUTED INTEREST		6,688,725	4,933,634	1,338,314	1,956	12,816	402,005	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>(641,961)</u>	<u>413,600</u>	<u>710</u>	<u>22,299</u>	<u>131,355</u>	<u>0</u>	<u>0</u>	
11	TOTAL RECONCILING ITEMS		6,539,830	3,961,837	1,824,184	3,226	45,816	704,772	0	0	
12	TAXABLE INCOME		(1,159,310)	(10,057,447)	6,479,778	11,116	349,348	2,057,905	0	0	
13	CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(3,419,532)	2,203,124	3,780	118,778	699,688	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)	(3,419,532)	2,203,124	3,780	118,778	699,688	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)	(3,489,495)	2,188,513	3,765	118,615	694,152	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	4,455,440	930,403	749	7,520	242,766	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	377,334	70,117	59	571	21,439	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	186,880,075	50,693,701	74,098	485,470	15,227,467	0	0
		REFERENCES: [1] PAGE 6, [2] PAGE 8,									
		[3] TOTAL O & M EXPENSE		66,570,979	49,450,611	15,087,074	31,000	60,163	1,942,125	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	35,643,516	7,443,227	5,991	60,163	1,942,125	0	0

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	55,729,730	21,865,491	15,086,946
2		PROPOSED INCREASE		<u>25,408,373</u>	<u>19,670,228</u>	<u>101,802</u>	<u>5,636,343</u>
3		TOTAL PROPOSED REVENUES		118,090,539	75,399,958	21,967,293	20,723,288
4		COST OF GAS		21,475,950	0	21,475,950	0
5		OPERATING & MAINTENANCE EXPENSE		45,377,932	38,349,948	478,048	6,549,934
6		DEPRECIATION & AMORTIZATION		15,939,787	13,553,430	0	2,386,356
7		FEDERAL INCOME TAX		7,781,828	5,312,951	2,677	2,466,200
8		KENTUCKY STATE INCOME TAX		1,416,522	963,055	325	453,143
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		96,782,899	62,042,643	21,963,337	12,776,918
11		OPERATING INCOME		21,307,640	13,357,315	3,956	7,946,371
12		INTEREST EXPENSE		<u>6,688,725</u>	<u>4,291,096</u>	<u>1,590</u>	<u>2,396,039</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		14,618,915	9,066,219	2,366	5,550,332
14		RATE BASE		253,360,780	162,541,520	60,219	90,759,040
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.22%	6.57%	8.76%
16		UNITIZED RETURN		1.00	0.98	0.78	1.04

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		TOTAL REVENUES		118,090,543	75,917,052	21,969,127	20,204,358
2		COST OF GAS		21,475,950	0	21,475,950	0
3		OPERATING & MAINTENANCE EXPENSE		45,377,932	38,355,705	478,069	6,544,156
4		DEPRECIATION & AMORTIZATION		15,939,787	13,553,430	0	2,386,356
5		FEDERAL INCOME TAX		7,781,830	5,481,181	3,274	2,297,373
6		KENTUCKY STATE INCOME TAX		1,416,522	993,735	434	422,354
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		96,782,901	62,247,310	21,964,064	12,571,524
9		OPERATING INCOME		21,307,642	13,669,743	5,064	7,632,835
10		INTEREST EXPENSE		<u>6,688,725</u>	<u>4,291,096</u>	<u>1,590</u>	<u>2,396,039</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		14,618,917	9,378,647	3,474	5,236,796
12		RATE BASE		253,360,780	162,541,520	60,219	90,759,040
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

LINE NO.	DESCRIPTION (A)	CLASSIFICATION FACTOR (B)	Total Company (C)	CUSTOMER (D)	COMMODITY (E)	DEMAND (F)
1	OPERATING REVENUE		25,408,377	20,187,322	103,636	5,117,413
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		234,603	186,395	957	47,251
4	LESS: PSC FEES @ 0.00190100		<u>48,301</u>	<u>38,376</u>	<u>197</u>	<u>9,728</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		25,125,473	19,962,551	102,482	5,060,434
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,507,528</u>	<u>1,197,753</u>	<u>6,149</u>	<u>303,626</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		23,617,945	18,764,798	96,333	4,756,808
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>8,266,281</u>	<u>6,567,679</u>	<u>33,717</u>	<u>1,664,883</u>
9	OPERATING INCOME		15,351,664	12,197,119	62,616	3,091,925

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		TOTAL REVENUES [1]		92,682,167	55,729,730	21,865,491	15,086,946
2		COST OF GAS		21,475,950	0	21,475,950	0
3		OPERATING & MAINTENANCE EXPENSE [2]		45,095,028	38,130,934	476,915	6,487,177
4		DEPRECIATION & AMORTIZATION [3]		15,939,787	13,553,430	0	2,386,356
5		FEDERAL INCOME TAX [4]		(484,451)	(1,086,498)	(30,443)	632,490
6		KENTUCKY STATE INCOME TAX [5]		(91,006)	(204,018)	(5,715)	118,728
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		86,726,188	54,257,107	21,923,044	10,546,036
9		OPERATING INCOME		5,955,978	1,472,623	(57,553)	4,540,910
10		INTEREST EXPENSE [7]		<u>6,688,725</u>	<u>4,291,096</u>	<u>1,590</u>	<u>2,396,039</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(732,747)	(2,818,473)	(59,143)	2,144,871
12		RATE BASE [8]		253,360,780	162,541,520	60,219	90,759,040
13		RATE OF RETURN EARNED ON RATE BASE		2.35%	0.91%	-95.57%	5.00%
14		UNITIZED RETURN		1.00	0.39	(40.67)	2.13

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	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	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

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

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LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION	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

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

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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	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	<u>4,248</u>	<u>3,379</u>	<u>0</u>	<u>869</u>
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	<u>19,604</u>	<u>15,594</u>	<u>0</u>	<u>4,010</u>
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

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING REVENUE					
2	480.00	RESIDENTIAL SALES	22	49,696,061	28,008,467	13,990,847	7,696,748
3	481.10	COMMERCIAL SALES	22	18,520,317	8,910,498	7,161,208	2,448,611
4	481.20	INDUSTRIAL SALES	22	<u>1,458,726</u>	<u>696,619</u>	<u>570,676</u>	<u>191,431</u>
5		TOTAL SALES REVENUE		69,675,105	37,615,584	21,722,730	10,336,790
6	487.00	FORFEITED DISCOUNTS	22	476,000	371,479	31,109	73,412
7	488.00	MISC. SERVICE REVENUE	6	137,000	137,000	0	0
8	489.00	REVENUE FROM TRANSPORTATION	22	21,807,062	17,018,667	111,652	4,676,743
9	495.00	OTHER	6	<u>587,000</u>	<u>587,000</u>	<u>0</u>	<u>0</u>
10		TOTAL OTHER GAS DEPT REVENUE		<u>23,007,062</u>	<u>18,114,146</u>	<u>142,761</u>	<u>4,750,155</u>
11		TOTAL OPERATING REVENUE		92,682,167	55,729,730	21,865,491	15,086,946

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

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

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	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

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	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

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	611,322	1,506	170,642
3	871	DISTRIBUTION LOAD DISPATCH	4	17,885	0	17,885	0
4	874	MAINS & SERVICES	14CD	4,797,660	3,726,836	0	1,070,824
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	945,293	2,329	263,865
10	881	RENTS	11CD	<u>82,157</u>	<u>64,105</u>	<u>158</u>	<u>17,894</u>
11		TOTAL OPERATION		8,181,638	6,594,895	21,878	1,564,865
12		MAINTENANCE					
13	885	SUPERVISION & ENGINEERING	11CD	2,571	2,006	5	560
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>155,722</u>	<u>384</u>	<u>43,467</u>
21		TOTAL MAINTENANCE		3,402,101	2,443,610	389	958,102

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

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		17,975,026	15,429,792	22,267	2,522,967
8		ADMINISTRATIVE & GENERAL					
9	920	SALARIES	13CD	2,963,302	2,468,206	3,816	491,280
10	921	OFFICE SUPPLIES & EXPENSES	13CD	894,098	744,716	1,151	148,231
11	922	ADMIN. EXPENSES TRANSFERED	13CD	0	0	0	0
12	923	OUTSIDE SERVICES	13CD	7,869,789	6,554,938	10,134	1,304,717
13	924	PROPERTY INSURANCE	13CD	81,748	68,090	105	13,553
14	925	INJURIES AND DAMAGES	13CD	1,043,923	869,509	1,344	173,070
15	926	EMPLOYEE PENSIONS & BENEFITS	13CD	3,351,467	2,791,518	4,316	555,633
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS	13CD	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13CD	197,760	164,719	255	32,786
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13CD	176,189	146,752	227	29,210
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13CD	0	0	0	0
20	930.20	MISC. - GENERAL	13CD	(62,123)	(51,744)	(80)	(10,299)
21	931	RENTS	13CD	642,175	534,883	827	106,465
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>215,828</u>	<u>334</u>	<u>42,959</u>
25		TOTAL ADMIN & GENERAL - M & E		<u>17,417,579</u>	<u>14,507,523</u>	<u>22,429</u>	<u>2,887,627</u>
26		TOTAL O & M EXPENSE - M & E		35,736,301	29,937,315	386,253	5,412,733

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION	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	8,181,638	6,594,895	21,878	1,564,865
13		DISTRIBUTION - O&M MAINT.	PAGE 17	3,402,101	2,443,610	389	958,102
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>17,417,579</u>	<u>14,507,523</u>	<u>22,429</u>	<u>2,887,627</u>
18		TOTAL M & E EXPENSE		<u>35,736,301</u>	<u>29,937,315</u>	<u>386,253</u>	<u>5,412,733</u>
19		TOTAL O & M EXPENSES		45,095,028	38,130,934	476,915	6,487,177

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.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(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 GEN-1
 PAGE 46 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 INCOME BEFORE TAXES (PAGE 24, LINE 3)		5,380,521	182,107	(93,711)	5,292,128
2		LESS: RECONCILING ITEMS:					
3		IMPUTED INTEREST		6,688,725	4,291,096	1,590	2,396,039
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>3,356,948</u>	<u>1,542</u>	<u>3,255,338</u>
9		TAXABLE INCOME		(1,233,307)	(3,174,841)	(95,253)	2,036,790
10		STATE INCOME TAX @ 6.00%		(73,998)	(190,489)	(5,715)	122,207
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)	(190,489)	(5,715)	122,207

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)	(204,018)	(5,715)	118,728

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	55,729,730	21,865,491	15,086,946
2		LESS: EXPENSES OTHER THAN FIT		<u>87,301,645</u>	<u>55,547,623</u>	<u>21,959,202</u>	<u>9,794,818</u>
3		OPERATING INCOME BEFORE TAXES		5,380,521	182,107	(93,711)	5,292,128
4		LESS: RECONCILING ITEMS:					
5		IMPUTED INTEREST		6,688,725	4,291,096	1,590	2,396,039
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)	(4,343)	(48)	(569)
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(73,998)</u>	<u>(190,489)</u>	<u>(5,715)</u>	<u>122,207</u>
11		TOTAL RECONCILING ITEMS		6,539,830	3,166,459	(4,173)	3,377,545
12		TAXABLE INCOME		(1,159,309)	(2,984,352)	(89,538)	1,914,583
13		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(1,014,680)	(30,443)	650,958
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)	(1,014,680)	(30,443)	650,958

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)	(1,086,498)	(30,443)	632,490

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]		5,636,878	4,766,367	59,614	810,897
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	391,073	605	77,840
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		253,360,780	162,541,520	60,219	90,759,040
		REFERENCES: [1] PAGE 31, [2] PAGE 33,					
		[3] TOTAL O & M EXPENSE		66,570,978	38,130,934	21,952,865	6,487,177
		LESS: COST OF GAS		<u>21,475,950</u>	<u>0</u>	<u>21,475,950</u>	<u>0</u>
		O & M EXCL. GAS COST		45,095,028	38,130,934	476,915	6,487,177

COLUMBIA GAS OF KENTUCKY, INC.

CLASSIFICATION FACTORS

CLASSIFICATION
FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(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%	78.028%	0.192%	21.780%
16	OTHER DIST. EXP EXCL - M & E - D/C	11DC	100.000%	37.888%	31.152%	30.960%
17	OTHER DIST. EXP EXCL - M & E - AVG	11AVG	100.000%	57.958%	15.672%	26.370%
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%	83.292%	0.129%	16.579%
22	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - D/C	13DC	100.000%	56.402%	20.869%	22.728%
23	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - AVG	13AVG	100.000%	69.847%	10.499%	19.654%
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%

78.042%

0.512%

21.446%

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		55,729,727	35,942,527	14,876,660	18,007	375,961	4,516,572	0	0	
2	PROPOSED INCREASE		<u>19,670,231</u>	<u>12,712,450</u>	<u>5,311,517</u>	<u>6,357</u>	<u>(3)</u>	<u>1,639,910</u>	<u>0</u>	<u>0</u>	
3	TOTAL PROPOSED REVENUES		75,399,958	48,654,977	20,188,177	24,364	375,958	6,156,482	0	0	
4	COST OF GAS		0	0	0	0	0	0	0	0	
5	OPERATING & MAINTENANCE EXPENSE		38,349,944	30,729,039	6,259,549	4,033	59,839	1,297,484	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		5,312,954	605,341	3,409,753	5,601	85,344	1,206,915	0	0	
8	KENTUCKY STATE INCOME TAX		963,055	91,427	630,851	1,040	16,022	223,715	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		62,042,640	45,308,168	13,039,245	12,620	186,988	3,495,619	0	0	
11	OPERATING INCOME		13,357,318	3,346,809	7,148,932	11,744	188,970	2,660,863	0	0	
12	INTEREST EXPENSE		<u>4,291,097</u>	<u>3,306,614</u>	<u>710,677</u>	<u>663</u>	<u>12,468</u>	<u>260,675</u>	<u>0</u>	<u>0</u>	
13	INCOME AVAILABLE FOR COMMON EQUITY		9,066,221	40,195	6,438,255	11,081	176,502	2,400,188	0	0	
14	RATE BASE		162,541,520	125,250,548	26,919,574	25,105	472,267	9,874,049	0	0	
15	RATE OF RETURN AUTHORIZED ON RATE BASE		8.22%	2.67%	26.56%	46.78%	40.01%	26.95%	0.00%	0.00%	
16	UNITIZED RETURN		1.00	0.32	3.16	5.56	4.76	3.20	0.00	0.00	

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		75,917,052	60,549,711	12,103,071	8,421	128,932	3,126,916	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		38,355,700	30,861,478	6,169,527	3,855	57,088	1,263,752	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		5,481,184	4,475,136	779,370	414	4,978	221,286	0	0
6		KENTUCKY STATE INCOME TAX		993,735	797,165	151,146	94	1,365	43,965	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		62,247,306	50,016,140	9,839,135	6,309	89,214	2,296,508	0	0
9		OPERATING INCOME		13,669,746	10,533,572	2,263,936	2,112	39,718	830,408	0	0
10		INTEREST EXPENSE		<u>4,291,097</u>	<u>3,306,614</u>	<u>710,677</u>	<u>663</u>	<u>12,468</u>	<u>260,675</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		9,378,649	7,226,958	1,553,259	1,449	27,250	569,733	0	0
12		RATE BASE		162,541,520	125,250,548	26,919,574	25,105	472,267	9,874,049	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]		46.52	41.39	72.16	350.87	1,790.72	3,298.43	0.00	0.00

[1] LINE 1 / LINE 15 / 12 MONTHS.

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		20,187,322	24,607,184	(2,773,589)	(9,586)	(247,029)	(1,389,656)	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		186,395	227,205	(25,609)	(89)	(2,281)	(12,831)	0	0
4	LESS: PSC FEES @ 0.00190100		<u>38,375</u>	<u>46,778</u>	<u>(5,273)</u>	<u>(18)</u>	<u>(470)</u>	<u>(2,642)</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		19,962,552	24,333,201	(2,742,707)	(9,479)	(244,278)	(1,374,183)	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,197,753</u>	<u>1,459,992</u>	<u>(164,562)</u>	<u>(569)</u>	<u>(14,657)</u>	<u>(82,451)</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		18,764,799	22,873,209	(2,578,145)	(8,910)	(229,621)	(1,291,732)	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>6,567,680</u>	<u>8,005,623</u>	<u>(902,351)</u>	<u>(3,119)</u>	<u>(80,367)</u>	<u>(452,106)</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		12,197,119	14,867,586	(1,675,794)	(5,791)	(149,254)	(839,626)	0	0

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]		55,729,730	35,942,527	14,876,660	18,007	375,961	4,516,572	0	0
2	COST OF GAS		0	0	0	0	0	0	0	0
3	OPERATING & MAINTENANCE EXPENSE [2]		38,130,934	30,587,495	6,200,409	3,962	59,839	1,279,225	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]		(1,086,498)	(3,530,487)	1,681,721	3,533	85,345	673,392	0	0
6	KENTUCKY STATE INCOME TAX [5]		(204,018)	(662,827)	315,708	663	16,022	126,416	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		54,257,107	40,276,542	10,936,930	10,104	186,989	2,846,538	0	0
9	OPERATING INCOME		1,472,623	(4,334,015)	3,939,730	7,903	188,972	1,670,034	0	0
10	INTEREST EXPENSE [7]		<u>4,291,096</u>	<u>3,306,614</u>	<u>710,677</u>	<u>663</u>	<u>12,468</u>	<u>260,675</u>	<u>0</u>	<u>0</u>
11	INCOME AVAILABLE FOR COMMON EQUITY		(2,818,473)	(7,640,629)	3,229,053	7,240	176,504	1,409,359	0	0
12	RATE BASE [8]		162,541,520	125,250,548	26,919,574	25,105	472,267	9,874,049	0	0
13	RATE OF RETURN EARNED ON RATE BASE		0.91%	-3.46%	14.64%	31.48%	40.01%	16.91%	0.00%	0.00%
14	UNITIZED RETURN		1.00	(3.80)	16.09	34.59	43.97	18.58	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
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 GEN-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	NOT USED
	(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 GEN-1
 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	585,267	459,119	93,883	82	1,288	30,896	0	0
10	387.42	RADIO	7CUST	632,529	496,194	101,464	89	1,392	33,391	0	0
11	387.44	OTHER COMMUNICATION	7CUST	106,264	83,360	17,046	15	234	5,610	0	0
12	387.45	TELEMETERING	7CUST	3,006,460	2,358,448	482,266	421	6,614	158,711	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>
14		TOTAL DISTRIBUTION PLANT		336,873,366	264,264,417	54,037,888	45,907	740,872	17,784,315	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
17	391.11	OFF FURN & EQUIP - DATA HAND	7CUST	14,967	11,741	2,401	2	33	790	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
19	392.20	TR EQ - TRAILER > \$1,000	7CUST	76,186	59,765	12,221	11	168	4,022	0	0
20	392.21	TR EQ - TRAILER < \$1,000	7CUST	19,458	15,264	3,121	3	43	1,027	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CUST	19,282	15,126	3,093	3	42	1,018	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	2,592,386	2,033,623	415,845	363	5,703	136,852	0	0
26	395.00	LABORATORY EQUIPMENT	7CUST	7,364	5,777	1,181	1	16	389	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS	7CUST	201,356	157,956	32,300	28	443	10,630	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7CUST	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>
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>
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

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		INTANGIBLE PLANT									
2	301.00	ORGANIZATION	7CUST	0	0	0	0	0	0	0	0
3	303.00	MISC. INTANGIBLE PLANT	7CUST	39,060	30,641	6,266	5	86	2,062	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>2,724,039</u>	<u>2,136,900</u>	<u>436,963</u>	<u>381</u>	<u>5,993</u>	<u>143,802</u>	<u>0</u>	<u>0</u>
7		TOTAL INTANGIBLE PLANT		2,763,099	2,167,541	443,229	386	6,079	145,864	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	0	0	0	0	0	0	0	0
15	374.20	LAND - OTHER DISTRIBUTION	3	(339)	(250)	(57)	0	0	(32)	0	0
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION	3	119,691	88,324	20,037	29	0	11,301	0	0
17	374.50	RIGHTS OF WAY	3	611,090	450,942	102,303	147	0	57,699	0	0
18	375.20	CITY GATE - MEAS & REG STRUCTURES	3	1,337	987	224	0	0	126	0	0
19	375.30	STRUC & IMPROV-GENERAL M&R	3	(51)	(38)	(9)	0	0	(5)	0	0
20	375.40	STRUC & IMPROV-REGULATING	3	322,739	238,159	54,030	77	0	30,473	0	0
21	375.40	DIRECT STRUC & IMPROV-REGULATING		1,963	0	0	0	1,963	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	2,680,400	2,102,667	429,963	375	5,897	141,498	0	0
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7CUST	158,469	124,313	25,420	22	349	8,366	0	0
25	375.80	STRUC & IMPROV-COMMUNICATION	3	0	0	0	0	0	0	0	0
26	376.00	MAINS	3	38,128,498	28,136,163	6,383,092	9,151	0	3,600,093	0	0
27	376.00	DIRECT MAINS		5,642	0	0	0	5,642	0	0	0
28	378.10	M & R GENERAL	3	241,196	177,986	40,379	58	0	22,774	0	0
29	378.20	M & R GENERAL - REGULATING	3	2,238,718	1,652,017	374,784	537	0	211,380	0	0
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES	3	23,748	17,524	3,976	6	0	2,242	0	0
31	379.10	STA EQUIP - CITY	3	173,557	128,073	29,055	42	0	16,387	0	0
32	380.00	SERVICES	15	61,085,053	53,894,121	6,974,691	611	0	215,630	0	0

33 380.00 DIRECT SERVICES

0 0 0 0 0 0 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 GEN-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 INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION EXPENSE ALLOC.

ATTACHMENT GEN-1
PAGE 60 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)
				\$	\$	\$	\$	\$	\$	\$	\$
INTANGIBLE PLANT											
1	301.00	ORGANIZATION	7CUST	0	0	0	0	0	0	0	0
2	303.00	MISC. INTANGIBLE PLANT	7CUST	1,971	1,546	316	0	4	104	0	0
3	303.10	DIS SOFTWARE	7CUST	0	0	0	0	0	0	0	0
4	303.20	FARA SOFTWARE	7CUST	0	0	0	0	0	0	0	0
5	303.30	OTHER SOFTWARE	7CUST	<u>1,011,504</u>	<u>793,484</u>	<u>162,255</u>	<u>142</u>	<u>2,225</u>	<u>53,397</u>	<u>0</u>	<u>0</u>
6		TOTAL INTANGIBLE PLANT		1,013,475	795,030	162,571	142	2,229	53,501	0	0
7 PRODUCTION PLANT											
8	304.10	LAND	2	0	0	0	0	0	0	0	0
9	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0	0	0	0	0
10	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>
11		TOTAL PRODUCTION PLANT		0	0	0	0	0	0	0	0
12 DISTRIBUTION PLANT											
13	374.10	LAND - CITY GATE & M/L IND M&R	3	0	0	0	0	0	0	0	0
14	374.20	LAND - OTHER DISTRIBUTION	3	0	0	0	0	0	0	0	0
15	374.40	LAND RIGHTS - OTHER DISTRIBUTION	3	7,460	5,505	1,249	2	0	704	0	0
16	374.50	RIGHTS OF WAY	3	22,828	16,845	3,822	5	0	2,155	0	0
17	375.20	CITY GATE - MEAS & REG STRUCTURES	3	47	35	8	0	0	4	0	0
18	375.30	STRUC & IMPROV-GENERAL M&R	3	0	0	0	0	0	0	0	0
19	375.40	STRUC & IMPROV-REGULATING	3	45,305	33,432	7,585	11	0	4,278	0	0
20	375.40	DIRECT STRUC & IMPROV-REGULATING		482	0	0	0	482	0	0	0
21	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0	0	0	0	0
22	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7CUST	147,738	115,895	23,699	21	325	7,799	0	0
23	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7CUST	26,289	20,623	4,217	4	58	1,388	0	0
24	375.80	STRUC & IMPROV-COMMUNICATION	3	0	0	0	0	0	0	0	0
25	376.00	MAINS	3	3,298,045	2,433,726	552,126	792	0	311,401	0	0
26	376.00	DIRECT MAINS		98	0	0	0	98	0	0	0
27	378.10	M & R GENERAL	3	11,163	8,238	1,869	3	0	1,054	0	0
28	378.20	M & R GENERAL - REGULATING	3	197,327	145,614	33,035	47	0	18,632	0	0
29	378.30	M & R EQUIP - LOCAL GAS PURCHASES	3	980	723	164	0	0	93	0	0
30	379.10	STA EQUIP - CITY	3	0	0	0	0	0	0	0	0
31	380.00	SERVICES	15	6,496,995	5,732,169	741,827	65	0	22,934	0	0

32 380.00 DIRECT SERVICES

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CUSTOMER RELATED
 CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT GEN-1
 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	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

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									
2	480.00	RESIDENTIAL SALES		28,008,467	28,008,467	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		8,910,498	0	8,910,498	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		<u>696,619</u>	<u>0</u>	<u>678,813</u>	<u>17,806</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5		TOTAL SALES REVENUE		37,615,584	28,008,467	9,589,311	17,806	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		371,479	238,443	107,515	194	1,946	23,381	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		17,018,667	7,046,494	5,105,414	0	373,987	4,492,772	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>18,114,146</u>	<u>7,934,060</u>	<u>5,287,349</u>	<u>201</u>	<u>375,961</u>	<u>4,516,572</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATING REVENUE		55,729,730	35,942,527	14,876,660	18,007	375,961	4,516,572	0	0

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)		(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1											
2	870	10CUST	83,793	62,459	18,145	12	188	2,989	0	0	
3	871	4	0	0	0	0	0	0	0	0	
4	874	14CUST	1,341,178	1,080,748	190,930	174	40	69,285	0	0	
5	875	18CUST	53,381	39,389	8,936	13	3	5,040	0	0	
6	876	8	38,736	0	8,042	9	7,779	22,907	0	0	
7	878	16	1,279,637	920,596	353,333	166	0	5,541	0	0	
8	879	16	1,500,691	1,079,627	414,371	195	0	6,498	0	0	
9	880	10CUST	471,124	351,176	102,022	66	1,055	16,805	0	0	
10	881	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			4,768,540	3,533,995	1,095,779	635	9,065	129,065	0	0	
12											
13	885	10CUST	7,436	5,543	1,610	1	17	265	0	0	
14	886	18CUST	1,626	1,200	272	0	0	154	0	0	
15	887	18CUST	600,509	443,110	100,525	144	30	56,700	0	0	
16	889	18CUST	89,844	66,295	15,040	22	4	8,483	0	0	
17	890	8	19,419	0	4,032	4	3,900	11,483	0	0	
18	892	15	298,657	263,499	34,101	3	0	1,054	0	0	
19	893	16	26,851	19,317	7,414	3	0	116	0	0	
20	894	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			1,151,107	878,547	186,114	192	4,190	82,063	0	0	

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	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
 FORTHETWELVEMONTHSENDED12/31/2017

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)	(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		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

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											
2	870	11CUST	611,322	470,632	104,347	92	1,394	34,858	0	0	
3	871	4	0	0	0	0	0	0	0	0	
4	874	14CUST	3,726,836	3,003,159	530,552	484	112	192,528	0	0	
5	875	18CUST	76,739	56,625	12,846	18	4	7,246	0	0	
6	876	8	29,602	0	6,146	7	5,944	17,505	0	0	
7	878	16	485,057	348,960	133,934	63	0	2,100	0	0	
8	879	16	655,941	471,897	181,118	85	0	2,840	0	0	
9	880	11CUST	945,293	727,743	161,352	142	2,155	53,901	0	0	
10	881	11CUST	<u>64,105</u>	<u>49,352</u>	<u>10,942</u>	<u>10</u>	<u>146</u>	<u>3,655</u>	<u>0</u>	<u>0</u>	
11			6,594,895	5,128,368	1,141,237	901	9,755	314,633	0	0	
12											
13	885	11CUST	2,006	1,544	342	0	5	114	0	0	
14	886	18CUST	163,254	120,463	27,329	39	8	15,414	0	0	
15	887	18CUST	1,427,496	1,053,335	238,963	343	71	134,784	0	0	
16	889	18CUST	93,825	69,233	15,706	23	5	8,859	0	0	
17	890	8	51,880	0	10,771	12	10,418	30,679	0	0	
18	892	15	431,251	380,484	49,240	4	0	1,522	0	0	
19	893	16	118,176	85,018	32,631	15	0	512	0	0	
20	894	11CUST	<u>155,722</u>	<u>119,884</u>	<u>26,580</u>	<u>23</u>	<u>355</u>	<u>8,879</u>	<u>0</u>	<u>0</u>	
21			2,443,610	1,829,961	401,562	459	10,862	200,763	0	0	

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 GEN-1
 PAGE 69 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	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		15,429,792	12,659,024	2,229,168	1,435	20,894	519,267	0	0
8	ADMINISTRATIVE & GENERAL										
9	920	SALARIES	13CUST	2,468,206	2,016,648	358,877	247	3,579	88,855	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13CUST	744,716	608,470	108,282	74	1,080	26,810	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13CUST	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13CUST	6,554,938	5,355,712	953,088	655	9,505	235,978	0	0
13	924	PROPERTY INSURANCE	13CUST	68,090	55,633	9,900	7	99	2,451	0	0
14	925	INJURIES AND DAMAGES	12CUST	869,509	664,992	175,606	104	1,704	27,103	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12CUST	2,791,518	2,134,925	563,775	335	5,471	87,012	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13CUST	164,719	134,584	23,950	16	239	5,930	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13CUST	146,752	119,904	21,338	15	213	5,283	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13CUST	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13CUST	(51,744)	(42,277)	(7,524)	(5)	(75)	(1,863)	0	0
21	931	RENTS	13CUST	534,883	437,026	77,772	53	776	19,256	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>215,828</u>	<u>176,342</u>	<u>31,381</u>	<u>22</u>	<u>313</u>	<u>7,770</u>	<u>0</u>	<u>0</u>
26		TOTAL ADMIN & GENERAL - M & E		<u>14,507,523</u>	<u>11,662,047</u>	<u>2,316,461</u>	<u>1,523</u>	<u>22,904</u>	<u>504,589</u>	<u>0</u>	<u>0</u>
27		TOTAL O & M EXPENSE - M & E		29,937,315	24,321,071	4,545,629	2,958	43,798	1,023,856	0	0

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		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	6,594,895	5,128,368	1,141,237	901	9,755	314,633	0	0
13		DISTRIBUTION - O&M MAINT.	PAGE 17	2,443,610	1,829,961	401,562	459	10,862	200,763	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>14,507,523</u>	<u>11,662,047</u>	<u>2,316,461</u>	<u>1,523</u>	<u>22,904</u>	<u>504,589</u>	<u>0</u>	<u>0</u>
18		TOTAL M & E EXPENSE		<u>29,937,315</u>	<u>24,321,071</u>	<u>4,545,629</u>	<u>2,958</u>	<u>43,798</u>	<u>1,023,856</u>	<u>0</u>	<u>0</u>
19		TOTAL O & M EXPENSES		38,130,934	30,587,495	6,200,409	3,962	59,839	1,279,225	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 GEN-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	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		182,107	(8,527,329)	5,937,159	12,099	290,339	2,469,842	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		4,291,096	3,306,614	710,677	663	12,468	260,675	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>3,356,948</u>	<u>2,342,967</u>	<u>639,162</u>	<u>1,013</u>	<u>22,808</u>	<u>350,996</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(3,174,841)	(10,870,296)	5,297,997	11,086	267,531	2,118,846	0	0
10		STATE INCOME TAX @ 6.00%		(190,489)	(652,214)	317,878	665	16,052	127,130	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		(190,489)	(652,214)	317,878	665	16,052	127,130	0	0

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		(204,018)	(662,827)	315,708	663	16,022	126,416	0	0

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		55,729,730	35,942,527	14,876,660	18,007	375,961	4,516,572	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>55,547,623</u>	<u>44,469,856</u>	<u>8,939,501</u>	<u>5,908</u>	<u>85,622</u>	<u>2,046,730</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		182,107	(8,527,329)	5,937,159	12,099	290,339	2,469,842	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		4,291,096	3,306,614	710,677	663	12,468	260,675	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>(190,489)</u>	<u>(652,214)</u>	<u>317,878</u>	<u>665</u>	<u>16,052</u>	<u>127,130</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		3,166,459	1,690,753	957,040	1,678	38,860	478,126	0	0
12		TAXABLE INCOME		(2,984,352)	(10,218,082)	4,980,119	10,421	251,479	1,991,716	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(1,014,680)	(3,474,149)	1,693,241	3,543	85,503	677,184	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%		(1,014,680)	(3,474,149)	1,693,241	3,543	85,503	677,184	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 GEN-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	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	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		(1,086,498)	(3,530,487)	1,681,721	3,533	85,345	673,392	0	0

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	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]		4,766,367	3,823,437	775,051	495	7,480	159,903	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	391,073	319,526	56,862	39	567	14,079	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		162,541,520	125,250,548	26,919,574	25,105	472,267	9,874,049	0	0

REFERENCES: [1] PAGE 57, [2] PAGE 59,

[3] TOTAL O & M EXPENSE	38,130,934	30,587,495	6,200,409	3,962	59,839	1,279,225	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	38,130,934	30,587,495	6,200,409	3,962	59,839	1,279,225	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ATTACHMENT GEN-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%	76.986%	17.069%	0.015%	0.228%	5.702%	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%	81.705%	14.540%	0.010%	0.145%	3.600%	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%

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)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		21,865,491	14,038,640	7,769,797	25,126	2,454	29,475	0	0	
2	PROPOSED INCREASE		<u>101,802</u>	<u>84,336</u>	<u>6,496</u>	<u>42</u>	<u>13</u>	<u>10,915</u>	<u>0</u>	<u>0</u>	
3	TOTAL PROPOSED REVENUES		21,967,293	14,122,976	7,776,293	25,168	2,467	40,390	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		478,050	270,626	156,132	472	0	50,820	0	0	
6	DEPRECIATION & AMORTIZATION		0	0	0	0	0	0	0	0	
7	FEDERAL INCOME TAX		2,675	14,288	(8,162)	(101)	788	(4,138)	0	0	
8	KENTUCKY STATE INCOME TAX		325	2,535	(1,544)	(20)	148	(795)	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		21,963,337	14,096,662	7,791,803	25,363	936	48,573	0	0	
11	OPERATING INCOME		3,956	26,314	(15,510)	(195)	1,531	(8,183)	0	0	
12	INTEREST EXPENSE		<u>1,591</u>	<u>900</u>	<u>521</u>	<u>2</u>	<u>0</u>	<u>168</u>	<u>0</u>	<u>0</u>	
13	INCOME AVAILABLE FOR COMMON EQUITY		2,365	25,414	(16,031)	(197)	1,531	(8,351)	0	0	
14	RATE BASE		60,219	34,089	19,719	60	0	6,353	0	0	
15	RATE OF RETURN AUTHORIZED ON RATE BASE		6.57%	77.19%	-78.66%	-325.67%	0.00%	-128.80%	0.00%	0.00%	
16	UNITIZED RETURN		1.00	9.18	(9.35)	(38.72)	0.00	(15.32)	0.00	0.00	

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		21,969,128	14,084,168	7,804,710	25,500	(66)	54,815	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		478,070	270,194	156,448	476	(28)	50,980	0	0
4		DEPRECIATION & AMORTIZATION		0	0	0	0	0	0	0	0
5		FEDERAL INCOME TAX		3,272	1,662	1,084	7	(36)	555	0	0
6		KENTUCKY STATE INCOME TAX		433	232	142	0	(3)	61	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		21,964,062	14,081,301	7,803,051	25,495	(67)	54,282	0	0
9		OPERATING INCOME		5,066	2,867	1,658	5	0	534	0	0
10		INTEREST EXPENSE		<u>1,591</u>	<u>900</u>	<u>521</u>	<u>2</u>	<u>0</u>	<u>168</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		3,475	1,967	1,137	3	0	366	0	0
12		RATE BASE		60,219	34,089	19,719	60	0	6,353	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.85%	0.00%	8.40%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.00	1.00	1.05	0.00	1.00	0.00	0.00

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		103,636	45,529	34,913	375	(2,520)	25,340	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		956	420	322	3	(23)	234	0	0
4	LESS: PSC FEES @ 0.00190100		<u>197</u>	<u>87</u>	<u>66</u>	<u>1</u>	<u>(5)</u>	<u>48</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		102,483	45,022	34,525	371	(2,492)	25,058	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>6,149</u>	<u>2,701</u>	<u>2,071</u>	<u>22</u>	<u>(150)</u>	<u>1,504</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		96,334	42,321	32,454	349	(2,342)	23,554	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>33,717</u>	<u>14,812</u>	<u>11,359</u>	<u>122</u>	<u>(820)</u>	<u>8,244</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		62,617	27,509	21,095	227	(1,522)	15,310	0	0

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)
	(B)		\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES [1]		21,865,491	14,038,640	7,769,797	25,126	2,454	29,475	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]		476,915	269,687	156,060	472	0	50,698	0	0
4	DEPRECIATION & AMORTIZATION [3]		0	0	0	0	0	0	0	0
5	FEDERAL INCOME TAX [4]		(30,443)	(13,150)	(10,275)	(115)	784	(7,689)	0	0
6	KENTUCKY STATE INCOME TAX [5]		(5,715)	(2,469)	(1,929)	(22)	147	(1,443)	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		21,923,044	14,063,281	7,789,233	25,347	931	44,252	0	0
9	OPERATING INCOME		(57,553)	(24,641)	(19,436)	(221)	1,523	(14,777)	0	0
10	INTEREST EXPENSE [7]		<u>1,590</u>	<u>900</u>	<u>521</u>	<u>2</u>	<u>0</u>	<u>168</u>	<u>0</u>	<u>0</u>
11	INCOME AVAILABLE FOR COMMON EQUITY		(59,143)	(25,541)	(19,957)	(223)	1,523	(14,945)	0	0
12	RATE BASE [8]		60,219	34,089	19,719	60	0	6,353	0	0
13	RATE OF RETURN EARNED ON RATE BASE		-95.57%	-72.29%	-98.57%	-369.00%	0.00%	-232.59%	0.00%	0.00%
14	UNITIZED RETURN		1.00	0.76	1.03	3.86	0.00	2.43	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.

33

380.00 DIRECT SERVICES

0

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32 380.00 DIRECT SERVICES

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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 GEN-1
 PAGE 88 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 REVENUE										
2	480.00		RESIDENTIAL SALES	13,990,847	13,990,847	0	0	0	0	0	0
3	481.10		COMMERCIAL SALES	7,161,208	0	7,161,208	0	0	0	0	0
4	481.20		INDUSTRIAL SALES	<u>570,676</u>	<u>0</u>	<u>545,550</u>	<u>25,126</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5			TOTAL SALES REVENUE	21,722,730	13,990,847	7,706,758	25,126	0	0	0	0
6	487.00		FORFEITED DISCOUNTS	31,109	1,564	29,545	0	0	0	0	0
7	488.00	6	MISC. SERVICE REVENUE	0	0	0	0	0	0	0	0
8	489.00		REVENUE FROM TRANSPORTATION - GS - Residential	111,652	46,229	33,494	0	2,454	29,475	0	0
9	495.00	6	OTHER	<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>142,761</u>	<u>47,793</u>	<u>63,039</u>	<u>0</u>	<u>2,454</u>	<u>29,475</u>	<u>0</u>	<u>0</u>
11			TOTAL OPERATING REVENUE	21,865,491	14,038,640	7,769,797	25,126	2,454	29,475	0	0

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

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 EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT GEN-1
 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	1,506	503	364	1	0	638	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	2,329	778	562	1	0	987	0	0
10	881	RENTS	11COMM	<u>158</u>	<u>53</u>	<u>38</u>	<u>0</u>	<u>0</u>	<u>67</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		21,878	7,311	5,283	11	0	9,272	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>384</u>	<u>128</u>	<u>93</u>	<u>0</u>	<u>0</u>	<u>163</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		389	130	94	0	0	165	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 GEN-1
 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		22,267	7,441	5,377	11	0	9,437	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13COMM	3,816	2,381	1,332	4	0	99	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13COMM	1,151	718	402	1	0	30	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13COMM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13COMM	10,134	6,324	3,536	11	0	263	0	0
13	924	PROPERTY INSURANCE	13COMM	105	66	37	0	0	3	0	0
14	925	INJURIES AND DAMAGES	12COMM	1,344	449	325	1	0	570	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12COMM	4,316	1,442	1,042	2	0	1,829	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13COMM	255	159	89	0	0	7	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13COMM	227	142	79	0	0	6	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13COMM	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13COMM	(80)	(50)	(28)	0	0	(2)	0	0
21	931	RENTS	13COMM	827	516	289	1	0	21	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	334	208	117	0	0	9	0	0
26		TOTAL ADMIN & GENERAL - M & E		22,429	12,355	7,220	20	0	2,835	0	0
27		TOTAL O & M EXPENSE - M & E		386,253	239,386	134,167	427	0	12,272	0	0

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		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	21,878	7,311	5,283	11	0	9,272	0	0
13		DISTRIBUTION - O&M MAINT.	PAGE 17	389	130	94	0	0	165	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>22,429</u>	<u>12,355</u>	<u>7,220</u>	<u>20</u>	<u>0</u>	<u>2,835</u>	<u>0</u>	<u>0</u>
18		TOTAL M & E EXPENSE		<u>386,253</u>	<u>239,386</u>	<u>134,167</u>	<u>427</u>	<u>0</u>	<u>12,272</u>	<u>0</u>	<u>0</u>
19		TOTAL O & M EXPENSES		476,915	269,687	156,060	472	0	50,698	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 GEN-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

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)		(93,711)	(40,260)	(31,640)	(358)	2,454	(23,909)	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		1,590	900	521	2	0	168	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>1,542</u>	<u>884</u>	<u>509</u>	<u>2</u>	<u>0</u>	<u>148</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(95,253)	(41,144)	(32,149)	(360)	2,454	(24,057)	0	0
10		STATE INCOME TAX @ 6.00%		(5,715)	(2,469)	(1,929)	(22)	147	(1,443)	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		(5,715)	(2,469)	(1,929)	(22)	147	(1,443)	0	0

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4		TOTAL DEFERRED INCOME TAX		0	0	0	0	0	0	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(5,715)	(2,469)	(1,929)	(22)	147	(1,443)	0	0

LINE	ACCT	ALLOC	TOTAL		IUS	DS-ML	DS/IS	NOT USED	NOT USED	
NO.	NO.	FACTOR	COMMODITY	GS-RESIDENTIAL	GS-OTHER					
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	(B)		\$	\$	\$	\$	\$	\$	\$	\$
1	OPERATING REVENUE		21,865,491	14,038,640	7,769,797	25,126	2,454	29,475	0	0
2	LESS: EXPENSES OTHER THAN FIT		<u>21,959,202</u>	<u>14,078,900</u>	<u>7,801,437</u>	<u>25,484</u>	<u>0</u>	<u>53,384</u>	<u>0</u>	<u>0</u>
3	OPERATING INCOME BEFORE TAXES		(93,711)	(40,260)	(31,640)	(358)	2,454	(23,909)	0	0
4	LESS: RECONCILING ITEMS:									
5	IMPUTED INTEREST		1,590	900	521	2	0	168	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>(5,715)</u>	<u>(2,469)</u>	<u>(1,929)</u>	<u>(22)</u>	<u>147</u>	<u>(1,443)</u>	<u>0</u>	<u>0</u>
11	TOTAL RECONCILING ITEMS		(4,173)	(1,585)	(1,420)	(20)	147	(1,295)	0	0
12	TAXABLE INCOME		(89,538)	(38,675)	(30,220)	(338)	2,307	(22,614)	0	0
13	CURRENT FEDERAL INCOME TAX @ 35%		(30,443)	(13,150)	(10,275)	(115)	784	(7,689)	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%		(30,443)	(13,150)	(10,275)	(115)	784	(7,689)	0	0

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		(30,443)	(13,150)	(10,275)	(115)	784	(7,689)	0	0

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	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]			0	0	0	0	0	0	0	0
	LESS:										
2	108-111 DEPRECIATION RESERVE [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>
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		<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			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]			59,614	33,711	19,508	59	0	6,337	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		605	378	211	1	0	16	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			60,219	34,089	19,719	60	0	6,353	0	0

REFERENCES: [1] PAGE 83, [2] PAGE 85,

[3] TOTAL O & M EXPENSE	21,952,865	14,076,782	7,799,907	25,481	0	50,698	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	476,915	269,687	156,060	472	0	50,698	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ATTACHMENT GEN-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	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)	(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%	62.401%	34.893%	0.112%	0.000%	2.594%	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%

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)
	(B)		\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		15,086,946	9,698,655	4,038,828	4,948	103,320	1,241,195	0	0
2	PROPOSED INCREASE		<u>5,636,343</u>	<u>3,675,093</u>	<u>1,508,898</u>	<u>1,748</u>	<u>(8)</u>	<u>450,611</u>	<u>0</u>	<u>0</u>
3	TOTAL PROPOSED REVENUES		20,723,288	13,373,748	5,547,726	6,696	103,312	1,691,806	0	0
4	COST OF GAS		0	0	0	0	0	0	0	0
5	OPERATING & MAINTENANCE EXPENSE		6,549,932	4,827,254	1,103,559	1,576	324	617,219	0	0
6	DEPRECIATION & AMORTIZATION		2,386,350	1,760,655	399,429	569	418	225,279	0	0
7	FEDERAL INCOME TAX		2,466,199	1,249,783	1,007,968	915	32,484	175,049	0	0
8	KENTUCKY STATE INCOME TAX		453,144	228,205	186,595	169	6,099	32,076	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		12,776,910	8,745,586	2,851,749	3,450	39,531	1,136,593	0	0
11	OPERATING INCOME		7,946,378	4,628,162	2,695,977	3,246	63,781	555,212	0	0
12	INTEREST EXPENSE		<u>2,396,039</u>	<u>1,626,120</u>	<u>627,116</u>	<u>1,292</u>	<u>349</u>	<u>141,162</u>	<u>0</u>	<u>0</u>
13	INCOME AVAILABLE FOR COMMON EQUITY		5,550,339	3,002,042	2,068,861	1,954	63,432	414,050	0	0
14	RATE BASE		90,759,041	61,595,438	23,754,409	48,933	13,204	5,347,064	0	0
15	RATE OF RETURN AUTHORIZED ON RATE BASE		8.76%	7.51%	11.35%	6.63%	483.03%	10.38%	0.00%	0.00%
16	UNITIZED RETURN		1.00	0.89	1.35	0.79	57.44	1.23	0.00	0.00

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		20,204,362	14,287,380	4,392,091	8,134	(415)	1,517,153	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		6,544,154	4,837,426	1,090,692	1,592	(831)	615,275	0	0
4		DEPRECIATION & AMORTIZATION		2,386,357	1,760,655	399,429	569	418	225,279	0	0
5		FEDERAL INCOME TAX		2,297,366	1,547,021	631,997	1,383	(1,263)	118,228	0	0
6		KENTUCKY STATE INCOME TAX		422,353	282,413	118,029	254	(56)	21,713	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		12,571,515	9,107,204	2,394,345	4,019	(1,526)	1,067,465	0	0
9		OPERATING INCOME		7,632,848	5,180,177	1,997,746	4,115	1,110	449,688	0	0
10		INTEREST EXPENSE		<u>2,396,039</u>	<u>1,626,120</u>	<u>627,116</u>	<u>1,292</u>	<u>349</u>	<u>141,162</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		5,236,809	3,554,057	1,370,630	2,823	761	308,526	0	0
12		RATE BASE		90,759,041	61,595,438	23,754,409	48,933	13,204	5,347,064	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

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		5,117,417	4,588,725	353,263	3,186	(103,735)	275,958	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		47,250	42,369	3,262	29	(958)	2,548	0	0
4	LESS: PSC FEES @ 0.00190100		<u>9,729</u>	<u>8,723</u>	<u>672</u>	<u>6</u>	<u>(197)</u>	<u>525</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		5,060,438	4,537,633	349,329	3,151	(102,580)	272,885	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>303,626</u>	<u>272,258</u>	<u>20,960</u>	<u>189</u>	<u>(6,155)</u>	<u>16,373</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		4,756,812	4,265,375	328,369	2,962	(96,425)	256,512	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>1,664,877</u>	<u>1,492,881</u>	<u>114,929</u>	<u>1,037</u>	<u>(33,749)</u>	<u>89,779</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		3,091,935	2,772,494	213,440	1,925	(62,676)	166,733	0	0

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]		15,086,946	9,698,655	4,038,828	4,948	103,320	1,241,195	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		6,487,179	4,786,334	1,086,758	1,557	324	612,202	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]		632,490	54,140	517,068	346	32,486	28,449	0	0
6		KENTUCKY STATE INCOME TAX [5]		118,728	10,155	97,069	65	6,099	5,340	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		10,546,038	7,290,973	2,254,522	2,758	39,533	958,240	0	0
9		OPERATING INCOME		4,540,908	2,407,682	1,784,306	2,190	63,786	282,955	0	0
10		INTEREST EXPENSE [7]		<u>2,396,039</u>	<u>1,626,120</u>	<u>627,116</u>	<u>1,292</u>	<u>349</u>	<u>141,162</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		2,144,869	781,562	1,157,190	898	63,437	141,793	0	0
12		RATE BASE [8]		90,759,041	61,595,438	23,754,409	48,933	13,204	5,347,064	0	0
13		RATE OF RETURN EARNED ON RATE BASE		5.00%	3.91%	7.51%	4.48%	483.07%	5.29%	0.00%	0.00%
14		UNITIZED RETURN		1.00	0.78	1.50	0.90	96.61	1.06	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
 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 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	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

33 380.00 DIRECT SERVICES

0 0 0 0 0 0 0 0 0

DEMAND RELATED
 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 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	(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

32 380.00 DIRECT SERVICES

0

0

0

0

0

0

0

0

DEMAND RELATED
 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 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	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	<u>869</u>	<u>641</u>	<u>145</u>	<u>0</u>	<u>0</u>	<u>82</u>	<u>0</u>	<u>0</u>
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	<u>4,010</u>	<u>2,958</u>	<u>671</u>	<u>1</u>	<u>1</u>	<u>379</u>	<u>0</u>	<u>0</u>
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	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(B)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1											
	OPERATING REVENUE										
2	480.00		7,696,748	7,696,748	0	0	0	0	0	0	0
3	481.10		2,448,611	0	2,448,611	0	0	0	0	0	0
4	481.20		<u>191,431</u>	<u>0</u>	<u>186,539</u>	<u>4,893</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5			10,336,790	7,696,748	2,635,150	4,893	0	0	0	0	0
6	487.00		73,412	65,525	706	55	548	6,578	0	0	0
7	488.00	6	0	0	0	0	0	0	0	0	0
8	489.00		4,676,743	1,936,382	1,402,972	0	102,772	1,234,617	0	0	0
9	495.00	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>	<u>0</u>
10			<u>4,750,155</u>	<u>2,001,907</u>	<u>1,403,678</u>	<u>55</u>	<u>103,320</u>	<u>1,241,195</u>	<u>0</u>	<u>0</u>	<u>0</u>
11			15,086,946	9,698,655	4,038,828	4,948	103,320	1,241,195	0	0	0

DEMAND 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 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
 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	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)		(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1											
2	870	10DEM	12,604	9,300	2,110	3	1	1,190	0	0	
3	871	4	0	0	0	0	0	0	0	0	
4	874	14DEM	385,358	284,352	64,509	92	19	36,386	0	0	
5	875	18DEM	28,966	21,374	4,849	7	1	2,735	0	0	
6	876	8	0	0	0	0	0	0	0	0	
7	878	16	0	0	0	0	0	0	0	0	
8	879	16	0	0	0	0	0	0	0	0	
9	880	10DEM	70,868	52,293	11,863	17	4	6,691	0	0	
10	881	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			497,796	367,319	83,331	119	25	47,002	0	0	
12											
13	885	10DEM	1,119	826	187	0	0	106	0	0	
14	886	18DEM	883	652	148	0	0	83	0	0	
15	887	18DEM	325,845	240,438	54,546	78	16	30,766	0	0	
16	889	18DEM	48,750	35,972	8,161	12	2	4,603	0	0	
17	890	8	0	0	0	0	0	0	0	0	
18	892	15	0	0	0	0	0	0	0	0	
19	893	16	0	0	0	0	0	0	0	0	
20	894	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			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
 FORTHETWELVEMONTHSENDED12/31/2017

ATTACHMENT CEN-1
 PAGE 118 OF 129
 WITNESS: C. NOTESTONE

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	SALES										
2	911 SUPERVISION	6	0	0	0	0	0	0	0	0	0
3	912 DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0	0
4	913 ADVERTISING	6	0	0	0	0	0	0	0	0	0
5	916 MISC.	6	0	0	0	0	0	0	0	0	0
6	TOTAL SALES		0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	
24	TOTAL ADMIN & GENERAL - LABOR		183,992	135,766	30,800	44	9	17,372	0	0	
25	TOTAL O & M EXPENSE - LABOR		1,074,445	792,824	179,861	257	53	101,448	0	0	

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	170,642	125,915	28,565	41	9	16,112	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14DEM	1,070,824	790,150	179,256	257	54	101,107	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	263,865	194,703	44,171	63	13	24,914	0	0
10	881	RENTS	11DEM	<u>17,894</u>	<u>13,204</u>	<u>2,995</u>	<u>4</u>	<u>1</u>	<u>1,690</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		1,564,865	1,154,698	261,958	375	79	147,755	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11DEM	560	413	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>43,467</u>	<u>32,074</u>	<u>7,276</u>	<u>10</u>	<u>2</u>	<u>4,104</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		958,102	706,974	160,386	229	48	90,464	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		2,522,967	1,861,672	422,344	604	127	238,219	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13DEM	491,280	362,461	82,324	118	25	46,352	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13DEM	148,231	109,363	24,839	36	7	13,986	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13DEM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13DEM	1,304,717	962,607	218,631	313	65	123,100	0	0
13	924	PROPERTY INSURANCE	13DEM	13,553	9,999	2,271	3	1	1,279	0	0
14	925	INJURIES AND DAMAGES	12DEM	173,070	127,707	28,972	42	9	16,341	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12DEM	555,633	409,996	93,013	133	28	52,463	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13DEM	32,786	24,189	5,494	8	2	3,093	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13DEM	29,210	21,551	4,895	7	1	2,756	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13DEM	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13DEM	(10,299)	(7,599)	(1,726)	(2)	(1)	(972)	0	0
21	931	RENTS	13DEM	106,465	78,549	17,840	26	5	10,045	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	42,959	31,695	7,199	10	2	4,053	0	0
26		TOTAL ADMIN & GENERAL - M & E		2,887,627	2,130,534	483,756	694	144	272,498	0	0
27		TOTAL O & M EXPENSE - M & E		5,412,733	3,993,510	906,897	1,300	271	510,754	0	0

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	1,564,865	1,154,698	261,958	375	79	147,755	0	0
13		DISTRIBUTION - O&M MAINT.	PAGE 17	958,102	706,974	160,386	229	48	90,464	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>2,887,627</u>	<u>2,130,534</u>	<u>483,756</u>	<u>694</u>	<u>144</u>	<u>272,498</u>	<u>0</u>	<u>0</u>
18		TOTAL M & E EXPENSE		<u>5,412,733</u>	<u>3,993,510</u>	<u>906,897</u>	<u>1,300</u>	<u>271</u>	<u>510,754</u>	<u>0</u>	<u>0</u>
19		TOTAL O & M EXPENSES		6,487,179	4,786,334	1,086,758	1,557	324	612,202	0	0

DEMAND 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 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	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

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)		5,292,125	2,471,977	2,398,443	2,601	102,371	316,744	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		2,396,039	1,626,120	627,116	1,292	349	141,162	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)	<u>(420)</u>	<u>(95)</u>	<u>0</u>	<u>0</u>	<u>(54)</u>	<u>0</u>	<u>0</u>
8		TOTAL RECONCILING ITEMS		<u>3,255,338</u>	<u>2,259,947</u>	<u>770,913</u>	<u>1,502</u>	<u>710</u>	<u>222,273</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		2,036,787	212,030	1,627,530	1,099	101,661	94,471	0	0
10		STATE INCOME TAX @ 6.00%		122,207	12,722	97,651	66	6,100	5,668	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		122,207	12,722	97,651	66	6,100	5,668	0	0

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)	<u>(2,567)</u>	<u>(582)</u>	<u>(1)</u>	<u>(1)</u>	<u>(328)</u>	<u>0</u>	<u>0</u>
4		TOTAL DEFERRED INCOME TAX		(3,479)	(2,567)	(582)	(1)	(1)	(328)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		118,728	10,155	97,069	65	6,099	5,340	0	0

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		15,086,946	9,698,655	4,038,828	4,948	103,320	1,241,195	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>9,794,820</u>	<u>7,226,678</u>	<u>1,640,385</u>	<u>2,347</u>	<u>949</u>	<u>924,451</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		5,292,125	2,471,977	2,398,443	2,601	102,371	316,744	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		2,396,039	1,626,120	627,116	1,292	349	141,162	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>122,207</u>	<u>12,722</u>	<u>97,651</u>	<u>66</u>	<u>6,100</u>	<u>5,668</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		3,377,545	2,272,669	868,564	1,568	6,810	227,941	0	0
12		TAXABLE INCOME		1,914,581	199,308	1,529,879	1,033	95,561	88,803	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		650,958	67,765	520,159	351	32,491	30,193	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%		650,958	67,765	520,159	351	32,491	30,193	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		632,490	54,140	517,068	346	32,486	28,449	0	0

DEMAND RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
RATE BASE SUMMARY

FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.		DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(B)	(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]		810,897	598,292	135,845	195	41	76,525	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	77,840	57,430	13,044	19	4	7,344	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		90,759,041	61,595,438	23,754,409	48,933	13,204	5,347,064	0	0	

REFERENCES: [1] PAGE 109, [2] PAGE 111,

[3] TOTAL O & M EXPENSE	6,487,179	4,786,334	1,086,758	1,557	324	612,202	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	6,487,179	4,786,334	1,086,758	1,557	324	612,202	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ALLOCATION FACTORS

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%	16.757%	0.024%	0.005%	9.435%	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%

PROFORMA @ PROPOSED RATES REVENUE BY CLASS (PAGE 1)

		TOTAL CO.	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	
480.00	RESIDENTIAL SALES	62,645,905	62,645,905		0	0	0
481.10	COMMERCIAL SALES	22,447,007	0		22,447,007	0	0
481.20	INDUSTRIAL SALES	1,778,956	0		1,723,027	55,930	0
488, 495	OTHER	6 724,000	649,124		74,420	7	29
487	DELAYED PAY	608,048	391,160		173,234	291	2,495
489.00	TRANSPORTATION	29,886,623	12,465,512		9,094,509	0	479,213
	GAS COSTS	21,475,950	13,807,095		7,643,847	25,009	0
	Comm				7,102,739		
	Ind				541,108		
CUSTOMER CHARGE REVENUE		TOTAL					
		COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	
480.00	RESIDENTIAL SALES	38,114,784	38,114,784		0	0	0
481.10	COMMERCIAL SALES	11,974,974	0		11,974,974	0	0
481.20	INDUSTRIAL SALES	946,525	0		922,393	24,132	0
488, 495	OTHER	565,024	506,589		58,079	5	23
487	DELAYED PAY	474,532	305,269		135,195	227	1,947
489.00	REVENUE FROM TRANSPORTATION	23,324,119	9,728,335		7,097,536	0	373,988
COMMODITY CHARGE REVENUE		TOTAL					
		COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	
480.00	RESIDENTIAL SALES	14,057,150	14,057,150		0	0	0
481.10	COMMERCIAL SALES	7,181,302	0		7,181,302	0	0
481.20	INDUSTRIAL SALES	572,326	0		547,159	25,167	0
488, 495	OTHER	383	0		381	0	0
487	DELAYED PAY	3,113	2,003		887	1	13
489.00	REVENUE FROM TRANSPORTATION	153,020	63,823		46,564	0	2,454
DEMAND CHARGE REVENUE		TOTAL					
		COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	
480.00	RESIDENTIAL SALES	10,473,971	10,473,971		0	0	0
481.10	COMMERCIAL SALES	3,290,731	0		3,290,731	0	0
481.20	INDUSTRIAL SALES	260,106	0		253,475	6,631	0
488, 495	OTHER	158,593	142,535		15,960	2	6
487	DELAYED PAY	130,403	83,888		37,152	63	535
489.00	REVENUE FROM TRANSPORTATION	6,409,484	2,673,354		1,950,409	0	102,771

Columbia Gas of Kentucky, Inc.
Average Number of Customers
For the Twelve Months Ended December 31, 2017

Source: M-2.2 (Page 1 of 38)

Customers:

Rate Schedules	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>
CAP						
GSR	1,180,666	1,180,666				
G1C (Com.)	41		41			
G1R	192	192				
IN3 (Res & Com)	108	108				
IN5	36	36				
LG2 (Res & Com)	24	12	12			
LG3	12	12				
LG4	12	12				
GSO (Com)	119,233		119,233			
GSO (Ind)	524		524			
IUS (Wholesale)	24	0	0	24	0	
Total Sales	<u>1,300,872</u>	<u>1,181,038</u>	<u>119,810</u>	<u>24</u>	<u>0</u>	<u>0</u>
GTR	281,946	281,946				
GTO (Com)	47,445		47,445			
GTO (Ind)	149		149			
DS-IS (Com)	428					428
DS-IS (Ind)	468					468
GDS-GS (Com)	145		145			
GDS-GS (Ind)	180		180			
DS3 (Ind) -ML	36				36	
DS5 (Ind) (Sp. Con)	0					
FX1 (Com)	12					12
FX2 (Ind)	12					12
FX5 (Ind)	36				36	
FX7 (Ind)	12					12
SC3 (Ind)	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>
Total Transportation	<u>330,881</u>	<u>281,946</u>	<u>47,919</u>	<u>0</u>	<u>72</u>	<u>944</u>
Total Bills	<u>1,631,753</u>	<u>1,462,984</u>	<u>167,729</u>	<u>24</u>	<u>72</u>	<u>944</u>
Avg Customers	<u>135,979</u>	<u>121,915</u>	<u>13,977</u>	<u>2</u>	<u>6</u>	<u>79</u>

- (1) GS Customers and included in GS-Other
(2) IS Customers and included in DS/IS

**Columbia Gas of Kentucky, Inc,
Throughput
For the Twelve Months Ended December 31, 2017**

Source: M-2.1

<u>Volume</u>	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
Rate Schedules								
GSR	6,248,080.5	6,248,080.5						
G1C (Com.)	1,697.8		1,697.8					
G1R	2,018.9	2,018.9						
IN3 (Res & Com)	990.2	990.2						
IN4	0.0							
IN5	333.6	333.6						
LG2 (Res & Com)	1,316.1	605.2	710.9					
LG3	714.1	714.1						
LG4	257.6	257.6						
GSO (Com)	3,098,215.1		3,098,215.1					
GSO (Ind)	360,250.5		360,250.5					
GST GS FALLBACK COM	0.0		0.0					
GST GS FALLBACK IND	0.0		0.0					
IS INT COM	0.0					0.0		
IS INT IND	0.0					0.0		
IUS (Wholesale)	<u>11,320.7</u>	<u>0.0</u>	<u>0.0</u>	<u>11,320.7</u>			<u>0.0</u>	<u>0.0</u>
Total Sales	9,725,195.1	6,253,000.1	3,460,874.3	11,320.7	0.0	0.0	0.0	0.0
GTR	1,707,000.0	1,707,000.0						
GTO (Com)	1,859,990.8		1,859,990.8					
GTO (Ind)	71,999.9		71,999.9					
DS-IS (Com)	1,380,570.0					1,380,570.0		
DS-IS (Ind)	5,517,297.4					5,517,297.4		
GDS (Com)	203,630.5		203,630.5					
GDS (Ind)	154,467.9		154,467.9					
DS3 (Ind)	680,981.0				680,981.0			
FX1 (Com)	541,812.0					541,812.0		
FX2 (Ind)	533,988.0					533,988.0		

FX5 (Ind)	4,689,510.0				4,689,510.0			
FX7 (Ind)	410,759.0					410,759.0		
SC3 (Ind)	<u>1,710,000.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1,710,000.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transportation	<u>19,462,006.5</u>	<u>1,707,000.0</u>	<u>2,290,089.1</u>	<u>0.0</u>	<u>5,370,491.0</u>	<u>10,094,426.4</u>	<u>0.0</u>	<u>0.0</u>
Total Througput	<u>29,187,201.6</u>	<u>7,960,000.1</u>	<u>5,750,963.4</u>	<u>11,320.7</u>	<u>5,370,491.0</u>	<u>10,094,426.4</u>	<u>0.0</u>	<u>0.0</u>
Res. - Sales	6,253,000.1	6,253,000.1						
Res - Trans	1,707,000.0	1,707,000.0						
Com. - Sales	3,100,623.8		3,100,623.8			0.0		
Com. - Trans	3,986,003.3		2,063,621.3			1,922,382.0		
Ind. - Sales	371,571.2		360,250.5	11,320.7		0.0		
Ind.-Trans	13,358,244.2		226,467.8		5,370,491.0	7,761,285.4		
Other	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>		
Total	<u>28,776,442.6</u>	<u>7,960,000.1</u>	<u>5,750,963.4</u>	<u>11,320.7</u>	<u>5,370,491.0</u>	<u>9,683,667.4</u>		

Columbia Gas of Kentucky, Inc,

Revenue

Source: M-2.1

Revenue

Rate Schedules	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
GSR	49,681,142	49,681,142						
G1C (Com.)	9,744		9,744					
G1R	13,752	13,752						
IN3 (Res & Com)	396	396						
IN5	200	200						
LG2 (Res & Com)	461	212	249					
LG3	256	256						
LG4	103	103						
GSO (Com)	18,510,324		18,510,324					
GSO (Ind)	1,410,902		1,410,902					
GST GS FALLBACK COM	0		0					
GST GS FALLBACK IND	0		0					
IS INT COM	0					0		
IS INT IND	0					0		
IUS (Wholesale)	<u>47,824</u>	<u>0</u>	<u>0</u>	<u>47,824</u>			<u>0</u>	<u>0</u>
Total Sales	69,675,105	49,696,061	19,931,219	47,824	0	0	0	0
GTR	9,029,105	9,029,105						
GTO (Com)	5,787,037		5,787,037					
GTO (Ind)	127,654		127,654					
DS-IS (Com)	1,398,811					1,398,811		
DS-IS (Ind)	3,222,464					3,222,464		
GDS (Com)	351,127		351,127					
GDS (Ind)	276,061		276,061					
DS3 (Ind)	67,641				67,641			
FX1 (Com)	224,062					224,062		
FX2 (Com)	221,011					221,011		
FX5 (Ind)	411,572				411,572			
FX7 (Ind)	189,660					189,660		
SC3 (Ind)	<u>500,855</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,855</u>	<u>0</u>	<u>0</u>

Total Transportation	<u>21,807,062</u>	<u>9,029,105</u>	<u>6,541,880</u>	<u>0</u>	<u>479,213</u>	<u>5,756,864</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>91,482,167</u>	<u>58,725,166</u>	<u>26,473,099</u>	<u>47,824</u>	<u>479,213</u>	<u>5,756,864</u>	<u>0</u>	<u>0</u>
Res. - Sales	49,696,061	49,696,061						
Res - Trans	9,029,105	9,029,105						
Com. - Sales	18,520,317		18,520,317			0		
Com. - Trans	7,982,049		6,138,165			1,843,884		
Ind. - Sales	1,458,726		1,410,902	47,824	0	0		
Ind.-Trans	4,795,908		403,715		479,213	3,912,980		
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
Total	<u>91,482,167</u>	<u>58,725,166</u>	<u>26,473,099</u>	<u>47,824</u>	<u>479,213</u>	<u>5,756,864</u>		

Forfeited discounts	476,000	305,532	137,766	249	2,494	29,959
Misc. Serv Revenue	137,000					
Other	<u>587,000</u>					
Total	<u>1,200,000</u>					

Total Revenue **92,682,167**

**Columbia Gas of Kentucky, Inc,
Gas Purchases**

Source: M-2.2

<u>Gas Purchase</u>	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
Rate Schedules								
GSR	13,802,635	13,802,635						
G1C (Com.)	3,751		3,751					
G1R	4,460	4,460						
IN4	0	0						
IN5	0	0						
LG2 (Res & Com)	0	0	0					
LG3	0	0						
LG4	0	0						
GSO (Com)	6,844,267		6,844,267					
GSO (Ind)	795,829		795,829					
IUS (Wholesale)	<u>25,009</u>	<u>0</u>	<u>0</u>	<u>25,009</u>			<u>0</u>	<u>0</u>
Total Sales	21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
GTR	0	0						
GTO (Com)	0							
GTO (Ind)	0							
DS (Com)	0							
DS (Ind)	0							
DS-Smith	0							
DS1 (Com)	0							
DS1 (Ind)	0							
DS3 (Ind)	0							
FX1 (Com)	0							
FX2 (Ind)	0							
FX3 (Com)	0							
FX4 (Ind)	0							
FX5 (Ind)	0							
FX6 (Ind)	0							
FX7 (Ind)	0							

SAS (Ind)	0							
SC2 (Ind)	0							
SC3 (Ind)	<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 Transportation	<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 Gas Purchase	<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>
Res. - Sales	13,807,095	13,807,095						
Res - Trans	0	0						
Com. - Sales	6,848,018		6,848,018					
Com. - Trans	0		0			0		
Ind. - Sales	820,838		795,829	25,009				
Ind.-Trans	0		0		0	0		
Other	<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	<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>

Columbia Gas of Kentucky, Inc.
Current Account 487 Allocation
For the 12 Months Ended December 31, 2017

<u>Line No.</u>		<u>Reference</u>	<u>Revenue</u> (\$)	<u>Late Payment</u> (\$)
1	Test Year Revenue Subject to Late Payment Penalties:			
2	GSR/GTR Residential	Schedule M-2.1	58,710,248	305,532
1	G1C LG&E Commercial	Schedule M-2.1	9,744	51
3	GSO General Service - Commercial	Schedule M-2.1	18,510,324	96,329
4	GSO General Service - Industrial	Schedule M-2.1	1,410,902	7,342
5	IUS Intrastate Utility Service - Wholesale	Schedule M-2.1	47,824	249
6	GTO GTS Choice - Commercial	Schedule M-2.1	5,787,037	30,116
7	GTO GTS Choice - Industrial	Schedule M-2.1	127,654	664
8	DS GTS Delivery Service - Commercial	Schedule M-2.1	1,398,811	7,280
9	DS GTS Delivery Service - Industrial	Schedule M-2.1	3,222,464	16,770
10	GDS GTS Grandfathered Delivery Service - Commercial	Schedule M-2.1	351,127	1,827
11	GDS GTS Grandfathered Delivery Service - Industrial	Schedule M-2.1	276,061	1,437
12	DS3 GTS Main Line Service - Industrial	Schedule M-2.1	67,641	352
13	FX1 GTS Flex Rate - Commercial	Schedule M-2.1	224,062	1,166
14	FX2 GTS Flex Rate - Industrial	Schedule M-2.1	221,011	1,150
15	FX5 GTS Flex Rate - Industrial	Schedule M-2.1	411,572	2,142
16	FX7 GTS Flex Rate - Industrial	Schedule M-2.1	189,660	987
17	SC3 GTS Special Rate - Industrial	Schedule M-2.1	<u>500,855</u>	<u>2,606</u>
18	Total		91,466,999	476,000
 19 Summary				
20	GS-RES			305,532
21	GS-Other			137,766
22	IUS			249
23	DS-ML/SC			2,494
24	DS/IS			<u>29,959</u>
25	Total			476,000

Columbia Gas of Kentucky, Inc.
Proposed Account 487 Allocation
For the 12 Months Ended December 31, 2017

<u>Line No.</u>		<u>Reference</u>	<u>Revenue</u> (\$)	<u>Late Payment</u> (\$)
1	Proposed Revenue Subject to Late Payment Penalties:			
2	GSR/GTR Residential	MPB-6 Page 1	75,096,498	391,088

3	GSO/GTO/GDS	MPB-6 Page 1	33,254,549	173,183
4	DS/SAS	MPB-6 Page 1	6,711,801	34,954
5	IUS	MPB-6 Page 1	55,930	291
6	G1C	MPB-6 Page 1	9,744	51
7	G1R	MPB-6 Page 1	13,752	72
8	DS3	MPB-6 Page 1	67,641	352
9	FX1	MPB-6 Page 1	224,062	1,167
10	FX2	MPB-6 Page 1	221,011	1,151
11	FX5	MPB-6 Page 1	411,572	2,143
12	FX7	MPB-6 Page 1	189,660	988
13	SC3	MPB-6 Page 1	<u>500,855</u>	<u>2,608</u>
14	Total		116,757,076	608,048

15 **Summary**

16	GS-RES			391,160
17	GS-Other			173,234
18	IUS			291
19	DS-ML/SC			2,495
20	DS/IS			<u>40,868</u>
21	Total			608,048

Columbia Gas of Kentucky, Inc.
Proposed Base Revenue
For the Twelve Months Ended December 31, 2017

Source: M-2.3

Revenue	Total	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS
Rate Schedules						
GRS	62,630,986	62,630,986				
G1C (Com.)	9,744		9,744			
G1R	13,752	13,752				
IN3 (Res & Com)	396	396				
IN4	-	-				
IN5	200	200				
LG2 (Res & Com)	461	212	249			
LG3	256	256				
LG4	103	103				
GSO (Com)	22,437,014		22,437,014			
GSO (Ind)	1,723,027		1,723,027			
GST GS FALLBACK COM	-		-			
GST GS FALLBACK IND	-		-			
IS INT COM	-		-			-
IS INT IND	-		-		-	-
SC4 (Ind)	-		-			-
IUS (Wholesale)	55,930	-	-	55,930		
SS COM FIRM	-		-			-
SS IND FIRM	-		-			-
SS COM INT	-		-			-
SS IND INT	-		-			-
Total Sales	86,871,868	62,645,905	24,170,034	55,930	-	-
GTR	12,465,512	12,465,512				
GTO (Com)	7,975,146		7,975,146			
GTO (Ind)	192,717		192,717			
DS-IS (Com)	1,868,525					1,868,525
DS-IS (Ind)	4,843,276					4,843,276
DS-GS (Com)	522,631		522,631			
DS-GS (Ind)	404,015		404,015			
DS3 (Ind)	67,641				67,641	
FX1 (Com)	224,062					224,062
FX2 (Com)	221,011					221,011
FX3 (Com)	-					
FX5 (Ind)	411,572				411,572	
FX7 (Ind)	189,660					189,660
SAS (Ind)	-					-
SC2 (Ind)	-					-
SC3 (Ind)	500,855					500,855
Total Transportation	29,886,623	12,465,512	9,094,509	-	479,213	7,847,390
Total Revenue	116,758,491	75,111,416	33,264,542	55,930	479,213	7,847,390
INCREASE	25,276,325	16,386,250	6,791,443	8,105	0	2,090,526
487 Increase	132,048					
Total Increase	25,408,373					

COLUMBIA GAS OF KENTUCKY, INC.
DESIGN DAY
SOURCE - GAS SUPPLY DESIGN DAY STUDY
TME DECEMBER 31, 2017

Design Day

Rate Schedule	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>
GSR / GTR	137,300	137,300				
GSO - Comm	54,300		54,300			
GSO - Ind.	3,200		3,200			
IUS	200			200		
IS - Com.	0					
IS - Ind.	400					400
SS - Com.	2,600					2,600
SS - Ind.	1,300					1,300
GTO - Comm	25,900		25,900			
GTO - Ind	500		500			
GDS - Comm	2,900		2,900			
GDS - Ind	1,500		1,500			
DS-ML	25,200				25,200	
DS - Comm.	31,900					31,900
DS- Ind.	46,200					46,200
Total	333,400	137,300	88,300	200	25,200	82,400
%	<u>100.000%</u>	<u>41.182%</u>	<u>26.485%</u>	<u>0.060%</u>	<u>7.558%</u>	<u>24.715%</u>
Excluding DS-ML/SC	308,200	137,300	88,300	200	-	82,400
%	<u>100.00%</u>	<u>44.549%</u>	<u>28.650%</u>	<u>0.065%</u>	<u>0.000%</u>	<u>26.736%</u>
Excluding Interruptible Volumes						
Interruptible Demand						
IS Ind.	400					400
GDS Com.	2,900		2,900			
GDS Ind.	1,500		1,500			
DS- IS - Com	31,900					31,900
DS-IS - Ind	<u>46,200</u>					<u>46,200</u>
Total Interruptible	82,900	-	4,400	-	-	78,500
Excluding Interruptible Demand	225,300	137,300	83,900	200	-	3,900
%	<u>100.00%</u>	<u>60.941%</u>	<u>37.239%</u>	<u>0.089%</u>	<u>0.000%</u>	<u>1.731%</u>

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 381 - METERS
SOURCE - LISTING BY RATE SCHEDULE, BY SIZE OF METER.
AS OF FEBRUARY 29, 2016

<u>Rate Schedule</u>	<u>Total Exc./ DS-ML</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS/IS</u>	<u>DS-ML</u>	<u>Total</u>
GSR	5,389,697	5,389,697					
GSO	1,725,560		1,725,560				
G1C	984		984				
G1R	860	860					
GST	-						
IN4	-						
IN5	161	161					
IN3	484	484					
IUS	1,210			1,210			
IS	-						
LG2	539	54	485				
LG3	485	485					
LG4	54	54					
GTO	801,280		801,280				
GTR	1,228,919	1,228,919					
SC3	1,655				1,655		
DS3	-					1,336	
GDS	12,829		12,829				
SAS	-						
DS	36,393				36,393		
FX1	891				891		
FX2	445				445		
FX5	-					1,336	
FX7	445				445	-	
Total	<u>9,202,891</u>	<u>6,620,713</u>	<u>2,541,138</u>	<u>1,210</u>	<u>39,830</u>	<u>2,672</u>	<u>9,205,563</u>
%	<u>100.00%</u>	<u>71.94%</u>	<u>27.61%</u>	<u>0.01%</u>	<u>0.43%</u>	<u>0.00%</u>	

Columbia Gas of Kentucky, Inc.
 Account 385 - DIS Records
 As of February 29, 2016

<u>Co</u>	<u>PCID</u>	<u>PSID</u>	<u>Tariff</u> <u>Rate</u>	<u>GTS</u> <u>Rate</u>	<u>Station</u> <u>Number</u>	<u>Taxing</u> <u>District</u>	<u>Name</u>	<u>Amt</u>	<u>Billing</u> <u>Rate</u>	<u>Rate</u> <u>Class</u>
32	10601949003	500153985	GST	GDS	45927	674805	CINTAS CORPORATION	12,486.45	GDS	GS-OTHER
32	10637093182	500767946	IST	FX2	46769	674805	UK REAL ESTATE SERVICES	9,682.69	FX2	DS/IS
32	10657147001	100406576	GSO		46186	674805	UNIVERSITY OF KENTUCKY	10,545.35	GSO	GS-OTHER
32	10710630002	100454835	GST	GDS	48930	173702	SOUTHERLANDS GREENHOUSES INC	5,537.15	GDS	GS-OTHER
32	12986378003	100468553	IST	DS3	20005	714902	MOUNTAIN ENTERPRISES INC	4,173.07	DS3	DS-ML
32	12986383001	100425379	GSO		5686	1195702	KNOTT COUNTY HOUSING AUTHORITY	1,726.49	GSO	GS-OTHER
32	12986388001	100425368	GTO		3203	1195705	HINDMAN SETTLEMENT SCHOOL	1,495.81	GTO	GS-OTHER
32	12986389001	100449144	GTO		14729	714902	FLOYD COUNTY BOARD OF EDUCATION	7,764.99	GTO	GS-OTHER
32	12986390001	100425363	GSO		6268	1957702	PEPSI COLA EAST	637.61	GSO	GS-OTHER
32	12986393001	100444698	IST	DS	14576	173715	AVANTOR PERFORMANCE MATERIAL	16,890.31	DS	DS/IS
32	12986396001	100469209	IST	DS	45641	173715	CENTRAL MOTOR WHEEL OF AMERICA	19,492.05	DS	DS/IS
32	12986397001	100466963	IST	DS	44675	173715	CENTRAL MANUFACTURING	15,978.28	DS	DS/IS
32	12986401002	100425597	IST	DS	5299	1616705	WALD LLC	19,652.90	DS	DS/IS
32	12986406004	800800025	IST	DS	5307	1616705	EMERSUB 15 LLC	17,775.66	DS	DS/IS
32	12986409001	100441363	GST	GDS	14480	494302	SOUTHERN STATES COOP INC FEED ML	4,377.94	GDS	GS-OTHER
32	12986411001	100425586	GST	GDS	3557	494305	OSRAM SYLVANIA	3,566.09	GDS	GS-OTHER
32	12986423001	100458538	IST	DS	44014	494305	CONTECH ENGINEERED SOLUTIONS LLC	9,167.99	DS	DS/IS
32	12986426001	100425571	IST	DS	4914	1736902	A O SMITH CORP	9,642.86	DS	DS/IS
32	12986432001	100449624	GST	GDS	14704	1736902	THE WALKER COMPANY	6,545.79	GDS	GS-OTHER
32	12986433001	100465111	IST	DS	44527	2398310	UNITED L-N GLASS INC	5,227.09	DS	DS/IS
32	12986434001	100451978	IST	DS	14794	674805	INTERNATIONAL PAPER	11,686.40	DS	DS/IS
32	12986435001	100447546	IST	DS	14671	674805	SAINT JOSEPH EAST HOSPITAL	11,439.10	DS	DS/IS
32	12986442001	100440181	IST	DS	14454	674805	LINK-BELT CONSTRUCTION EQUIPMENT	6,806.83	DS	DS/IS
32	12986452001	100425552	IST	DS	5863	674805	DEPARTMENT OF VETERANS AFFAIRS	3,926.20	DS	DS/IS
32	12986453001	100425551	IST	DS	5483	674805	DEPARTMENT OF VETERANS AFFAIRS	5,731.95	DS	DS/IS
32	12986454001	100425550	GTO		5913	2398310	HOUSING AUTHORITY OF VERSAILLES	371.93	GTO	GS-OTHER
32	12986456004	100425964	IST	FX1	3546	674805	UNIVERSITY OF KENTUCKY	9,521.62	FX1	DS/IS
32	12986456004	800800023	IST	FX1	5825	674805	UNIVERSITY OF KENTUCKY	14,145.94	FX1	DS/IS
32	12986461001	100425540	GST	GDS	4584	674805	INGERSOLL-RAND COMPANY	22,864.76	GDS	GS-OTHER
32	12986463005	100425538	GSO		4625	674805	TRANSYLVANIA UNIVERSITY	3,941.61	GSO	GS-OTHER

32	12986463010	500714773	GSO		48642	674805	TRANSYLVANIA UNIVERSITY	24,619.40	GSO	GS-OTHER
32	12986466001	100425534	IST	DS	4217	674805	SQUARE D CO INC	13,614.11	DS	DS/IS
32	12986467001	100425532	IST	DS	45021	674805	SHRINERS HOSPITAL	290.23	DS	DS/IS
32	12986468003	100425531	IST	DS	3811	674805	SAINT JOSEPH HOSPITAL	10,703.29	DS	DS/IS
32	12986474004	100425525	IST	DS	4528	2398310	QUADGRAPHICS	10,979.53	DS	DS/IS
32	12986477001	100425522	IST	DS	3611	674805	THE J M SMUCKER CO	3,104.37	DS	DS/IS
32	12986480001	100425517	IST	DS	5529	674805	FEDERAL MEDICAL CENTER	12,371.79	DS	DS/IS
32	12986484001	100425513	GST	GDS	5909	2398305	MIDWAY COLLEGE	7,977.30	GDS	GS-OTHER
32	12986488004	500135772	IST	DS	4422	674805	ARATEX SERVICES INC	8,460.94	DS	DS/IS
32	12986491001	100425501	IST	DS	4687	674805	LEX-FAY URBAN COUNTY AIRPORT	16,060.00	DS	DS/IS
32	12986493001	100436157	IST	DS	14280	674805	LEXINGTON CENTER CORPORATION	4,893.24	DS	DS/IS
32	12986494001	100425497	GST	GDS	4001	674805	L-M ASPHALT PARTNERS LTD	3,747.57	GDS	GS-OTHER
32	12986498001	100449311	GSO		5788	674805	KENTUCKY UTILITIES CO INC	12,325.04	GSO	GS-OTHER
32	12986501009	500637086	IST	DS	49006	674805	LEX-FAY URBAN COUNTY GOVERNMENT	24,612.26	DS	DS/IS
32	12986503001	100425489	IST	DS	4685	674805	KEENELAND ASSOCIATION INC	16,348.15	DS	DS/IS
32	12986507001	100425483	IST	DS	3680	674805	LEXMARK INTERNATIONAL INC	6,994.98	DS	DS/IS
32	12986507001	100465702	IST	DS	3947	674805	LEXMARK INTERNATIONAL INC	130,371.93	DS	DS/IS
32	12986514001	100425475	GST	GDS	4726	674805	G F VAUGHAN TOBACCO CO INC	4,233.39	GDS	GS-OTHER
32	12986515001	100425474	IST	DS	3521	674805	G E COMPANY LEX PLP PLANT	1,657.95	DS	DS/IS
32	12986517001	100425472	IST	GDS	5548	674805	PRESTRESS SERVICES INDUSTRIES LLC	7,052.10	GDS	GS-OTHER
32	12986520001	100467440	GTO		5147	674805	FAYETTE COUNTY BOARD OF EDUCATION	30,430.87	GTO	GS-OTHER
32	12986521001	100467439	GTO		5278	674805	FAYETTE COUNTY BOARD OF EDUCATION	2,990.56	GTO	GS-OTHER
32	12986525005	800800019	IST	DS	5709	674805	DIXIE CONSUMER PRODUCTS LLC	2,870.91	DS	DS/IS
32	12986525005	100425457	IST	DS	3739	674805	DIXIE CONSUMER PRODUCTS LLC	13,366.29	DS	DS/IS
32	12986528001	100445834	IST	DS	5463	674805	L-M ASPHALT PARTNERS LTD	24,392.95	DS	DS/IS
32	12986530001	100425447	IST	DS	5991	674805	CENTRAL BAPTIST HOSPITAL INC	7,316.33	DS	DS/IS
32	12986555001	100425432	IST	DS	5826	2098005	JOHNSON CONTROLS INC	6,643.66	DS	DS/IS
32	12986560001	100425427	IST	DS	3742	2098005	GEORGETOWN COLLEGE	36,843.35	DS	DS/IS
32	12986564003	100466949	IST	DS	44722	2098005	TOYOTA MOTOR MFG KENTUCKY	96,284.60	DS	DS/IS
32	12986564003	500134747	IST	DS	44722	2098005	TOYOTA MOTOR MFG KENTUCKY	96,284.60	DS	DS/IS
32	12986565003	100425606	GST	GDS	5295	173715	WESTERN PACIFIC STORAGE SOLUTIONS	8,212.59	GDS	GS-OTHER
32	12986569001	100425423	GST	GDS	4946	735002	AMERICAN WIRE PRODUCTS	38,998.80	GDS	GS-OTHER
32	12986570006	100442751	IST	DS	14495	735002	BUFFALO TRACE DISTILLERY INC	20,043.33	DS	DS/IS
32	12986570006	500136663	IST	DS	14495	735002	BUFFALO TRACE DISTILLERY INC	20,043.33	DS	DS/IS
32	12986572001	100441605	GTO		3938	735005	KINGS DAUGHTERS APARTMENTS	382.74	GTO	GS-OTHER
32	12986573001	100437118	IST	DS	14306	735007	FRANKFORT HOSPITAL INC.	8,143.41	DS	DS/IS
32	12986578001	100425415	GSO		5875	735005	FRANKFORT MUNICIPAL	194.54	GSO	GS-OTHER

32	12986584001	100425406	GST	GDS	4968	735007	COMMONWEALTH OF KENTUCKY	49,160.01	GDS	GS-OTHER
32	12986585001	100425405	IST	DS	5883	735005	COMMONWEALTH OF KENTUCKY	11,813.27	DS	DS/IS
32	12986589001	100469081	IST	DS	45229	735002	TOPY CORP	29,443.79	DS	DS/IS
32	12986590001	100459381	IST	DS	44119	735002	TOPY CORP	12,274.31	DS	DS/IS
32	12986594001	100425399	IST	DS	5672	975305	MINNESOTA MINING & MANUFACTURING	30,598.63	DS	DS/IS
32	12986596003	100461621	GTO		5898	975305	SOLUTION DISPERSIONS	3,752.89	GTO	GS-OTHER
32	12986599001	100425393	GST	GDS	4957	975305	TI GROUP AUTOMOTIVE SYSTEMS LLC	3,569.99	GDS	GS-OTHER
32	12986603001	100450048	GST	GDS	14791	895102	PREGIS INNOVATIVE PACKAGING	5,436.03	GDS	GS-OTHER
32	12986604002	100425389	IST	DS3	4949	193602	HUNTINGTON ALLOYS CORPORATION	4,373.73	DS3	DS-ML
32	12986606001	100425387	IST	FX5	4193	193602	CALGON CARBON CORP	20,535.64	FX5	DS-ML
32	12986612001	100425367	GSO		5815	193612	BRUCE APARTMENTS	1,800.85	GSO	GS-OTHER
32	12986614001	100425364	GSO		3759	895102	E I DU PONT DE NEMOURS	2,978.90	GSO	GS-OTHER
32	12986615001	100468990	IST	DS3	3848	895102	MARKWEST ENERGY APPALACHIA LLC	136,940.75	DS3	DS-ML
32	12986617001	100425357	GSO		3202	895122	CSX TRANS.-24729	5,926.82	GSO	GS-OTHER
32	12986618002	100431494	IST	DS	2618	895108	HARBISON WALKER INTERNATIONAL	4,387.03	DS	DS/IS
32	12986622002	100425350	IST	FX5	1584	193602	MARATHON ASHLAND PETROLEUM LLC	16,102.72	FX5	DS-ML
32	12986622005	500865803	IST	FX5	38145	193602	MARATHON ASHLAND PETROLEUM LLC	495,703.09	FX5	DS-ML
32	13219441001	100264548	IST	DS	45712	1957702	APPALACHIAN REGIONAL HEALTHCARE	4,409.02	DS	DS/IS
32	13228118002	500145493	IST	SC3	44536	193612	AK STEEL CORPORATION	10,073.30	SC3	DS/IS
32	13228118002	500144332	IST	SC3	44535	193602	AK STEEL CORPORATION	65,974.69	SC3	DS/IS
32	13228118002	500495598	IST	SC3	44535	193602	AK STEEL CORPORATION	65,974.69	SC3	DS/IS
32	13229269002	500144604	IST	DS	44546	193612	MOUNTAIN ENTERPRISES INC	5,318.31	DS	DS/IS
32	13609711004	100337848	IST	DS	48988	674805	EVERBURN MANUFACTURING INC	26,215.59	DS	DS/IS
32	13613595001	100253235	GSO		46041	193602	HARDIN STREET MARINE LLC	7,118.06	GSO	GS-OTHER
32	13672186001	500209796	IST	DS	46056	735002	JIM BEAM BRANDS COMPANY	19,836.12	DS	DS/IS
32	13768940001	500253895	IST	DS	46363	193612	KINGS DAUGHTERS MEDICAL CENTER	81,292.31	DS	DS/IS
32	13959510001	500145486	GSO		44538	193612	MANSBACK METAL CO	11,509.35	GSO	GS-OTHER
32	13987196002	500227853	IST	DS	48204	735007	COMMONWEALTH OF KENTUCKY	13,630.36	DS	DS/IS
32	14064515001	100425536	IST	DS	4800	2398310	OSRAM PENNSYLVANIA INC	62,267.50	DS	DS/IS
32	14146162001	100455791	IST	DS	14853	2098002	AICHI FORGE USA INC	39,708.97	DS	DS/IS
32	14186792004	501091579	GSO		49253	674805	UNIVERSITY OF KENTUCKY	4,723.10	GSO	GS-OTHER
32	14377875001	500129861	GSO		45843	494305	SONOCO PRODUCTS CO	7,801.78	GSO	GS-OTHER
32	14401089001	500375820	IST	DS	47435	2398302	BROWN FORMAN CORPORATION	11,830.00	DS	DS/IS
32	14448967001	500260265	GST	DS	47502	1616702	H G MAYS CORP	14,917.77	DS	DS/IS
32	14448967002	500263965	IST	DS	47981	735002	H G MAYS CORP	25,892.17	DS	DS/IS
32	14907631003	100427637	GSO		14058	674805	HOTWORK USA LLC	1,301.17	GSO	GS-OTHER
32	14907631003	500135779	GSO		14058	674805	HOTWORK USA LLC	1,301.17	GSO	GS-OTHER

32	15631820001	500725700	IST	DS	48555	193613	MARATHON PETROLEUM COMPANY LLC	16,884.77	DS	DS/IS
32	15631948001	500112715	GSO		48556	735002	MONTAPLAST OF NORTH AMERICA INC	18,122.27	GSO	GS-OTHER
32	15902431001	100425584	GSO		5233	494302	VOJECARO PROPERTIES LLC	1,176.42	GSO	GS-OTHER
32	16049885001	100435201	IUS		5560	1957702	PEOPLES GAS INC	637.61	IUS	IUS
32	16312595001	500144388	IST	FX7	44551	193602	KES ACQUISITION COMPANY	8,437.75	FX7	DS/IS
32	16358304001	500789884	IST	DS	48735	735005	COMMONWEALTH OF KENTUCKY	22,142.01	DS	DS/IS
32	16506898001	500381832	GTO		48431	735002	KENTUCKY INDUSTRIAL COATINGS LLC	5,141.89	GTO	GS-OTHER
32	16642002002	500021827	IST	DS	48623	494305	KENTUCKY HEAT TREATING CO	22,647.84	DS	DS/IS
32	16733087001	100469076	IST	DS	45244	674805	ATS ASPHALT TERMINAL LLC	12,519.73	DS	DS/IS
32	16803786001	500946178	IST	DS	48770	173715	KENTUCKY SMELTING TECHNOLOGIES	51,312.32	DS	DS/IS
32	17054287001	800800000	GSO		5060	895125	PROGRESS RAIL RACELAND CORPO	12,399.71	GSO	GS-OTHER
32	17250210001	500980083	IST	DS	48834	494302	SEKISUI S-LEC AMERICA LLC	18,699.93	DS	DS/IS
32	17265688001	100425477	IST	DS	5809	674805	UK HEALTHCARE GOOD SAMARITAN HOSP	4,238.55	DS	DS/IS
32	17398015001	500206091	IST	DS	47691	494305	CATALENT PHARMA SOLUTIONS	12,028.09	DS	DS/IS
32	18573449001	100466658	GSO		5682	1155502	BEN TIRE DISTRIBUTERS	5,936.32	GSO	GS-OTHER
32	18759655002	100463597	IST	DS	14673	494305	ALLTECH INC.	26,962.17	DS	DS/IS
32	18759655004	500076425	GSO		47840	494305	ALLTECH INC.	128,686.57	GSO	GS-OTHER
32	19062553002	501101909	IST	DS	49268	173702	HINKLE CONTRACTING COMPANY LLC	72,274.39	DS	DS/IS
32	19183325001	501089232	IST	DS	49278	173702	COLOR POINT LLC	45,352.22	DS	DS/IS
32	19301302001	500584936	IST	DS	49281	2098002	HINKLE CONTRACTING COMPANY LLC	16,492.01	DS	DS/IS
32	19773521001	501165742	GSO		49330	674805	UPS FUEL SERVICES	76,736.39	GSO	GS-OTHER

	<u>Total Cost</u>	<u>Percent</u>
GS-RES	0	0.000%
GS-OTHER	577,607	25.977%
DS/IS	1,645,313	73.995%
IUS	638	0.029%
N/A	0	0.000%
N/A	0	0.000%
N/A	0	0.000%
N/A	0	0.000%
TOTAL BEFORE DS-ML/SC	2,223,557	100.000%
DS-ML	<u>677,829</u>	
TOTAL	2,901,386	

Plant <u>Accounting</u>	Rate <u>Case</u>
BLANK	UNDER 3"
2" & UNDER	UNDER 3"
1"	UNDER 3"
2"	UNDER 3"
3"	3"
1/2"	UNDER 3"
5/8"	UNDER 3"
3/4"	UNDER 3"
7/8"	UNDER 3"
1"	UNDER 3"
1-1/4"	UNDER 3"
1-3/8"	UNDER 3"
1-1/2"	UNDER 3"
1-5/8"	UNDER 3"
1-3/4"	UNDER 3"
2"	UNDER 3"
2-3/8"	UNDER 3"
2-1/2"	UNDER 3"
3"	3"
3-1/8"	3-1/8"
3-1/2"	3-1/2"
4"	4"
4-1/4"	4-1/4"
4-1/2"	4-1/2"
4-5/8"	4-5/8"
5"	5"
5-3/16"	5-3/16"
6"	6"
6-5/8"	6-5/8"
7"	7"
7-1/2"	7-1/2"
8"	8"
8-5/8"	8-5/8"
10"	10"
10-1/8"	10-1/8"
10-1/4"	10-1/4"
11"	11"
11-1/8"	11-1/8"
11-1/4"	11-1/4"
12"	12"
12-1/2"	12-1/2"
14"	14"
15-3/8"	15-3/8"
16"	16"
18"	18"
20"	20"
20-1/2"	20-1/2"
22"	22"

24"

24"

Columbia Gas of Kentucky, Inc.
 Account 380 - Services
 As of February 29, 2016

<u>PUN</u>	<u>Desc</u>	<u>Size</u>	<u>Qty</u>	<u>Amt</u>
464516	SERV MAINS	2"	0	5
892126	VALVES	4"	1	2,747
655115	SERV MAIN/CURB	1-1/2"	2	121
655118	SERV MAIN/CURB	2-1/2"	8	1,515
655121	SERV MAIN/METER	3"	209	93,359
655126	SERV MAIN/METER	4"	140	180,358
655136	SERV MAIN/METER	6"	4	50,723
655140	SERV MAIN/METER	8"	2	20,041
655150	SERV MAIN/METER	12"	1	6,628
655196	SERV MAIN/METER	2" & UNDER	29,915	2,846,171
655221	SERV MAIN/CURB	3"	407	473,557
655226	SERV MAIN/CURB	4"	94	739,703
655236	SERV MAIN/CURB	6"	6	100,672
655240	SERV MAIN/CURB	8"	4	25,196
655296	SERV MAIN/CURB	2" & UNDER	88,792	54,387,433
655421	SERV CURB/METER	3"	2	10,250
655426	SERV CURB/METER	4"	3	3,217
655436	SERV CURB/METER	5"	1	7,112
655496	SERV CURB/METER	2" & UNDER	64	82,695
655521	SERV CURB/METER	3"	36	74,384
655526	SERV CURB/METER	4"	10	36,237
655596	SERV CURB/METER	2" & UNDER	66,253	46,868,050
655821	SERV MAIN/METER	3"	1	6,574
655826	SERV MAIN/METER	4"	1	4,745
655896	SERV MAIN/METER	2" & UNDER	16,472	10,336,206
655996	SERV MAIN/METER	2" & UNDER	<u>72</u>	<u>45,259</u>
			202,500	116,402,958

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 380 - SERVICES
SOURCE - LISTING OF SERVICES BY SIZE AND KIND
As of February 29, 2016

<u>PU#</u>	<u>DESCRIPTION</u>	<u>SIZE</u>	<u>QUANTITY</u>	<u>BOOK COST</u>	<u>AVG UNIT COST</u>
464516	SERV MAINS	OTHER	0	5	
892126	VALVES	OTHER	1	2,747	
655115	SERV MAIN/CURB	UNDER 3"	2	121	
655118	SERV MAIN/CURB	UNDER 3"	8	1,515	
655121	SERV MAIN/METER	3"	209	93,359	
655126	SERV MAIN/METER	4"	140	180,358	
655136	SERV MAIN/METER	6"	4	50,723	
655140	SERV MAIN/METER	8"	2	20,041	
655150	SERV MAIN/METER	12"	1	6,628	
655196	SERV MAIN/METER	UNDER 3"	29,915	2,846,171	
655221	SERV MAIN/CURB	3"	407	473,557	
655226	SERV MAIN/CURB	4"	94	739,703	
655236	SERV MAIN/CURB	6"	6	100,672	
655240	SERV MAIN/CURB	8"	4	25,196	
655296	SERV MAIN/CURB	UNDER 3"	88,792	54,387,433	
655421	SERV CURB/METER	3"	2	10,250	
655426	SERV CURB/METER	4"	3	3,217	
655436	SERV CURB/METER	5"	1	7,112	
655496	SERV CURB/METER	UNDER 3"	64	82,695	
655521	SERV CURB/METER	3"	36	74,384	
655526	SERV CURB/METER	4"	10	36,237	
655596	SERV CURB/METER	UNDER 3"	66,253	46,868,050	
655821	SERV MAIN/METER	3"	1	6,574	
655826	SERV MAIN/METER	4"	1	4,745	
655896	SERV MAIN/METER	UNDER 3"	16,472	10,336,206	
655996	SERV MAIN/METER	UNDER 3"	<u>72</u>	<u>45,259</u>	
TOTAL ACCOUNT 380			202,500	116,402,958	

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 380 - SERVICES
SOURCE - LISTING OF SERVICES BY SIZE AND KIND
As of February 29, 2016

<u>PU#</u>	<u>DESCRIPTION</u>	<u>SIZE</u>	<u>QUANTITY</u>	<u>BOOK COST</u>	<u>AVG UNIT COST</u>
SUMMARY BY SIZE					
	OTHER		1	2,752	N/A
	UNDER 3"		201,578	114,567,451	568.35
	3"		655	658,124	1,004.77
	3-1/8"		0	0	0.00
	3-1/2"		0	0	0.00
	4"		248	964,259	3,888.14
	4-1/2"		0	0	0.00
	5"		1	7,112	7,112.22
	6"		10	151,395	15,139.47
	6-5/8"		0	0	0.00
	8"		6	45,237	7,539.47
	8-5/8"		0	0	0.00
	10"		0	0	0.00
	12"		1	6,628	6,627.73
	20"		<u>0</u>	<u>0</u>	0.00
TOTAL ACCOUNT 380			202,500	116,402,958	

Columbia Gas of Kentucky, Inc.
 Master Code Summation Statistics
 As of February 29, 2016

Master Tap Codes

<u>NAME</u>	<u>RATE</u> <u>SCHEDULE</u>	<u>PIPE</u> <u>SIZE</u>	<u>Pipe Size</u> <u>Description</u>	<u>Classification</u>	<u>BLANK</u>	<u>P</u>	<u>S</u>	<u>*</u>	<u>±</u>
RESIDENTIAL	GSO	000	UNCLASSIFIED	UNDER 3"	1	0	0	0	1
RESIDENTIAL	GSO	010	1"	UNDER 3"	1	0	0	0	1

<u>INVALID</u>	<u>TOTAL</u>
0	2
0	2

COLUMBIA GAS OF KENTUCKY, INC.
2" MINIMUM SYSTEM CALCULATION
FEBRUARY 29, 2016

2" Pipe

	Qty		Amount
Total 2 " Pipe	4,906,346	\$	45,155,907

All Pipe

Total All Pipe	14,119,350	\$	200,461,723
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Cost - 2" Pipe	45,155,907		
Quantity - 2" Pipe	4,906,346		
Unit Cost - 2" Pipe	\$ 9.2036		
Quantity - All Pipe	x 14,119,350		
Cost Minimum System	\$ 129,948,850		
Cost - All Pipe	\$ 200,461,723		

Customer Component	0.64825
Demand Component	0.35175

1.0000

COLUMBIA GAS OF KENTUCKY, INC.
DEVELOPMENT OF CUSTOMER/DEMAND ALLOCATION -FACTOR 3
FOR TME DECEMBER 31, 2017

<u>Ln.</u> <u>No.</u>	<u>Rate Class</u> (1)	<u>Customers</u> (2)	<u>Ratio</u> (3)	<u>Customer Component Factor</u> (4) = (3) * 64.825%	<u>Design Day Volume</u> (5)	<u>Ratio</u> (6)	<u>Demand Component Factor</u> (7) = (6) * 35.175%	<u>Total</u> (8) = (4) + (7)
1	GS-Residential	121,915	89.661%	58.123%	137,300	44.549%	15.670%	73.793%
2	GS-Other	13,977	10.279%	6.663%	88,300	28.650%	10.078%	16.741%
3	IUS	2	0.001%	0.001%	200	0.065%	0.023%	0.024%
4	DS/IS	79	0.058%	0.038%	82,400	26.736%	9.404%	9.442%
5	Total Excl. DS-ML	135,973	100.000%	64.825%	308,200	100.000%	35.175%	100.000%

COLUMBIA GAS OF KENTUCKY, INC.
Development of Factor 21 - Uncollectibles
For TME February 28, 2016

<u>Ln.</u>	<u>Customer Class</u>	<u>Net Charge-Offs</u>			
1	Residential	\$	1,022,789		
2	Commercial	\$	155,603		
3	Industrial	\$	248		
4	Total	\$	1,178,640		
			<u>Total Company</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>
5	Residential Customers		121,915	121,915	
6	Commercial & Industrial Customers		14,064		13,977
7	% Residential		100.000%	100.000%	
8	% Commercial & Industrial		100.000%		99.381%
9	Net Charge-Offs	\$	1,178,639	\$	1,022,789
				\$	154,887
				\$	22
10	Factor 21		100.000%	86.777%	13.141%
					0.002%

DS-ML DS/IS

6 79

0.043% 0.562%

\$ 66 \$ 875

0.006% **0.074%**

Classification Allocations

<u>Factor</u>	<u>Classification Basis</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
1	DEMAND DESIGN DAY	0.000%	0.000%	100.000%	100.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	0.000%	0.000%	100.000%	100.000%
3	MINIMUM SYSTEM MAINS	64.825%	0.000%	35.175%	100.000%
4	COMMODITY THROUGHPUT	0.000%	100.000%	0.000%	100.000%
5	COMPOSITE OF 1 & 4 - DEMAND/COMMODITY	0.000%	50.000%	50.000%	100.000%
6	CUSTOMER	100.000%	0.000%	0.000%	100.000%
7CD	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - C/D	79.545%	0.000%	20.455%	100.000%
7DC	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - D/C	41.847%	29.076%	29.076%	100.000%
7AVG	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - AVG	60.696%	14.538%	24.766%	100.000%
8	TOTAL PLANT ACCOUNT 385	100.000%	0.000%	0.000%	100.000%
9	GAS PURCHASE EXPENSE EX OFF SYST	0.000%	100.000%	0.000%	100.000%
10CD	OTHER DIST. EXP - LABOR - C/D	85.976%	1.091%	12.933%	100.000%
10DC	OTHER DIST. EXP - LABOR - D/C	62.142%	19.475%	18.383%	100.000%
10AVG	OTHER DIST. EXP - LABOR - AVG	74.059%	10.283%	15.658%	100.000%
11CD	OTHER DIST. EXP EXCL - M & E - C/D	78.028%	0.192%	21.780%	100.000%
11DC	OTHER DIST. EXP EXCL - M & E - D/C	37.888%	31.152%	30.960%	100.000%
11AVG	OTHER DIST. EXP EXCL - M & E - AVG	57.958%	15.672%	26.370%	100.000%
12CD	O & M EXCL A & G - LABOR - C/D	87.551%	0.969%	11.481%	100.000%
12DC	O & M EXCL A & G - LABOR - D/C	66.393%	17.288%	16.319%	100.000%
12AVG	O & M EXCL A & G - LABOR - AVG	76.972%	9.128%	13.900%	100.000%
13CD	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - C/D	83.292%	0.129%	16.579%	100.000%
13DC	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - D/C	56.402%	20.869%	22.728%	100.000%
13AVG	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - AVG	69.847%	10.499%	19.654%	100.000%
14CD	ACCT 376/380 - MAINS/SERVICES - C/D	77.680%	0.000%	22.320%	100.000%
14DC	ACCT 376/380 - MAINS/SERVICES - D/C	36.547%	31.727%	31.727%	100.000%
14AVG	ACCT 376/380 - MAINS/SERVICES - AVG	57.113%	15.863%	27.023%	100.000%
15	DIRECT PLANT ACCT 380	100.000%	0.000%	0.000%	100.000%
16	DIRECT PLANT ACCTS 381	100.000%	0.000%	0.000%	100.000%
17	DIRECT PLANT ACCT 385	100.000%	0.000%	0.000%	100.000%
18CD	ACCOUNT 376 MAINS - COMPOSITE/PLANT - C/D	64.825%	0.000%	35.175%	100.000%
18DC	ACCOUNT 376 MAINS - COMPOSITE/PLANT - D/C	0.000%	50.000%	50.000%	100.000%
18AVG	ACCOUNT 376 MAINS - COMPOSITE/PLANT - AVG	32.413%	25.000%	42.588%	100.000%
19CD	TOTAL PLANT - C/D	79.545%	0.000%	20.455%	100.000%
19DC	TOTAL PLANT - D/C	41.847%	29.076%	29.076%	100.000%
19AVG	TOTAL PLANT - AVG	60.696%	14.538%	24.766%	100.000%
20	AVERAGE C/D & D/C	32.413%	25.000%	42.588%	100.000%
21	UNCOLLECTIBLES	100.000%	0.000%	0.000%	100.000%

CUSTOMER ALLOCATION FACTOR TABLE

ALLOC. NO.	DESCRIPTION	GS-RESIDENTIAL AMT.	GS-OTHER AMT.	IUS AMT.	DS-ML AMT.	DS/IS AMT.	NOT USED AMT.	NOT USED AMT.
1	DESIGN DAY EXCL. DS-ML	137,300	88,300	200	0	82,400	0	0
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200	0	3,900	0	0
3	MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024	0.00000	0.09442	0.00000	0.00000
4	THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321	0	10,094,426	0	0
5	COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057	0.00000	0.34560	0.00000	0.00000
6	AVERAGE NO. OF CUSTOMERS	121,915	13,977	2	6	79	0	0
7	CUST DIST. PLANT EXCL. ACCTS 375.70,375.71,387	255,167,170	52,177,641	44,282	715,358	17,172,119	0	0
8	TOTAL PLANT ACCOUNT 385	0	700,742	782	677,829	1,996,050	0	0
9	GAS PURCHASE EXPENSE EX OFF SYST	0	0	0	0	0	0	0
10	CUST OTHER DIST. EXP - LABOR	3,913,781	1,136,996	733	11,756	187,261	0	0
11	CUST OTHER DIST. EXP EXCL - M & E	5,589,174	1,239,236	1,093	16,562	413,989	0	0
12	CUST O & M EXCL A & G - LABOR	5,193,345	1,371,409	836	13,291	211,634	0	0
13	CUST O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	11,767,317	2,094,133	1,414	20,832	518,507	0	0
14	CUST ACCT 376/380 - MAINS/SERVICES	218,324,055	38,570,571	35,705	7,573	13,995,291	0	0
15	DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001	0.00000	0.00353	0.00000	0.00000
16	DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013	0.00000	0.00433	0.00000	0.00000
17	DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029	0.00000	0.73995	0.00000	0.00000
18	CUST ACCOUNT 376 MAINS - COMPOSITE/PLANT	105,862,168	24,016,350	34,430	7,573	13,545,331	0	0
19	CUST TOTAL PLANT	273,242,407	55,873,749	47,510	766,051	18,388,487	0	0
20	AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041	0.00000	0.22001	0.00000	0.00000
21	UNCOLLECTIBLES	1,022,789	154,887	22	66	875	0	0

TOTAL	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
AMT.	PCT.	PCT.	PCT.	PCT.	PCT.	PCT.	PCT.
308,200	44.549%	28.650%	0.065%	0.000%	26.736%	0.000%	0.000%
225,300	60.941%	37.239%	0.089%	0.000%	1.731%	0.000%	0.000%
1	73.793%	16.741%	0.024%	0.000%	9.442%	0.000%	0.000%
23,816,711	33.421%	24.147%	0.048%	0.000%	42.384%	0.000%	0.000%
1	38.984%	26.399%	0.057%	0.000%	34.560%	0.000%	0.000%
135,979	89.658%	10.279%	0.001%	0.004%	0.058%	0.000%	0.000%
325,276,570	78.446%	16.041%	0.014%	0.220%	5.279%	0.000%	0.000%
3,375,403	0.000%	20.761%	0.023%	20.081%	59.135%	0.000%	0.000%
0	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
5,250,527	74.540%	21.655%	0.014%	0.224%	3.567%	0.000%	0.000%
7,260,054	76.986%	17.069%	0.015%	0.228%	5.702%	0.000%	0.000%
6,790,515	76.479%	20.196%	0.012%	0.196%	3.117%	0.000%	0.000%
14,402,203	81.705%	14.540%	0.010%	0.145%	3.600%	0.000%	0.000%
270,933,195	80.582%	14.236%	0.013%	0.003%	5.166%	0.000%	0.000%
1	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
1	71.942%	27.612%	0.013%	0.000%	0.433%	0.000%	0.000%
1	0.000%	25.977%	0.029%	0.000%	73.995%	0.000%	0.000%
143,465,852	73.789%	16.740%	0.024%	0.005%	9.442%	0.000%	0.000%
348,318,204	78.446%	16.041%	0.014%	0.220%	5.279%	0.000%	0.000%
1	56.388%	21.570%	0.041%	0.000%	22.001%	0.000%	0.000%
1,178,639	86.777%	13.141%	0.002%	0.006%	0.074%	0.000%	0.000%

DEMAND ALLOCATION FACTOR TABLE

ALLOC.		GS-RESIDENTIAL	GS-OTHER	IUS
NO.	DESCRIPTION	AMT.	AMT.	AMT.
1	1 DESIGN DAY EXCL. DS-ML	137,300	88,300	200
2	2 DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200
3	3 MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024
4	4 THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321
5	5 COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057
6	6 AVERAGE NO. OF CUSTOMERS	121,915	13,977	2
7	7DEM DIST. PLANT EXCL. ACCTS 375.70,375.71,387	61,710,132	13,999,828	20,071
8	8 TOTAL PLANT ACCOUNT 385	0	0	0
9	9 GAS PURCHASE EXPENSE EX OFF SYST	0	0	0
10	10DEM OTHER DIST. EXP - LABOR	582,788	132,213	189
11	11DEM OTHER DIST. EXP EXCL - M & E	1,495,363	339,243	486
12	12DEM O & M EXCL A & G - LABOR	657,058	149,061	213
13	13DEM O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	1,862,976	423,141	606
14	14DEM ACCT 376/380 - MAINS/SERVICES	57,442,372	13,031,626	18,682
15	15 DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001
16	16 DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013
17	17 DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029
18	18DEM ACCOUNT 376 MAINS - COMPOSITE/PLANT	57,442,372	13,031,626	18,682
19	19DEM TOTAL PLANT	66,081,496	14,991,540	21,493
20	20 AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041
21	21 UNCOLLECTIBLES	1,022,789	154,887	22

DS-ML	DS/IS	NOT USED	NOT USED	TOTAL	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML
AMT.	AMT.	AMT.	AMT.	AMT.	PCT.	PCT.	PCT.	PCT.
0	82,400	0	0	308,200	44.549%	28.650%	0.065%	0.000%
0	3,900	0	0	225,300	60.941%	37.239%	0.089%	0.000%
0.00000	0.09442	0.00000	0.00000	1	73.793%	16.741%	0.024%	0.000%
0	10,094,426	0	0	23,816,711	33.421%	24.147%	0.048%	0.000%
0.00000	0.34560	0.00000	0.00000	1	38.984%	26.399%	0.057%	0.000%
6	79	0	0	135,979	89.658%	10.279%	0.001%	0.004%
20,364	7,895,967	0	0	83,646,362	73.775%	16.737%	0.024%	0.024%
0	0	0	0	0	0.000%	100.000%	0.000%	0.000%
0	0	0	0	0	100.000%	0.000%	0.000%	0.000%
38	74,573	0	0	789,801	73.789%	16.740%	0.024%	0.005%
102	191,346	0	0	2,026,540	73.789%	16.740%	0.024%	0.005%
44	84,076	0	0	890,452	73.789%	16.740%	0.024%	0.005%
127	238,256	0	0	2,525,106	73.779%	16.757%	0.024%	0.005%
4,109	7,349,896	0	0	77,846,685	73.789%	16.740%	0.024%	0.005%
0.00000	0.00353	0.00000	0.00000	1	88.228%	11.418%	0.001%	0.000%
0.00000	0.00433	0.00000	0.00000	1	71.942%	27.612%	0.013%	0.000%
0.00000	0.73995	0.00000	0.00000	1	0.000%	25.977%	0.029%	0.000%
4,109	7,349,896	0	0	77,846,685	73.789%	16.740%	0.024%	0.005%
21,786	8,455,311	0	0	89,571,626	73.775%	16.737%	0.024%	0.024%
0.00000	0.22001	0.00000	0.00000	1	56.388%	21.570%	0.041%	0.000%
66	875	0	0	1,178,639	86.777%	13.141%	0.002%	0.006%

DS/IS	NOT USED	NOT USED
PCT.	PCT.	PCT.
26.736%	0.000%	0.000%
1.731%	0.000%	0.000%
9.442%	0.000%	0.000%
42.384%	0.000%	0.000%
34.560%	0.000%	0.000%
0.058%	0.000%	0.000%
9.440%	0.000%	0.000%
0.000%	0.000%	0.000%
0.000%	0.000%	0.000%
9.442%	0.000%	0.000%
9.442%	0.000%	0.000%
9.442%	0.000%	0.000%
9.435%	0.000%	0.000%
9.442%	0.000%	0.000%
0.353%	0.000%	0.000%
0.433%	0.000%	0.000%
73.995%	0.000%	0.000%
9.442%	0.000%	0.000%
9.440%	0.000%	0.000%
22.001%	0.000%	0.000%
0.074%	0.000%	0.000%

1

2

3

4

5

COMMODITY ALLOCATION FACTOR TABLE

ALLOC.		GS-RESIDENTIAL	GS-OTHER	IUS
NO.	DESCRIPTION	AMT.	AMT.	AMT.
1	1 DESIGN DAY EXCL. DS-ML	137,300	88,300	200
2	2 DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200
3	3 MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024
4	4 THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321
5	5 COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057
6	6 AVERAGE NO. OF CUSTOMERS	121,915	13,977	2
7	7COMM DIST. PLANT EXCL. ACCTS 375.70,375.71,387	0	0	0
8	8 TOTAL PLANT ACCOUNT 385	0	0	0
9	9 GAS PURCHASE EXPENSE EX OFF SYST	13,807,095	7,643,847	25,009
10	10COMM OTHER DIST. EXP - LABOR	22,273	16,093	32
11	11COMM OTHER DIST. EXP EXCL - M & E	5,977	4,319	9
12	12COMM O & M EXCL A & G - LABOR	25,112	18,144	37
13	13COMM O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	227,031	126,947	407
14	14COMM ACCT 376/380 - MAINS/SERVICES	0	0	0
15	15 DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001
16	16 DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013
17	17 DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029
18	18COMM ACCOUNT 376 MAINS - COMPOSITE/PLANT	0	0	0
19	19COMM TOTAL PLANT	0	0	0
20	20 AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041
21	21 UNCOLLECTIBLES	1,022,789	154,887	22

DS-ML	DS/IS	NOT USED	NOT USED	TOTAL	GS-RESIDE	GS-OTHER	IUS
AMT.	AMT.	AMT.	AMT.	AMT.	PCT.	PCT.	PCT.
0	82,400	0	0	308,200	44.549%	28.650%	0.065%
0	3,900	0	0	225,300	60.941%	37.239%	0.089%
0.00000	0.09442	0.00000	0.00000	1	73.793%	16.741%	0.024%
0	10,094,426	0	0	23,816,711	33.421%	24.147%	0.048%
0.00000	0.34560	0.00000	0.00000	1	38.984%	26.399%	0.057%
6	79	0	0	135,979	89.658%	10.279%	0.001%
0	0	0	0	0	100.000%	0.000%	0.000%
0	0	0	0	0	0.000%	100.000%	0.000%
0	0	0	0	21,475,950	64.291%	35.593%	0.116%
0	28,246	0	0	66,644	33.421%	24.148%	0.048%
0	7,580	0	0	17,885	33.419%	24.149%	0.050%
0	31,846	0	0	75,139	33.421%	24.147%	0.049%
0	9,437	0	0	363,822	62.401%	34.893%	0.112%
0	0	0	0	0	100.000%	0.000%	0.000%
0.00000	0.00353	0.00000	0.00000	1	88.228%	11.418%	0.001%
0.00000	0.00433	0.00000	0.00000	1	71.942%	27.612%	0.013%
0.00000	0.73995	0.00000	0.00000	1	0.000%	25.977%	0.029%
0	0	0	0	0	100.000%	0.000%	0.000%
0	0	0	0	0	100.000%	0.000%	0.000%
0.00000	0.22001	0.00000	0.00000	1	56.388%	21.570%	0.041%
66	875	0	0	1,178,639	86.777%	13.141%	0.002%

DS-ML	DS/IS	NOT USED	NOT USED
PCT.	PCT.	PCT.	PCT.
0.000%	26.736%	0.000%	0.000%
0.000%	1.731%	0.000%	0.000%
0.000%	9.442%	0.000%	0.000%
0.000%	42.384%	0.000%	0.000%
0.000%	34.560%	0.000%	0.000%
0.004%	0.058%	0.000%	0.000%
0.000%	0.000%	0.000%	0.000%
0.000%	0.000%	0.000%	0.000%
0.000%	0.000%	0.000%	0.000%
0.000%	42.383%	0.000%	0.000%
0.000%	42.382%	0.000%	0.000%
0.000%	42.383%	0.000%	0.000%
0.000%	2.594%	0.000%	0.000%
0.000%	0.000%	0.000%	0.000%
0.000%	0.353%	0.000%	0.000%
0.000%	0.433%	0.000%	0.000%
0.000%	73.995%	0.000%	0.000%
0.000%	0.000%	0.000%	0.000%
0.000%	0.000%	0.000%	0.000%
0.000%	22.001%	0.000%	0.000%
0.006%	0.074%	0.000%	0.000%

Columbia Gas of Kentucky, Inc.
 Calculation of Revenue Requirement Allocation Factor - Classification
 For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>Total Company</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>
1 PRODUCTION	343,696	0	341,557	2,139
2 DISTRIBUTION - O&M OPERATION	13,521,662	11,363,435	95,566	2,062,661
3 DISTRIBUTION - O&M MAINT.	4,947,314	3,594,717	1,838	1,350,759
4 CUSTOMER ACCOUNTS	5,539,212	5,539,212	0	0
5 CUSTOMER SERVICE & INFOR.	1,546,761	1,546,761	0	0
6 SALES	176,183	176,183	0	0
7 ADMINISTRATIVE & GENERAL 1/	18,844,010	15,763,874	37,727	3,042,408
8 DEPRECIATION & AMORTIZATION	15,939,787	13,553,430	0	2,386,356
9 TAXES OTHER THAN INCOME	<u>4,790,881</u>	<u>3,863,259</u>	<u>6,337</u>	<u>921,285</u>
10 EXPENSES AND OTHER TAXES	65,649,506	55,400,871	483,025	9,765,608
11 RATE BASE	253,360,780	162,541,520	60,219	90,759,040
12 INCOME TAX @ 0.0360350126	9,129,859	5,857,186	2,170	3,270,503
13 RETURN @ 0.0824	20,876,928	13,393,421	4,962	7,478,545
14 REVENUE REQUIREMENT	95,656,293	74,651,478	490,157	20,514,656
15 ALLOCATION FACTOR 22	100.000%	78.042%	0.512%	21.446%

1/ Excluding Regulatory Commission Expense PSC Fees

Columbia Gas of Kentucky, Inc.
 Calculation of Revenue Requirement Allocation Factor - Customer Only
 For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>CUSTOMER ONLY</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
1 PRODUCTION	0	0	0	0	0	0	0	0
2 DISTRIBUTION - O&M OPERATION	11,363,435	8,662,363	2,237,016	1,536	18,820	443,698	0	0
3 DISTRIBUTION - O&M MAINT.	3,594,717	2,708,508	587,676	651	15,052	282,826	0	0
4 CUSTOMER ACCOUNTS	5,539,212	4,936,742	598,785	67	243	3,378	0	0
5 CUSTOMER SERVICE & INFOR.	1,546,761	1,386,794	158,990	16	63	897	0	0
6 SALES	176,183	157,962	18,110	1	7	102	0	0
7 ADMINISTRATIVE & GENERAL 1/	15,763,874	12,615,222	2,578,494	1,676	25,441	543,041	0	0
8 DEPRECIATION & AMORTIZATION	13,553,430	10,863,054	2,095,593	1,416	17,422	575,945	0	0
9 TAXES OTHER THAN INCOME	<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>
10 EXPENSES AND OTHER TAXES	55,400,871	44,349,952	8,918,163	5,893	85,409	2,041,447	0	0
11 RATE BASE	162,541,520	125,250,548	26,919,574	25,105	472,267	9,874,049	0	0
12 INCOME TAX @ 0.0360350126	5,857,186	4,513,405	970,047	905	17,018	355,811	0	0
13 RETURN @ 0.0824	13,393,421	10,320,645	2,218,173	2,069	38,915	813,622	0	0
14 REVENUE REQUIREMENT	74,651,478	59,184,002	12,106,383	8,867	141,342	3,210,880	0	0
15 ALLOCATION FACTOR 22CUST	100.000%	79.281%	16.217%	0.012%	0.189%	4.301%	0.000%	0.000%

1/ Excluding Regulatory Commission Expense PSC Fees

Columbia Gas of Kentucky, Inc.
 Calculation of Revenue Requirement Allocation Factor - Commodity
 For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>COMMODITY ONLY</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>	
1	PRODUCTION	341,557	219,590	121,570	396	0	0	0	0
2	DISTRIBUTION - O&M OPERATION	95,566	31,939	23,077	47	0	40,504	0	0
3	DISTRIBUTION - O&M MAINT.	1,838	614	444	1	0	779	0	0
4	CUSTOMER ACCOUNTS	0	0	0	0	0	0	0	0
5	CUSTOMER SERVICE & INFOR.	0	0	0	0	0	0	0	0
6	SALES	0	0	0	0	0	0	0	0
7	ADMINISTRATIVE & GENERAL 1/	37,727	17,402	10,890	28	0	9,409	0	0
8	DEPRECIATION & AMORTIZATION	0	0	0	0	0	0	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	EXPENSES AND OTHER TAXES	483,025	271,663	157,511	475	0	53,378	0	0
11	RATE BASE	60,219	34,089	19,719	60	0	6,353	0	0
12	INCOME TAX @ 0.0360350126	2,170	1,228	711	2	0	229	0	0
13	RETURN @ 0.0824	4,962	2,809	1,625	5	0	523	0	0
14	REVENUE REQUIREMENT	490,157	275,700	159,847	482	0	54,130	0	0
15	ALLOCATION FACTOR 22COMM	100.000%	56.248%	32.611%	0.098%	0.000%	11.043%	0.000%	0.000%

1/ Excluding Regulatory Commission Expense PSC Fees

Columbia Gas of Kentucky, Inc.
 Calculation of Revenue Requirement Allocation Factor - Demand Only
 For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>DEMAND ONLY</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
1 PRODUCTION	2,139	1,304	797	2	0	37	0	0
2 DISTRIBUTION - O&M OPERATION	2,062,661	1,522,017	345,289	494	104	194,757	0	0
3 DISTRIBUTION - O&M MAINT.	1,350,759	996,713	226,116	323	67	127,538	0	0
4 CUSTOMER ACCOUNTS	0	0	0	0	0	0	0	0
5 CUSTOMER SERVICE & INFOR.	0	0	0	0	0	0	0	0
6 SALES	0	0	0	0	0	0	0	0
7 ADMINISTRATIVE & GENERAL 1/	3,042,408	2,244,749	509,661	731	152	287,114	0	0
8 DEPRECIATION & AMORTIZATION	2,386,356	1,760,655	399,429	569	418	225,279	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 EXPENSES AND OTHER TAXES	9,765,608	7,205,127	1,635,490	2,340	948	921,695	0	0
11 RATE BASE	90,759,040	61,595,438	23,754,409	48,933	13,204	5,347,064	0	0
12 INCOME TAX @ 0.0360350126	3,270,503	2,219,592	855,990	1,763	476	192,682	0	0
13 RETURN @ 0.0824	7,478,545	5,075,464	1,957,363	4,032	1,088	440,598	0	0
14 REVENUE REQUIREMENT	20,514,656	14,500,183	4,448,843	8,135	2,512	1,554,975	0	0
15 ALLOCATION FACTOR 22DEM	100.000%	70.682%	21.686%	0.040%	0.012%	7.580%	0.000%	0.000%

Columbia Gas of Kentucky, Inc.
 Computation of Pre-Tax Rate of Return Rate
 As of December 31, 2017

<u>Line No.</u>	<u>Description</u>	<u>Total</u>
1	Weighted Cost of Debt	2.58%
2	Weighted Cost of Equity	5.66%
4	Gross Conversion Factor	1.636661
5	Federal and State Income Tax ((Line 2 X Line 3) - Line 2)	3.60%
6	Total Return & Tax (Line 1 + Line 2 + Line 4)	11.84%

7	Proof:	
8	Return (Line 5)	11.84%
9	Interest (Line 2)	2.58%
11	State Income Tax Base (Line 7 - Line 8)	9.26%
12	State Tax Rate	6.0%
13	State Income Tax (Line 9 X Line 10)	0.56%
14	Federal Income Tax Base Line 9 - (Line 9 - Line 11)	8.71%
15	Federal Tax Rate	35.0%
16	Federal Income Tax (Line 12 X Line 13)	3.05%
17	Equity Return (Line 9 - Line 11 - Line 14)	5.66%

COLUMBIA GAS OF KENTUCKY, INC.
CAPITAL STRUCTURE
AS OF DECEMBER 31, 2017

LINE NO.	CLASS OF CAPITAL (A)	WORKPAPER REFERENCE (B)	AMOUNT (C) \$	PERCENT OF TOTAL (D) (%)	COST RATE (E) (%)
1	SHORT-TERM DEBT		13,000,895	4.95%	2.50%
2	LONG-TERM DEBT		<u>114,375,000</u>	<u>43.58%</u>	5.64%
3	TOTAL DEBT		127,375,895	48.53%	
4	PREFERRED STOCK		0	0.00%	0.00%
5	COMMON EQUITY		<u>135,083,000</u>	<u>51.47%</u>	11.00%
7	TOTAL CAPITAL		262,458,895	100.00%	

WEIGHTED
COST

(F=D*E)
(%)

0.12%

2.46%

2.58%

0.00%

5.66%

8.24%

COLUMBIA GAS OF KENTUCKY, INC.
COMPUTATION OF GROSS REVENUE CONVERSION FACTOR
AS OF DECEMBER 31, 2017

LINE NO.	DESCRIPTION	
1	OPERATING REVENUE	
2	LESS: UNCOLLECTIBLE ACCOUNTS EXPENSE	
3	LESS: PSC FEES	
4	NET REVENUES	
5	STATE INCOME TAX	6%
6	INCOME BEFORE FEDERAL INCOME TAX	
7	FEDERAL INCOME TAX	35%
8	OPERATING INCOME PERCENTAGE	
9	GROSS REVENUE CONVERSION FACTOR	
10	(100 % DIVIDED BY INCOME AFTER INCOME TAX)	

PERCENTAGE OF
INCREMENTAL
GROSS REVENUE

100.000000%

0.000000%

0.000000%

100.000000%

6.000000%

94.000000%

32.900000%

61.100000%

1.636661

COLUMBIA GAS OF KENTUCKY, INC.

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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>	<u>DESCRIPTION</u>
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2	27	53	79	105	RATE OF RETURN - PROFORMA @ AUTHORIZED RETURN
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4	29	55	81	107	RATE OF RETURN BY CLASS @ CURRENT RATES
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6	31	57	83	109	GROSS DIST. & GENERAL PLANT ALLOCATION (ACCTS 101,106)
7	32	58	84	110	GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. DEPR. RESERVE
8	33	59	85	111	GROSS DIST. & GENERAL PLANT ALLOCATION DEPR. RESERVE
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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		45,377,927	29,674,073	9,243,341	12,141	59,307	6,389,065	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	5,580,264	3,374,496	2,848	118,907	(1,294,682)	0	0
8		KENTUCKY STATE INCOME TAX		1,416,521	1,018,830	621,583	520	22,323	(246,734)	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		96,782,897	63,132,506	25,085,535	46,334	226,933	8,291,591	0	0
11		OPERATING INCOME		21,307,642	13,019,194	8,426,662	9,894	254,805	(402,913)	0	0
12		INTEREST EXPENSE		<u>6,688,725</u>	<u>3,655,277</u>	<u>1,693,088</u>	<u>3,176</u>	<u>12,817</u>	<u>1,324,367</u>	<u>0</u>	<u>0</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		14,618,917	9,363,917	6,733,574	6,718	241,988	(1,727,280)	0	0
14		RATE BASE		253,360,781	138,457,476	64,132,114	120,294	485,505	50,165,419	0	0
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	9.40%	13.14%	8.23%	52.48%	-0.80%	0.00%	0.00%
16		UNITIZED RETURN		1.00	1.12	1.56	0.98	6.24	(0.10)	0.00	0.00

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	73,876,083	28,492,060	56,596	127,592	15,538,212	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		45,377,927	29,648,735	9,187,445	12,145	55,364	6,474,238	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		7,781,834	4,839,922	1,741,261	2,968	3,690	1,193,993	0	0
6		KENTUCKY STATE INCOME TAX		1,416,522	883,814	323,728	542	1,311	207,128	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		96,782,902	62,231,810	23,098,549	46,480	86,761	11,319,301	0	0
9		OPERATING INCOME		21,307,642	11,644,274	5,393,511	10,117	40,831	4,218,912	0	0
10		INTEREST EXPENSE		<u>6,688,725</u>	<u>3,655,277</u>	<u>1,693,088</u>	<u>3,176</u>	<u>12,817</u>	<u>1,324,367</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		14,618,917	7,988,997	3,700,423	6,941	28,014	2,894,545	0	0
12		RATE BASE		253,360,781	138,457,476	64,132,114	120,294	485,505	50,165,419	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	14,196,259	1,806,775	8,516	(354,143)	9,750,970	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		234,603	131,078	16,682	79	(3,270)	90,034	0	0
4	LESS: PSC FEES @ 0.00190100		<u>48,302</u>	<u>26,987</u>	<u>3,435</u>	<u>16</u>	<u>(673)</u>	<u>18,537</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		25,125,473	14,038,194	1,786,658	8,421	(350,200)	9,642,399	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,507,528</u>	<u>842,292</u>	<u>107,199</u>	<u>505</u>	<u>(21,012)</u>	<u>578,544</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		23,617,945	13,195,902	1,679,459	7,916	(329,188)	9,063,855	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>8,266,281</u>	<u>4,618,566</u>	<u>587,811</u>	<u>2,771</u>	<u>(115,216)</u>	<u>3,172,349</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		15,351,664	8,577,336	1,091,648	5,145	(213,972)	5,891,506	0	0

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	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	29,490,670	9,167,328	12,050	59,307	6,365,667	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)	221,356	1,153,450	197	118,906	(1,978,356)	0	0	
6	KENTUCKY STATE INCOME TAX [5]		(91,006)	41,522	216,529	37	22,323	(371,416)	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	56,612,887	22,383,422	43,109	226,932	7,459,837	0	0	
9	OPERATING INCOME		5,955,978	3,066,938	4,301,863	4,972	254,803	(1,672,594)	0	0	
10	INTEREST EXPENSE [7]		<u>6,688,725</u>	<u>3,655,277</u>	<u>1,693,088</u>	<u>3,176</u>	<u>12,817</u>	<u>1,324,367</u>	<u>0</u>	<u>0</u>	
11	INCOME AVAILABLE FOR COMMON EQUITY		(732,747)	(588,339)	2,608,775	1,796	241,986	(2,996,961)	0	0	
12	RATE BASE [8]		253,360,781	138,457,476	64,132,114	120,294	485,505	50,165,419	0	0	
13	RATE OF RETURN EARNED ON RATE BASE		2.35%	2.22%	6.71%	4.13%	52.48%	-3.33%	0.00%	0.00%	
14	UNITIZED RETURN		1.00	0.94	2.86	1.76	22.33	(1.42)	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	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										
	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 INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION RESERVE ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 7 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		0	0	0	0	0	0	0	0
3	303.00	MISC. INTANGIBLE PLANT		49,104	28,114	10,703	17	87	10,181	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>3,424,538</u>	<u>1,960,658</u>	<u>746,501</u>	<u>1,193</u>	<u>6,153</u>	<u>710,032</u>	<u>0</u>	<u>0</u>
7		TOTAL INTANGIBLE PLANT		3,473,642	1,988,772	757,204	1,210	6,240	720,213	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		0	0	0	0	0	0	0	0
15	374.20	LAND - OTHER DISTRIBUTION		(523)	(204)	(138)	0	0	(181)	0	0
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION		184,637	71,979	48,742	106	0	63,810	0	0
17	374.50	RIGHTS OF WAY		942,676	367,492	248,858	538	0	325,788	0	0
18	375.20	CITY GATE - MEAS & REG STRUCTURES		2,063	804	544	2	0	713	0	0
19	375.30	STRUC & IMPROV-GENERAL M&R		(78)	(30)	(20)	0	0	(26)	0	0
20	375.40	STRUC & IMPROV-REGULATING		497,862	194,086	131,430	284	0	172,062	0	0
21	375.40	DIRECT STRUC & IMPROV-REGULATING		3,028	0	0	0	3,028	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		3,369,677	1,929,249	734,543	1,172	6,054	698,659	0	0
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV		199,220	114,060	43,426	69	358	41,306	0	0
25	375.80	STRUC & IMPROV-COMMUNICATION		0	0	0	0	0	0	0	0
26	376.00	MAINS		58,817,583	22,929,446	15,527,254	33,526	0	20,327,356	0	0
27	376.00	DIRECT MAINS		8,703	0	0	0	8,703	0	0	0
28	378.10	M & R GENERAL		372,072	145,048	98,224	212	0	128,588	0	0
29	378.20	M & R GENERAL - REGULATING		3,453,479	1,346,304	911,684	1,968	0	1,193,522	0	0
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES		36,634	14,282	9,672	20	0	12,660	0	0
31	379.10	STA EQUIP - CITY		267,731	104,372	70,678	152	0	92,528	0	0
32	380.00	SERVICES		61,085,053	53,894,121	6,974,691	611	0	215,630	0	0

33 380.00 DIRECT SERVICES

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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	ODORIZATION		(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 INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION EXPENSE ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 9 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)
				\$	\$	\$	\$	\$	\$	\$	\$
INTANGIBLE PLANT											
1	301.00	ORGANIZATION		0	0	0	0	0	0	0	0
2	303.00	MISC. INTANGIBLE PLANT		2,478	1,419	540	0	4	514	0	0
3	303.10	DIS SOFTWARE		0	0	0	0	0	0	0	0
4	303.20	FARA SOFTWARE		0	0	0	0	0	0	0	0
5	303.30	OTHER SOFTWARE		<u>1,271,617</u>	<u>728,042</u>	<u>277,195</u>	<u>443</u>	<u>2,285</u>	<u>263,653</u>	<u>0</u>	<u>0</u>
6		TOTAL INTANGIBLE PLANT		1,274,096	729,461	277,735	443	2,289	264,167	0	0
7 PRODUCTION PLANT											
8	304.10	LAND		0	0	0	0	0	0	0	0
9	305.00	STRUCTURES & IMPROVEMENTS		0	0	0	0	0	0	0	0
10	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>
11		TOTAL PRODUCTION PLANT		0	0	0	0	0	0	0	0
12 DISTRIBUTION PLANT											
13	374.10	LAND - CITY GATE & M/L IND M&R		0	0	0	0	0	0	0	0
14	374.20	LAND - OTHER DISTRIBUTION		0	0	0	0	0	0	0	0
15	374.40	LAND RIGHTS - OTHER DISTRIBUTION		11,508	4,486	3,038	6	0	3,978	0	0
16	374.50	RIGHTS OF WAY		35,215	13,728	9,296	20	0	12,170	0	0
17	375.20	CITY GATE - MEAS & REG STRUCTURES		72	28	20	0	0	24	0	0
18	375.30	STRUC & IMPROV-GENERAL M&R		0	0	0	0	0	0	0	0
19	375.40	STRUC & IMPROV-REGULATING		69,888	27,246	18,450	40	0	24,154	0	0
20	375.40	DIRECT STRUC & IMPROV-REGULATING		744	0	0	0	744	0	0	0
21	375.60	STRUC & IMPROV-DIST. IND. M & R		0	0	0	0	0	0	0	0
22	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM		185,730	106,337	40,486	65	334	38,508	0	0
23	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV		33,049	18,921	7,204	11	59	6,852	0	0
24	375.80	STRUC & IMPROV-COMMUNICATION		0	0	0	0	0	0	0	0
25	376.00	MAINS		5,087,613	1,983,355	1,343,079	2,900	0	1,758,279	0	0
26	376.00	DIRECT MAINS		151	0	0	0	151	0	0	0
27	378.10	M & R GENERAL		17,220	6,714	4,546	10	0	5,952	0	0
28	378.20	M & R GENERAL - REGULATING		304,399	118,667	80,358	174	0	105,200	0	0
29	378.30	M & R EQUIP - LOCAL GAS PURCHASES		1,512	590	400	0	0	522	0	0
30	379.10	STA EQUIP - CITY		0	0	0	0	0	0	0	0
31	380.00	SERVICES		6,496,995	5,732,169	741,827	65	0	22,934	0	0

32 380.00 DIRECT SERVICES

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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

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 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	ACCT	ALOC	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)	(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	

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 TWELVE MONTHS ENDED 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		<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>
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	ALOC	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	428,192	180,130	295	1,401	173,451	0	0
3	871	DISTRIBUTION LOAD DISPATCH		17,885	5,977	4,319	9	0	7,580	0	0
4	874	MAINS & SERVICES		4,797,660	2,733,696	1,003,829	1,754	152	1,058,229	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	662,118	278,536	457	2,168	268,209	0	0
10	881	RENTS		<u>82,157</u>	<u>44,901</u>	<u>18,889</u>	<u>31</u>	<u>146</u>	<u>18,189</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		8,181,638	4,741,887	1,838,151	2,769	9,817	1,589,013	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING		2,571	1,405	591	0	5	569	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>109,072</u>	<u>45,884</u>	<u>75</u>	<u>357</u>	<u>44,184</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		3,402,101	1,588,985	825,109	1,588	10,910	975,508	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	ACCT	ALOC	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
 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	ALOC	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		17,975,026	12,031,567	3,349,629	4,432	21,004	2,568,392	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES		2,963,302	1,945,722	571,422	817	3,592	441,749	0	0
10	921	OFFICE SUPPLIES & EXPENSES		894,098	587,070	172,412	247	1,083	133,286	0	0
11	922	ADMIN. EXPENSES TRANSFERED		0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES		7,869,789	5,167,352	1,517,556	2,171	9,537	1,173,174	0	0
13	924	PROPERTY INSURANCE		81,748	53,676	15,764	23	99	12,186	0	0
14	925	INJURIES AND DAMAGES		1,043,923	632,095	245,265	310	1,530	164,723	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS		3,351,467	2,029,310	787,415	996	4,912	528,834	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL		197,760	129,851	38,135	55	239	29,481	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901		176,190	115,687	33,975	49	214	26,265	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV		0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL		(62,123)	(40,791)	(11,979)	(17)	(76)	(9,262)	0	0
21	931	RENTS		642,175	421,656	123,832	177	778	95,731	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.		130	85	25	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>170,141</u>	<u>49,967</u>	<u>72</u>	<u>314</u>	<u>38,628</u>	<u>0</u>	<u>0</u>
25		TOTAL ADMIN & GENERAL - M & E		<u>17,417,580</u>	<u>11,211,854</u>	<u>3,543,789</u>	<u>4,900</u>	<u>22,222</u>	<u>2,634,815</u>	<u>0</u>	<u>0</u>
26		TOTAL O & M EXPENSE - M & E		35,736,302	23,464,315	7,015,785	9,730	43,226	5,203,244	0	0

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	8,181,638	4,741,887	1,838,151	2,769	9,817	1,589,013	0	0
13		DISTRIBUTION - O&M MAINT.	PAGE 17	3,402,101	1,588,985	825,109	1,588	10,910	975,508	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>17,417,580</u>	<u>11,211,854</u>	<u>3,543,789</u>	<u>4,900</u>	<u>22,222</u>	<u>2,634,815</u>	<u>0</u>	<u>0</u>
18		TOTAL M & E EXPENSE		<u>35,736,302</u>	<u>23,464,315</u>	<u>7,015,785</u>	<u>9,730</u>	<u>43,226</u>	<u>5,203,244</u>	<u>0</u>	<u>0</u>
19		TOTAL O & M EXPENSES		45,095,029	29,490,670	9,167,328	12,050	59,307	6,365,667	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	3,329,816	5,671,842	5,206	396,032	(4,022,367)	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		6,688,725	3,655,277	1,693,088	3,176	12,817	1,324,367	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>2,475,474</u>	<u>2,001,223</u>	<u>4,489</u>	<u>23,483</u>	<u>2,109,162</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(1,233,308)	854,342	3,670,619	717	372,549	(6,131,529)	0	0
10		STATE INCOME TAX @ 6.00%		(73,998)	51,260	220,236	43	22,353	(367,889)	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)	51,260	220,236	43	22,353	(367,889)	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)	41,522	216,529	37	22,323	(371,416)	0	0

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	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>56,350,009</u>	<u>21,013,443</u>	<u>42,875</u>	<u>85,703</u>	<u>9,809,609</u>	<u>0</u>	<u>0</u>	
3	OPERATING INCOME BEFORE TAXES		5,380,520	3,329,816	5,671,842	5,206	396,032	(4,022,367)	0	0	
4	LESS: RECONCILING ITEMS:										
5	IMPUTED INTEREST		6,688,725	3,655,277	1,693,088	3,176	12,817	1,324,367	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>51,260</u>	<u>220,236</u>	<u>43</u>	<u>22,353</u>	<u>(367,889)</u>	<u>0</u>	<u>0</u>	
11	TOTAL RECONCILING ITEMS		6,539,830	2,526,734	2,221,459	4,532	45,836	1,741,273	0	0	
12	TAXABLE INCOME		(1,159,310)	803,082	3,450,383	674	350,196	(5,763,639)	0	0	
13	CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	273,048	1,173,130	229	119,067	(1,959,637)	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)	273,048	1,173,130	229	119,067	(1,959,637)	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)	221,356	1,153,450	197	118,906	(1,978,356)	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	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	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	3,686,334	1,145,916	1,506	7,413	795,708	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	308,288	90,539	130	569	69,992	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	138,457,476	64,132,114	120,294	485,505	50,165,419	0	0	
REFERENCES:	[1] PAGE 6, [2] PAGE 8,										
	[3] TOTAL O & M EXPENSE		66,570,979	43,297,765	16,811,175	37,059	59,307	6,365,667	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	29,490,670	9,167,328	12,050	59,307	6,365,667	0	0	

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	35,066,460	37,773,621	19,842,086
2		PROPOSED INCREASE		<u>25,408,373</u>	<u>12,009,000</u>	<u>5,893,383</u>	<u>7,505,990</u>
3		TOTAL PROPOSED REVENUES		118,090,539	47,075,460	43,667,004	27,348,075
4		COST OF GAS		21,475,950	0	21,475,950	0
5		OPERATING & MAINTENANCE EXPENSE		45,377,932	26,951,231	9,268,657	9,158,049
6		DEPRECIATION & AMORTIZATION		15,939,787	9,155,554	3,392,118	3,392,118
7		FEDERAL INCOME TAX		7,781,828	3,081,518	1,676,082	3,024,225
8		KENTUCKY STATE INCOME TAX		1,416,522	557,528	304,358	554,636
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		96,782,899	41,911,227	37,433,076	17,438,602
11		OPERATING INCOME		21,307,640	5,164,233	6,233,928	9,909,473
12		INTEREST EXPENSE		<u>6,688,725</u>	<u>1,910,314</u>	<u>1,837,904</u>	<u>2,940,506</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		14,618,915	3,253,919	4,396,024	6,968,967
14		RATE BASE		253,360,780	72,360,386	69,617,593	111,382,801
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

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		TOTAL REVENUES		118,090,543	48,600,252	43,039,580	26,450,720
2		COST OF GAS		21,475,950	0	21,475,950	0
3		OPERATING & MAINTENANCE EXPENSE		45,377,932	26,968,208	9,261,671	9,148,057
4		DEPRECIATION & AMORTIZATION		15,939,787	9,155,554	3,392,118	3,392,118
5		FEDERAL INCOME TAX		7,781,830	3,577,589	1,471,958	2,732,282
6		KENTUCKY STATE INCOME TAX		1,416,522	647,997	267,132	501,394
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		96,782,901	42,514,744	37,184,740	17,083,425
9		OPERATING INCOME		21,307,642	6,085,508	5,854,839	9,367,295
10		INTEREST EXPENSE		<u>6,688,725</u>	<u>1,910,314</u>	<u>1,837,904</u>	<u>2,940,506</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		14,618,917	4,175,194	4,016,935	6,426,789
12		RATE BASE		253,360,780	72,360,386	69,617,593	111,382,801
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

LINE NO.	DESCRIPTION (A)	CLASSIFICATION FACTOR (B)	Total Company (C)	CUSTOMER (D)	COMMODITY (E)	DEMAND (F)
1	OPERATING REVENUE		25,408,377	13,533,792	5,265,959	6,608,634
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		234,603	124,961	48,622	61,019
4	LESS: PSC FEES @ 0.00190100		<u>48,301</u>	<u>25,728</u>	<u>10,011</u>	<u>12,563</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		25,125,473	13,383,103	5,207,326	6,535,052
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,507,528</u>	<u>802,986</u>	<u>312,440</u>	<u>392,103</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		23,617,945	12,580,117	4,894,886	6,142,949
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>8,266,281</u>	<u>4,403,041</u>	<u>1,713,210</u>	<u>2,150,032</u>
9	OPERATING INCOME		15,351,664	8,177,076	3,181,676	3,992,917

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		TOTAL REVENUES [1]		92,682,167	35,066,460	37,773,621	19,842,086
2		COST OF GAS		21,475,950	0	21,475,950	0
3		OPERATING & MAINTENANCE EXPENSE [2]		45,095,028	26,817,519	9,203,038	9,074,475
4		DEPRECIATION & AMORTIZATION [3]		15,939,787	9,155,554	3,392,118	3,392,118
5		FEDERAL INCOME TAX [4]		(484,451)	(825,452)	(241,252)	582,250
6		KENTUCKY STATE INCOME TAX [5]		(91,006)	(154,989)	(45,308)	109,291
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		86,726,188	37,158,028	35,100,457	14,467,708
9		OPERATING INCOME		5,955,978	(2,091,568)	2,673,164	5,374,377
10		INTEREST EXPENSE [7]		<u>6,688,725</u>	<u>1,910,314</u>	<u>1,837,904</u>	<u>2,940,506</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(732,747)	(4,001,882)	835,260	2,433,871
12		RATE BASE [8]		253,360,780	72,360,386	69,617,593	111,382,801
13		RATE OF RETURN EARNED ON RATE BASE		2.35%	-2.89%	3.84%	4.83%
14		UNITIZED RETURN		1.00	(1.23)	1.63	2.06

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

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	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

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	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

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LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION	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

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

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LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION	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	<u>4,248</u>	<u>1,778</u>	<u>1,235</u>	<u>1,235</u>
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	<u>19,604</u>	<u>8,204</u>	<u>5,700</u>	<u>5,700</u>
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

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING REVENUE					
2	480.00	RESIDENTIAL SALES	22	49,696,061	17,486,899	22,106,060	10,103,103
3	481.10	COMMERCIAL SALES	22	18,520,317	5,563,210	9,742,948	3,214,159
4	481.20	INDUSTRIAL SALES	22	<u>1,458,726</u>	<u>434,929</u>	<u>772,516</u>	<u>251,281</u>
5		TOTAL SALES REVENUE		69,675,105	23,485,038	32,621,523	13,568,543
6	487.00	FORFEITED DISCOUNTS	22	476,000	231,930	109,434	134,636
7	488.00	MISC. SERVICE REVENUE	6	137,000	137,000	0	0
8	489.00	REVENUE FROM TRANSPORTATION	22	21,807,062	10,625,492	5,042,664	6,138,906
9	495.00	OTHER	6	<u>587,000</u>	<u>587,000</u>	<u>0</u>	<u>0</u>
10		TOTAL OTHER GAS DEPT REVENUE		<u>23,007,062</u>	<u>11,581,422</u>	<u>5,152,098</u>	<u>6,273,542</u>
11		TOTAL OPERATING REVENUE		92,682,167	35,066,460	37,773,621	19,842,086

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

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	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

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	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

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	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

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	11DC	783,470	296,842	244,067	242,561
3	871	DISTRIBUTION LOAD DISPATCH	4	17,885	0	17,885	0
4	874	MAINS & SERVICES	14DC	4,797,660	1,753,384	1,522,138	1,522,138
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	459,009	377,403	375,075
10	881	RENTS	11DC	<u>82,157</u>	<u>31,128</u>	<u>25,594</u>	<u>25,436</u>
11		TOTAL OPERATION		8,181,638	3,710,963	2,246,277	2,224,400
12		MAINTENANCE					
13	885	SUPERVISION & ENGINEERING	11DC	2,571	974	801	796
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>75,614</u>	<u>62,171</u>	<u>61,788</u>
21		TOTAL MAINTENANCE		3,402,101	677,895	1,362,297	1,361,909

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

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		17,975,026	10,780,145	3,608,574	3,586,309
8		ADMINISTRATIVE & GENERAL					
9	920	SALARIES	13DC	2,963,302	1,671,364	618,426	673,512
10	921	OFFICE SUPPLIES & EXPENSES	13DC	894,098	504,290	186,594	203,214
11	922	ADMIN. EXPENSES TRANSFERED	13DC	0	0	0	0
12	923	OUTSIDE SERVICES	13DC	7,869,789	4,438,725	1,642,385	1,788,679
13	924	PROPERTY INSURANCE	13DC	81,748	46,108	17,060	18,580
14	925	INJURIES AND DAMAGES	13DC	1,043,923	588,794	217,861	237,267
15	926	EMPLOYEE PENSIONS & BENEFITS	13DC	3,351,467	1,890,297	699,434	761,736
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS	13DC	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13DC	197,760	111,541	41,272	44,948
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13DC	176,189	99,374	36,770	40,045
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13DC	0	0	0	0
20	930.20	MISC. - GENERAL	13DC	(62,123)	(35,039)	(12,965)	(14,120)
21	931	RENTS	13DC	642,175	362,200	134,019	145,956
22	935.13	MAINT. STRUCTURES & IMPROV.	13DC	130	73	27	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>146,150</u>	<u>54,077</u>	<u>58,894</u>
25		TOTAL ADMIN & GENERAL - M & E		<u>17,417,579</u>	<u>9,823,877</u>	<u>3,634,960</u>	<u>3,958,741</u>
26		TOTAL O & M EXPENSE - M & E		35,736,301	20,604,022	7,585,091	7,547,189

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	8,181,638	3,710,963	2,246,277	2,224,400
13		DISTRIBUTION - O&M MAINT.	PAGE 17	3,402,101	677,895	1,362,297	1,361,909
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>17,417,579</u>	<u>9,823,877</u>	<u>3,634,960</u>	<u>3,958,741</u>
18		TOTAL M & E EXPENSE		<u>35,736,301</u>	<u>20,604,022</u>	<u>7,585,091</u>	<u>7,547,189</u>
19		TOTAL O & M EXPENSES		45,095,028	26,817,519	9,203,038	9,074,475

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 GEN-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

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		5,380,521	(3,072,009)	2,386,604	6,065,919
2		LESS: RECONCILING ITEMS:					
3		IMPUTED INTEREST		6,688,725	1,910,314	1,837,904	2,940,506
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>(607,464)</u>	<u>3,059,320</u>	<u>4,161,970</u>
9		TAXABLE INCOME		(1,233,307)	(2,464,545)	(672,716)	1,903,949
10		STATE INCOME TAX @ 6.00%		(73,998)	(147,872)	(40,363)	114,236
11		PLUS: FOREIGN TAX PAYMENTS	19DC	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		KENTUCKY STATE INCOME TAX - CURRENT		(73,998)	(147,872)	(40,363)	114,236

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		(91,006)	(154,989)	(45,308)	109,291

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING REVENUE		92,682,167	35,066,460	37,773,621	19,842,086
2		LESS: EXPENSES OTHER THAN FIT		<u>87,301,645</u>	<u>38,138,469</u>	<u>35,387,017</u>	<u>13,776,167</u>
3		OPERATING INCOME BEFORE TAXES		5,380,521	(3,072,009)	2,386,604	6,065,919
4		LESS: RECONCILING ITEMS:					
5		IMPUTED INTEREST		6,688,725	1,910,314	1,837,904	2,940,506
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>(73,998)</u>	<u>(147,872)</u>	<u>(40,363)</u>	<u>114,236</u>
11		TOTAL RECONCILING ITEMS		6,539,830	(755,336)	3,018,957	4,276,206
12		TAXABLE INCOME		(1,159,309)	(2,316,673)	(632,353)	1,789,712
13		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(787,669)	(215,000)	608,502
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)	(787,669)	(215,000)	608,502

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)	(825,452)	(241,252)	582,250

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	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]		5,636,878	3,352,190	1,150,380	1,134,309
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	264,818	97,986	106,714
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		253,360,780	72,360,386	69,617,593	111,382,801
		REFERENCES: [1] PAGE 31, [2] PAGE 33,					
		[3] TOTAL O & M EXPENSE		66,570,978	26,817,519	30,678,988	9,074,475
		LESS: COST OF GAS		<u>21,475,950</u>	<u>0</u>	<u>21,475,950</u>	<u>0</u>
		O & M EXCL. GAS COST		45,095,028	26,817,519	9,203,038	9,074,475

COLUMBIA GAS OF KENTUCKY, INC.

ATTACHMENT GEN-2

CLASSIFICATION FACTORS

PAGE 51 OF 129

CLASSIFICATION
FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE	CLASSIFICATION	TOTAL				
NO.	DESCRIPTION	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(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%	78.028%	0.192%	21.780%
16	OTHER DIST. EXP EXCL - M & E - D/C	11DC	100.000%	37.888%	31.152%	30.960%
17	OTHER DIST. EXP EXCL - M & E - AVG	11AVG	100.000%	57.958%	15.672%	26.370%
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%	83.292%	0.129%	16.579%
22	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - D/C	13DC	100.000%	56.402%	20.869%	22.728%
23	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - AVG	13AVG	100.000%	69.847%	10.499%	19.654%
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%

48.725%

23.124%

28.151%

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		35,066,457	22,684,324	9,316,099	11,245	234,740	2,820,049	0	0	
2	PROPOSED INCREASE		<u>12,009,003</u>	<u>7,693,086</u>	<u>3,288,254</u>	<u>3,966</u>	<u>(13)</u>	<u>1,023,710</u>	<u>0</u>	<u>0</u>	
3	TOTAL PROPOSED REVENUES		47,075,460	30,377,410	12,604,353	15,211	234,727	3,843,759	0	0	
4	COST OF GAS		0	0	0	0	0	0	0	0	
5	OPERATING & MAINTENANCE EXPENSE		26,951,232	22,314,584	4,329,676	1,357	58,419	247,196	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		3,081,518	(196,451)	2,127,782	4,311	41,471	1,104,405	0	0	
8	KENTUCKY STATE INCOME TAX		557,528	(50,323)	393,715	803	7,785	205,548	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		41,911,227	31,452,838	8,569,968	6,929	132,287	1,749,205	0	0	
11	OPERATING INCOME		5,164,233	(1,075,428)	4,034,385	8,282	102,440	2,094,554	0	0	
12	INTEREST EXPENSE		<u>1,910,316</u>	<u>1,550,193</u>	<u>312,174</u>	<u>99</u>	<u>11,827</u>	<u>36,023</u>	<u>0</u>	<u>0</u>	
13	INCOME AVAILABLE FOR COMMON EQUITY		3,253,917	(2,625,621)	3,722,211	8,183	90,613	2,058,531	0	0	
14	RATE BASE		72,360,386	58,719,448	11,824,755	3,734	447,979	1,364,492	0	0	
15	RATE OF RETURN AUTHORIZED ON RATE BASE		7.14%	-1.83%	34.12%	221.81%	22.87%	153.50%	0.00%	0.00%	
16	UNITIZED RETURN		1.00	(0.22)	4.06	26.37	2.72	18.25	0.00	0.00	

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		48,600,252	40,330,678	7,573,010	2,024	127,535	567,011	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		26,968,210	22,425,407	4,273,656	1,210	57,225	210,712	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		3,577,592	3,041,714	490,901	21	6,598	38,358	0	0
6		KENTUCKY STATE INCOME TAX		647,997	540,223	95,196	21	1,425	11,132	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		42,514,748	35,392,372	6,578,548	1,710	89,860	452,258	0	0
9		OPERATING INCOME		6,085,505	4,938,306	994,462	314	37,675	114,754	0	0
10		INTEREST EXPENSE		<u>1,910,316</u>	<u>1,550,193</u>	<u>312,174</u>	<u>99</u>	<u>11,827</u>	<u>36,023</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		4,175,189	3,388,113	682,288	215	25,848	78,731	0	0
12		RATE BASE		72,360,386	58,719,448	11,824,755	3,734	447,979	1,364,492	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.42%	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]		29.78	27.57	45.15	84.33	1,771.32	598.11	0.00	0.00

[1] LINE 1 / LINE 15 / 12 MONTHS.

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		13,533,792	17,646,354	(1,743,089)	(9,221)	(107,205)	(2,253,038)	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		124,962	162,934	(16,094)	(85)	(990)	(20,803)	0	0
4	LESS: PSC FEES @ 0.00190100		<u>25,727</u>	<u>33,546</u>	<u>(3,314)</u>	<u>(18)</u>	<u>(204)</u>	<u>(4,283)</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		13,383,103	17,449,874	(1,723,681)	(9,118)	(106,011)	(2,227,952)	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>802,986</u>	<u>1,046,992</u>	<u>(103,421)</u>	<u>(547)</u>	<u>(6,361)</u>	<u>(133,677)</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		12,580,117	16,402,882	(1,620,260)	(8,571)	(99,650)	(2,094,275)	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>4,403,045</u>	<u>5,741,009</u>	<u>(567,091)</u>	<u>(3,000)</u>	<u>(34,877)</u>	<u>(732,996)</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		8,177,072	10,661,873	(1,053,169)	(5,571)	(64,773)	(1,361,279)	0	0

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 [1]		35,066,460	22,684,324	9,316,099	11,245	234,740	2,820,049	0	0
2	COST OF GAS		0	0	0	0	0	0	0	0
3	OPERATING & MAINTENANCE EXPENSE [2]		26,817,519	22,228,927	4,293,064	1,313	58,419	235,798	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]		(825,452)	(2,699,295)	1,057,992	3,021	41,475	771,354	0	0
6	KENTUCKY STATE INCOME TAX [5]		(154,989)	(506,769)	198,617	568	7,786	144,809	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		37,158,028	28,407,891	7,268,468	5,360	132,292	1,344,017	0	0
9	OPERATING INCOME		(2,091,568)	(5,723,567)	2,047,631	5,885	102,448	1,476,032	0	0
10	INTEREST EXPENSE [7]		<u>1,910,314</u>	<u>1,550,193</u>	<u>312,174</u>	<u>99</u>	<u>11,827</u>	<u>36,023</u>	<u>0</u>	<u>0</u>
11	INCOME AVAILABLE FOR COMMON EQUITY		(4,001,882)	(7,273,760)	1,735,457	5,786	90,621	1,440,009	0	0
12	RATE BASE [8]		72,360,386	58,719,448	11,824,755	3,734	447,979	1,364,492	0	0
13	RATE OF RETURN EARNED ON RATE BASE		-2.89%	-9.75%	17.32%	157.62%	22.87%	108.17%	0.00%	0.00%
14	UNITIZED RETURN		1.00	3.37	(5.99)	(54.54)	(7.91)	(37.43)	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 GEN-2
 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	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

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
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

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		INTANGIBLE PLANT									
2	301.00	ORGANIZATION	7CUST	0	0	0	0	0	0	0	0
3	303.00	MISC. INTANGIBLE PLANT	7CUST	20,549	16,985	3,167	1	81	315	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>1,433,069</u>	<u>1,184,503</u>	<u>220,893</u>	<u>57</u>	<u>5,675</u>	<u>21,940</u>	<u>0</u>	<u>0</u>
7		TOTAL INTANGIBLE PLANT		1,453,618	1,201,488	224,060	58	5,756	22,255	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	1,410,111	1,165,527	217,355	56	5,584	21,589	0	0
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7CUST	83,368	68,908	12,850	3	330	1,276	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	61,085,053	53,894,121	6,974,691	611	0	215,630	0	0

33 380.00 DIRECT SERVICES

0 0 0 0 0 0 0 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 GEN-2
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	(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
 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 GEN-2
 PAGE 60 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)
				\$	\$	\$	\$	\$	\$	\$	\$
INTANGIBLE PLANT											
1	301.00	ORGANIZATION	7CUST	0	0	0	0	0	0	0	0
2	303.00	MISC. INTANGIBLE PLANT	7CUST	1,037	857	160	0	4	16	0	0
3	303.10	DIS SOFTWARE	7CUST	0	0	0	0	0	0	0	0
4	303.20	FARA SOFTWARE	7CUST	0	0	0	0	0	0	0	0
5	303.30	OTHER SOFTWARE	7CUST	<u>532,135</u>	<u>439,836</u>	<u>82,023</u>	<u>21</u>	<u>2,107</u>	<u>8,147</u>	<u>0</u>	<u>0</u>
6		TOTAL INTANGIBLE PLANT		533,172	440,693	82,183	21	2,111	8,163	0	0
7 PRODUCTION PLANT											
8	304.10	LAND	2	0	0	0	0	0	0	0	0
9	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0	0	0	0	0
10	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>
11		TOTAL PRODUCTION PLANT		0	0	0	0	0	0	0	0
12 DISTRIBUTION PLANT											
13	374.10	LAND - CITY GATE & M/L IND M&R	5	0	0	0	0	0	0	0	0
14	374.20	LAND - OTHER DISTRIBUTION	5	0	0	0	0	0	0	0	0
15	374.40	LAND RIGHTS - OTHER DISTRIBUTION	5	0	0	0	0	0	0	0	0
16	374.50	RIGHTS OF WAY	5	0	0	0	0	0	0	0	0
17	375.20	CITY GATE - MEAS & REG STRUCTURES	5	0	0	0	0	0	0	0	0
18	375.30	STRUC & IMPROV-GENERAL M&R	5	0	0	0	0	0	0	0	0
19	375.40	STRUC & IMPROV-REGULATING	5	0	0	0	0	0	0	0	0
20	375.40	DIRECT STRUC & IMPROV-REGULATING		0	0	0	0	0	0	0	0
21	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0	0	0	0	0
22	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7CUST	77,723	64,242	11,980	3	308	1,190	0	0
23	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7CUST	13,830	11,431	2,132	1	55	212	0	0
24	375.80	STRUC & IMPROV-COMMUNICATION	5	0	0	0	0	0	0	0	0
25	376.00	MAINS	5	0	0	0	0	0	0	0	0
26	376.00	DIRECT MAINS		0	0	0	0	0	0	0	0
27	378.10	M & R GENERAL	5	0	0	0	0	0	0	0	0
28	378.20	M & R GENERAL - REGULATING	5	0	0	0	0	0	0	0	0
29	378.30	M & R EQUIP - LOCAL GAS PURCHASES	5	0	0	0	0	0	0	0	0
30	379.10	STA EQUIP - CITY	5	0	0	0	0	0	0	0	0
31	380.00	SERVICES	15	6,496,995	5,732,169	741,827	65	0	22,934	0	0

32 380.00 DIRECT SERVICES

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CUSTOMER RELATED
DEMAND-COMMODITY

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT GEN-2
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	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

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									
2	480.00	RESIDENTIAL SALES		17,486,899	17,486,899	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		5,563,210	0	5,563,210	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		<u>434,929</u>	<u>0</u>	<u>423,812</u>	<u>11,117</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5		TOTAL SALES REVENUE		23,485,038	17,486,899	5,987,022	11,117	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		231,930	148,870	67,126	121	1,215	14,598	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		10,625,492	4,399,432	3,187,531	0	233,497	2,805,032	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>11,581,422</u>	<u>5,197,425</u>	<u>3,329,077</u>	<u>128</u>	<u>234,740</u>	<u>2,820,049</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATING REVENUE		35,066,460	22,684,324	9,316,099	11,245	234,740	2,820,049	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 GEN-2
 PAGE 64 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)	(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

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	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 TWELVEMONTHS ENDED 12/31/2017

ATTACHMENT GEN-2
 PAGE 66 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		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		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

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											
2	870	11CUST	296,842	238,578	51,704	18	1,377	5,165	0	0	
3	871	4	0	0	0	0	0	0	0	0	
4	874	14CUST	1,753,384	1,546,976	200,201	18	0	6,189	0	0	
5	875	18CUST	0	0	0	0	0	0	0	0	
6	876	8	29,602	0	6,146	7	5,944	17,505	0	0	
7	878	16	485,057	348,960	133,934	63	0	2,100	0	0	
8	879	16	655,941	471,897	181,118	85	0	2,840	0	0	
9	880	11CUST	459,009	368,915	79,950	28	2,130	7,987	0	0	
10	881	11CUST	<u>31,128</u>	<u>25,018</u>	<u>5,422</u>	<u>2</u>	<u>144</u>	<u>542</u>	<u>0</u>	<u>0</u>	
11			3,710,963	3,000,344	658,475	221	9,595	42,328	0	0	
12											
13	885	11CUST	974	783	170	0	5	17	0	0	
14	886	18CUST	0	0	0	0	0	0	0	0	
15	887	18CUST	0	0	0	0	0	0	0	0	
16	889	18CUST	0	0	0	0	0	0	0	0	
17	890	8	51,880	0	10,771	12	10,418	30,679	0	0	
18	892	15	431,251	380,484	49,240	4	0	1,522	0	0	
19	893	16	118,176	85,018	32,631	15	0	512	0	0	
20	894	11CUST	<u>75,614</u>	<u>60,772</u>	<u>13,170</u>	<u>5</u>	<u>351</u>	<u>1,316</u>	<u>0</u>	<u>0</u>	
21			677,895	527,057	105,982	36	10,774	34,046	0	0	

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
 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 GEN-2
 PAGE 69 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	0	0
3	912 DEMONSTRATION & SELLING	6	37,477	33,601	3,852	0	1	22	0	0	0
4	913 ADVERTISING	6	138,706	124,361	14,258	1	6	80	0	0	0
5	916 MISC.	6	0	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		10,780,145	9,228,096	1,450,826	332	20,646	80,245	0	0	
8	ADMINISTRATIVE & GENERAL										
9	920 SALARIES	13CUST	1,671,364	1,428,665	225,500	50	3,527	13,622	0	0	0
10	921 OFFICE SUPPLIES & EXPENSES	13CUST	504,290	431,062	68,039	15	1,064	4,110	0	0	0
11	922 ADMIN. EXPENSES TRANSFERED	13CUST	0	0	0	0	0	0	0	0	0
12	923 OUTSIDE SERVICES	13CUST	4,438,725	3,794,178	598,873	133	9,366	36,176	0	0	0
13	924 PROPERTY INSURANCE	13CUST	46,108	39,413	6,221	1	97	376	0	0	0
14	925 INJURIES AND DAMAGES	12CUST	588,794	455,356	125,395	53	1,507	6,483	0	0	0
15	926 EMPLOYEE PENSIONS & BENEFITS	12CUST	1,890,297	1,461,899	402,577	170	4,839	20,812	0	0	0
16	926 DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0	0
17	928 REG COMMISSION EXP - GENERAL	13CUST	111,541	95,344	15,049	3	235	909	0	0	0
18	928 REGULATORY COMMISSION EXP - PSC @ 0.001901	13CUST	99,374	84,944	13,408	3	210	810	0	0	0
19	930.10 MISC. - INSTITUT & GOODWILL ADV	13CUST	0	0	0	0	0	0	0	0	0
20	930.20 MISC. - GENERAL	13CUST	(35,039)	(29,951)	(4,727)	(1)	(74)	(286)	0	0	0
21	931 RENTS	13CUST	362,200	309,605	48,868	11	764	2,952	0	0	0
22	935.13 MAINT. STRUCTURES & IMPROV.	13CUST	73	62	10	0	0	1	0	0	0
23	935.23 MAINT. - GEN'L OFFICE										
24	FURNITURE & EQUIPMENT	13CUST	0	0	0	0	0	0	0	0	0
25	932 MAINT.-MISCELLANEOUS	13CUST	<u>146,150</u>	<u>124,928</u>	<u>19,719</u>	<u>4</u>	<u>308</u>	<u>1,191</u>	<u>0</u>	<u>0</u>	
26	TOTAL ADMIN & GENERAL - M & E		<u>9,823,877</u>	<u>8,195,505</u>	<u>1,518,932</u>	<u>442</u>	<u>21,843</u>	<u>87,156</u>	<u>0</u>	<u>0</u>	
27	TOTAL O & M EXPENSE - M & E		20,604,022	17,423,601	2,969,758	774	42,489	167,401	0	0	

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		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	3,710,963	3,000,344	658,475	221	9,595	42,328	0	0
13		DISTRIBUTION - O&M MAINT.	PAGE 17	677,895	527,057	105,982	36	10,774	34,046	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>9,823,877</u>	<u>8,195,505</u>	<u>1,518,932</u>	<u>442</u>	<u>21,843</u>	<u>87,156</u>	<u>0</u>	<u>0</u>
18		TOTAL M & E EXPENSE		<u>20,604,022</u>	<u>17,423,601</u>	<u>2,969,758</u>	<u>774</u>	<u>42,489</u>	<u>167,401</u>	<u>0</u>	<u>0</u>
19		TOTAL O & M EXPENSES		26,817,519	22,228,927	4,293,064	1,313	58,419	235,798	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 GEN-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

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 INCOME BEFORE TAXES (PAGE 24, LINE 3)		(3,072,009)	(8,929,631)	3,304,240	9,474	151,709	2,392,195	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		1,910,314	1,550,193	312,174	99	11,827	36,023	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>(607,464)</u>	<u>(581,494)</u>	<u>(24,345)</u>	<u>14</u>	<u>21,472</u>	<u>(23,110)</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(2,464,545)	(8,348,137)	3,328,585	9,460	130,237	2,415,305	0	0
10		STATE INCOME TAX @ 6.00%		(147,872)	(500,886)	199,714	568	7,814	144,918	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		(147,872)	(500,886)	199,714	568	7,814	144,918	0	0

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		(154,989)	(506,769)	198,617	568	7,786	144,809	0	0

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		35,066,460	22,684,324	9,316,099	11,245	234,740	2,820,049	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>38,138,469</u>	<u>31,613,955</u>	<u>6,011,859</u>	<u>1,771</u>	<u>83,031</u>	<u>427,854</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		(3,072,009)	(8,929,631)	3,304,240	9,474	151,709	2,392,195	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		1,910,314	1,550,193	312,174	99	11,827	36,023	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>(147,872)</u>	<u>(500,886)</u>	<u>199,714</u>	<u>568</u>	<u>7,814</u>	<u>144,918</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		(755,336)	(1,082,380)	175,369	582	29,286	121,808	0	0
12		TAXABLE INCOME		(2,316,673)	(7,847,251)	3,128,871	8,892	122,423	2,270,387	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(787,669)	(2,668,066)	1,063,816	3,023	41,624	771,932	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%		(787,669)	(2,668,066)	1,063,816	3,023	41,624	771,932	0	0

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		(825,452)	(2,699,295)	1,057,992	3,021	41,475	771,354	0	0

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	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]		3,352,190	2,778,616	536,633	164	7,302	29,475	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	264,818	226,364	35,729	8	559	2,158	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		72,360,386	58,719,448	11,824,755	3,734	447,979	1,364,492	0	0
		REFERENCES: [1] PAGE 57, [2] PAGE 59,									
		[3] TOTAL O & M EXPENSE		26,817,519	22,228,927	4,293,064	1,313	58,419	235,798	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		26,817,519	22,228,927	4,293,064	1,313	58,419	235,798	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ALLOCATION FACTORS

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%	80.372%	17.418%	0.006%	0.464%	1.740%	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%	85.479%	13.492%	0.003%	0.211%	0.815%	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%

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)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		37,773,621	24,264,601	12,036,706	30,285	110,813	1,331,217	0	0	
2	PROPOSED INCREASE		<u>5,893,383</u>	<u>3,808,957</u>	<u>1,588,939</u>	<u>1,943</u>	<u>584</u>	<u>492,960</u>	<u>0</u>	<u>0</u>	
3	TOTAL PROPOSED REVENUES		43,667,004	28,073,558	13,625,645	32,228	111,397	1,824,177	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		9,268,652	3,765,859	2,496,067	5,586	444	3,000,696	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		1,676,084	2,413,608	466,682	(890)	34,854	(1,238,170)	0	0	
8	KENTUCKY STATE INCOME TAX		304,358	446,464	84,835	(171)	6,543	(233,313)	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		37,433,074	22,267,693	11,933,934	32,214	42,733	3,156,499	0	0	
11	OPERATING INCOME		6,233,931	5,805,864	1,691,711	14	68,664	(1,332,322)	0	0	
12	INTEREST EXPENSE		<u>1,837,905</u>	<u>716,803</u>	<u>485,238</u>	<u>1,049</u>	<u>495</u>	<u>634,320</u>	<u>0</u>	<u>0</u>	
13	INCOME AVAILABLE FOR COMMON EQUITY		4,396,026	5,089,061	1,206,473	(1,035)	68,169	(1,966,642)	0	0	
14	RATE BASE		69,617,593	27,151,627	18,380,223	39,716	18,762	24,027,267	0	0	
15	RATE OF RETURN AUTHORIZED ON RATE BASE		8.95%	21.38%	9.20%	0.04%	365.98%	-5.55%	0.00%	0.00%	
16	UNITIZED RETURN		1.00	2.54	1.09	0.00	43.52	(0.66)	0.00	0.00	

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		43,039,580	22,243,650	13,384,112	37,733	362	7,373,718	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		9,261,664	3,700,947	2,493,377	5,647	(793)	3,062,486	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		1,471,958	516,924	388,103	901	(1,270)	567,300	0	0
6		KENTUCKY STATE INCOME TAX		267,131	100,564	70,504	156	(45)	95,952	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		37,184,734	19,960,197	11,838,334	34,393	(1,216)	5,353,024	0	0
9		OPERATING INCOME		5,854,846	2,283,453	1,545,777	3,340	1,578	2,020,693	0	0
10		INTEREST EXPENSE		<u>1,837,905</u>	<u>716,803</u>	<u>485,238</u>	<u>1,049</u>	<u>495</u>	<u>634,320</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		4,016,941	1,566,650	1,060,539	2,291	1,083	1,386,373	0	0
12		RATE BASE		69,617,593	27,151,627	18,380,223	39,716	18,762	24,027,267	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

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		5,265,959	(2,020,950)	1,347,406	7,448	(110,451)	6,042,501	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		48,622	(18,660)	12,441	69	(1,020)	55,792	0	0
4	LESS: PSC FEES @ 0.00190100		<u>10,010</u>	<u>(3,842)</u>	<u>2,561</u>	<u>14</u>	<u>(210)</u>	<u>11,487</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		5,207,327	(1,998,448)	1,332,404	7,365	(109,221)	5,975,222	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>312,440</u>	<u>(119,907)</u>	<u>79,944</u>	<u>442</u>	<u>(6,553)</u>	<u>358,513</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		4,894,887	(1,878,541)	1,252,460	6,923	(102,668)	5,616,709	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>1,713,208</u>	<u>(657,490)</u>	<u>438,361</u>	<u>2,423</u>	<u>(35,934)</u>	<u>1,965,848</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		3,181,679	(1,221,051)	814,099	4,500	(66,734)	3,650,861	0	0

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 [1]		37,773,621	24,264,601	12,036,706	30,285	110,813	1,331,217	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]		9,203,038	3,723,449	2,478,375	5,564	437	2,995,207	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]		(241,252)	1,174,414	(50,258)	(1,522)	34,664	(1,398,548)	0	0
6		KENTUCKY STATE INCOME TAX [5]		(45,308)	220,471	(9,440)	(286)	6,508	(262,561)	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		35,100,457	20,760,096	11,305,027	31,445	42,501	2,961,384	0	0
9		OPERATING INCOME		2,673,164	3,504,504	731,679	(1,160)	68,312	(1,630,167)	0	0
10		INTEREST EXPENSE [7]		<u>1,837,904</u>	<u>716,803</u>	<u>485,238</u>	<u>1,049</u>	<u>495</u>	<u>634,320</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		835,260	2,787,701	246,441	(2,209)	67,817	(2,264,487)	0	0
12		RATE BASE [8]		69,617,593	27,151,627	18,380,223	39,716	18,762	24,027,267	0	0
13		RATE OF RETURN EARNED ON RATE BASE		3.84%	12.91%	3.98%	-2.92%	364.10%	-6.78%	0.00%	0.00%
14		UNITIZED RETURN		1.00	3.36	1.04	(0.76)	94.82	(1.77)	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 GEN-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

33

380.00 DIRECT SERVICES

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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	(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

32 380.00 DIRECT SERVICES

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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	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

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 REVENUE										
2	480.00		22,106,060	22,106,060	0	0	0	0	0	0	0
3	481.10		9,742,948	0	9,742,948	0	0	0	0	0	0
4	481.20		<u>772,516</u>	<u>0</u>	<u>742,231</u>	<u>30,285</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5			32,621,523	22,106,060	10,485,179	30,285	0	0	0	0	0
6	487.00		109,434	70,651	38,783	0	0	0	0	0	0
7	488.00	6	0	0	0	0	0	0	0	0	0
8	489.00		5,042,664	2,087,890	1,512,744	0	110,813	1,331,217	0	0	0
9	495.00	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>	<u>0</u>
10			<u>5,152,098</u>	<u>2,158,541</u>	<u>1,551,527</u>	<u>0</u>	<u>110,813</u>	<u>1,331,217</u>	<u>0</u>	<u>0</u>	<u>0</u>
11			37,773,621	24,264,601	12,036,706	30,285	110,813	1,331,217	0	0	0

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	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 GEN-2
 PAGE 92 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		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

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	244,067	95,059	64,395	139	12	84,462	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	1,522,138	593,360	401,814	868	76	526,020	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	377,403	146,991	99,574	215	19	130,604	0	0
10	881	RENTS	11COMM	<u>25,594</u>	<u>9,968</u>	<u>6,753</u>	<u>15</u>	<u>1</u>	<u>8,857</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		2,246,277	874,428	592,480	1,280	111	777,978	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11COMM	801	312	211	0	0	277	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>62,171</u>	<u>24,214</u>	<u>16,403</u>	<u>35</u>	<u>3</u>	<u>21,515</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		1,362,297	531,029	359,610	776	68	470,813	0	0

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		3,608,574	1,405,457	952,090	2,056	179	1,248,791	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13COMM	618,426	254,414	168,088	383	31	195,509	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13COMM	186,594	76,763	50,716	116	9	58,990	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13COMM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13COMM	1,642,385	675,661	446,400	1,018	82	519,224	0	0
13	924	PROPERTY INSURANCE	13COMM	17,060	7,018	4,637	11	1	5,393	0	0
14	925	INJURIES AND DAMAGES	12COMM	217,861	84,247	57,236	122	11	76,245	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12COMM	699,434	270,471	183,755	392	35	244,781	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13COMM	41,272	16,979	11,218	26	2	13,048	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13COMM	36,770	15,127	9,994	23	2	11,624	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13COMM	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13COMM	(12,965)	(5,334)	(3,524)	(8)	(1)	(4,099)	0	0
21	931	RENTS	13COMM	134,019	55,134	36,426	83	7	42,369	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	13COMM	27	11	7	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	54,077	22,247	14,698	34	3	17,096	0	0
26		TOTAL ADMIN & GENERAL - M & E		3,634,960	1,472,738	979,651	2,200	182	1,180,189	0	0
27		TOTAL O & M EXPENSE - M & E		7,585,091	3,097,785	2,053,311	4,652	361	2,428,980	0	0

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		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	2,246,277	874,428	592,480	1,280	111	777,978	0	0
13		DISTRIBUTION - O&M MAINT.	PAGE 17	1,362,297	531,029	359,610	776	68	470,813	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>3,634,960</u>	<u>1,472,738</u>	<u>979,651</u>	<u>2,200</u>	<u>182</u>	<u>1,180,189</u>	<u>0</u>	<u>0</u>
18		TOTAL M & E EXPENSE		<u>7,585,091</u>	<u>3,097,785</u>	<u>2,053,311</u>	<u>4,652</u>	<u>361</u>	<u>2,428,980</u>	<u>0</u>	<u>0</u>
19		TOTAL O & M EXPENSES		9,203,038	3,723,449	2,478,375	5,564	437	2,995,207	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 GEN-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

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)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		2,386,604	4,899,389	671,981	(2,968)	109,484	(3,291,276)	0	0	
2	LESS: RECONCILING ITEMS:										
3	IMPUTED INTEREST		1,837,904	716,803	485,238	1,049	495	634,320	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>3,059,320</u>	<u>1,192,737</u>	<u>807,558</u>	<u>1,748</u>	<u>1,006</u>	<u>1,056,274</u>	<u>0</u>	<u>0</u>	
9	TAXABLE INCOME		(672,716)	3,706,652	(135,577)	(4,716)	108,478	(4,347,550)	0	0	
10	STATE INCOME TAX @ 6.00%		(40,363)	222,398	(8,135)	(283)	6,509	(260,852)	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		(40,363)	222,398	(8,135)	(283)	6,509	(260,852)	0	0	

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		(45,308)	220,471	(9,440)	(286)	6,508	(262,561)	0	0

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)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	OPERATING REVENUE		37,773,621	24,264,601	12,036,706	30,285	110,813	1,331,217	0	0	
2	LESS: EXPENSES OTHER THAN FIT		<u>35,387,017</u>	<u>19,365,212</u>	<u>11,364,725</u>	<u>33,253</u>	<u>1,329</u>	<u>4,622,493</u>	<u>0</u>	<u>0</u>	
3	OPERATING INCOME BEFORE TAXES		2,386,604	4,899,389	671,981	(2,968)	109,484	(3,291,276)	0	0	
4	LESS: RECONCILING ITEMS:										
5	IMPUTED INTEREST		1,837,904	716,803	485,238	1,049	495	634,320	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>(40,363)</u>	<u>222,398</u>	<u>(8,135)</u>	<u>(283)</u>	<u>6,509</u>	<u>(260,852)</u>	<u>0</u>	<u>0</u>	
11	TOTAL RECONCILING ITEMS		3,018,957	1,415,135	799,423	1,465	7,515	795,422	0	0	
12	TAXABLE INCOME		(632,353)	3,484,254	(127,442)	(4,433)	101,969	(4,086,698)	0	0	
13	CURRENT FEDERAL INCOME TAX @ 35%		(215,000)	1,184,646	(43,330)	(1,507)	34,670	(1,389,477)	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%		(215,000)	1,184,646	(43,330)	(1,507)	34,670	(1,389,477)	0	0	

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		(241,252)	1,174,414	(50,258)	(1,522)	34,664	(1,398,548)	0	0

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)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
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]		1,150,380	465,431	309,797	696	55	374,401	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	97,986	40,310	26,633	61	5	30,977	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		69,617,593	27,151,627	18,380,223	39,716	18,762	24,027,267	0	0	

REFERENCES: [1] PAGE 83, [2] PAGE 85,

[3] TOTAL O & M EXPENSE	30,678,988	17,530,544	10,122,222	30,573	437	2,995,207	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	9,203,038	3,723,449	2,478,375	5,564	437	2,995,207	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ATTACHMENT GEN-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	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)	(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%	38.948%	26.384%	0.057%	0.005%	34.606%	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%	41.139%	27.180%	0.062%	0.005%	31.614%	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%

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)
	(B)		\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		19,842,086	12,730,897	5,332,480	6,551	136,182	1,635,976	0	0
2	PROPOSED INCREASE		<u>7,505,990</u>	<u>4,969,836</u>	<u>1,949,718</u>	<u>2,238</u>	<u>(569)</u>	<u>584,766</u>	<u>0</u>	<u>0</u>
3	TOTAL PROPOSED REVENUES		27,348,075	17,700,733	7,282,198	8,789	135,613	2,220,742	0	0
4	COST OF GAS		0	0	0	0	0	0	0	0
5	OPERATING & MAINTENANCE EXPENSE		9,158,044	3,593,630	2,417,598	5,198	445	3,141,173	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		3,024,229	3,363,105	780,031	(574)	42,582	(1,160,915)	0	0
8	KENTUCKY STATE INCOME TAX		554,635	622,689	143,032	(112)	7,995	(218,969)	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		17,438,596	9,411,972	4,581,631	7,190	51,914	3,385,889	0	0
11	OPERATING INCOME		9,909,479	8,288,761	2,700,567	1,599	83,700	(1,165,147)	0	0
12	INTEREST EXPENSE		<u>2,940,506</u>	<u>1,388,281</u>	<u>895,676</u>	<u>2,029</u>	<u>495</u>	<u>654,025</u>	<u>0</u>	<u>0</u>
13	INCOME AVAILABLE FOR COMMON EQUITY		6,968,973	6,900,480	1,804,891	(430)	83,205	(1,819,172)	0	0
14	RATE BASE		111,382,802	52,586,401	33,927,136	76,845	18,764	24,773,661	0	0
15	RATE OF RETURN AUTHORIZED ON RATE BASE		8.90%	15.76%	7.96%	2.08%	446.05%	-4.70%	0.00%	0.00%
16	UNITIZED RETURN		1.00	1.87	0.95	0.25	53.04	(0.56)	0.00	0.00

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)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		26,450,711	11,301,750	7,534,938	16,840	(305)	7,597,486	0	0	
2	COST OF GAS		0	0	0	0	0	0	0	0	
3	OPERATING & MAINTENANCE EXPENSE		9,148,052	3,522,381	2,420,412	5,288	(1,068)	3,201,039	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		2,732,282	1,281,280	862,257	2,045	(1,638)	588,338	0	0	
6	KENTUCKY STATE INCOME TAX		501,392	243,025	158,027	365	(69)	100,044	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		17,083,416	6,879,234	4,681,666	10,376	(1,883)	5,514,021	0	0	
9	OPERATING INCOME		9,367,295	4,422,516	2,853,272	6,463	1,578	2,083,465	0	0	
10	INTEREST EXPENSE		<u>2,940,506</u>	<u>1,388,281</u>	<u>895,676</u>	<u>2,029</u>	<u>495</u>	<u>654,025</u>	<u>0</u>	<u>0</u>	
11	INCOME AVAILABLE FOR COMMON EQUITY		6,426,789	3,034,235	1,957,596	4,434	1,083	1,429,440	0	0	
12	RATE BASE		111,382,802	52,586,401	33,927,136	76,845	18,764	24,773,661	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	

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		6,608,625	(1,429,147)	2,202,458	10,289	(136,487)	5,961,510	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		61,019	(13,196)	20,336	95	(1,260)	55,044	0	0
4	LESS: PSC FEES @ 0.00190100		<u>12,564</u>	<u>(2,717)</u>	<u>4,187</u>	<u>20</u>	<u>(259)</u>	<u>11,333</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		6,535,042	(1,413,234)	2,177,935	10,174	(134,968)	5,895,133	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>392,103</u>	<u>(84,794)</u>	<u>130,676</u>	<u>610</u>	<u>(8,098)</u>	<u>353,708</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		6,142,939	(1,328,440)	2,047,259	9,564	(126,870)	5,541,425	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>2,150,028</u>	<u>(464,954)</u>	<u>716,541</u>	<u>3,347</u>	<u>(44,405)</u>	<u>1,939,499</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		3,992,911	(863,486)	1,330,718	6,217	(82,465)	3,601,926	0	0

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]		19,842,086	12,730,897	5,332,480	6,551	136,182	1,635,976	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		9,074,471	3,538,294	2,395,889	5,173	451	3,134,662	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]		582,253	1,746,234	145,716	(1,302)	42,767	(1,351,161)	0	0
6		KENTUCKY STATE INCOME TAX [5]		109,290	327,819	27,351	(245)	8,029	(253,664)	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		14,467,703	7,444,895	3,809,926	6,304	52,139	3,154,437	0	0
9		OPERATING INCOME		5,374,383	5,286,002	1,522,554	246	84,043	(1,518,461)	0	0
10		INTEREST EXPENSE [7]		<u>2,940,506</u>	<u>1,388,281</u>	<u>895,676</u>	<u>2,029</u>	<u>495</u>	<u>654,025</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		2,433,877	3,897,721	626,878	(1,783)	83,548	(2,172,486)	0	0
12		RATE BASE [8]		111,382,802	52,586,401	33,927,136	76,845	18,764	24,773,661	0	0
13		RATE OF RETURN EARNED ON RATE BASE		4.83%	10.05%	4.49%	0.32%	447.88%	-6.13%	0.00%	0.00%
14		UNITIZED RETURN		1.00	2.08	0.93	0.07	92.73	(1.27)	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

33 380.00 DIRECT SERVICES

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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

32 380.00 DIRECT SERVICES

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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

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(B)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1											
2	480.00		10,103,103	10,103,103	0	0	0	0	0	0	0
3	481.10		3,214,159	0	3,214,159	0	0	0	0	0	0
4	481.20		<u>251,281</u>	<u>0</u>	<u>244,859</u>	<u>6,423</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5			13,568,543	10,103,103	3,459,018	6,423	0	0	0	0	0
6	487.00		134,636	86,011	31,857	128	1,279	15,361	0	0	0
7	488.00	6	0	0	0	0	0	0	0	0	0
8	489.00		6,138,906	2,541,783	1,841,605	0	134,903	1,620,615	0	0	0
9	495.00	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>	<u>0</u>
10			<u>6,273,542</u>	<u>2,627,794</u>	<u>1,873,462</u>	<u>128</u>	<u>136,182</u>	<u>1,635,976</u>	<u>0</u>	<u>0</u>	<u>0</u>
11			19,842,086	12,730,897	5,332,480	6,551	136,182	1,635,976	0	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

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)		(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1											
2	870	10DEM	17,917	6,984	4,730	10	1	6,192	0	0	
3	871	4	0	0	0	0	0	0	0	0	
4	874	14DEM	547,772	213,532	144,601	312	27	189,299	0	0	
5	875	18DEM	41,173	16,050	10,869	23	2	14,229	0	0	
6	876	8	0	0	0	0	0	0	0	0	
7	878	16	0	0	0	0	0	0	0	0	
8	879	16	0	0	0	0	0	0	0	0	
9	880	10DEM	100,737	39,269	26,593	57	5	34,813	0	0	
10	881	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			707,599	275,835	186,793	402	35	244,533	0	0	
12											
13	885	10DEM	1,590	620	420	1	0	549	0	0	
14	886	18DEM	1,254	489	331	1	0	433	0	0	
15	887	18DEM	463,177	180,556	122,269	264	23	160,065	0	0	
16	889	18DEM	69,297	27,013	18,293	39	3	23,948	0	0	
17	890	8	0	0	0	0	0	0	0	0	
18	892	15	0	0	0	0	0	0	0	0	
19	893	16	0	0	0	0	0	0	0	0	
20	894	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			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
FORTHETWELVEMONTHSENDED12/31/2017

ATTACHMENT CEN-2
PAGE 118 OF 129
WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	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

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											
2	870	11DEM	242,561	94,555	64,031	138	12	83,824	0	0	
3	871	4	0	0	0	0	0	0	0	0	
4	874	14DEM	1,522,138	593,360	401,814	868	76	526,020	0	0	
5	875	18DEM	59,189	23,073	15,625	34	3	20,455	0	0	
6	876	8	0	0	0	0	0	0	0	0	
7	878	16	0	0	0	0	0	0	0	0	
8	879	16	(0)	0	0	0	0	0	0	0	
9	880	11DEM	375,075	146,212	99,012	214	19	129,618	0	0	
10	881	11DEM	<u>25,435</u>	<u>9,915</u>	<u>6,714</u>	<u>14</u>	<u>1</u>	<u>8,790</u>	<u>0</u>	<u>0</u>	
11			2,224,398	867,115	587,196	1,268	111	768,707	0	0	
12											
13	885	11DEM	796	310	210	0	0	275	0	0	
14	886	18DEM	125,919	49,086	33,240	72	6	43,515	0	0	
15	887	18DEM	1,101,038	429,207	290,652	628	55	380,497	0	0	
16	889	18DEM	72,368	28,210	19,104	41	4	25,009	0	0	
17	890	8	0	0	0	0	0	0	0	0	
18	892	15	0	0	0	0	0	0	0	0	
19	893	16	0	0	0	0	0	0	0	0	
20	894	11DEM	<u>61,788</u>	<u>24,086</u>	<u>16,311</u>	<u>35</u>	<u>3</u>	<u>21,353</u>	<u>0</u>	<u>0</u>	
21			1,361,909	530,899	359,517	776	68	470,649	0	0	

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	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	SALES										
2	911 SUPERVISION	6	0	0	0	0	0	0	0	0	0
3	912 DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0	0
4	913 ADVERTISING	6	0	0	0	0	0	0	0	0	0
5	916 MISC.	6	0	0	0	0	0	0	0	0	0
6	TOTAL SALES		0	0	0	0	0	0	0	0	0
7	TOTAL DISTRIBUTION EXPENSES		3,586,307	1,398,014	946,713	2,044	179	1,239,356	0	0	
8	ADMINISTRATIVE & GENERAL										
9	920 SALARIES	13DEM	673,512	262,643	177,834	384	34	232,618	0	0	
10	921 OFFICE SUPPLIES & EXPENSES	13DEM	203,214	79,245	53,657	116	10	70,186	0	0	
11	922 ADMIN. EXPENSES TRANSFERED	13DEM	0	0	0	0	0	0	0	0	
12	923 OUTSIDE SERVICES	13DEM	1,788,679	697,513	472,283	1,020	89	617,774	0	0	
13	924 PROPERTY INSURANCE	13DEM	18,580	7,245	4,906	11	1	6,417	0	0	
14	925 INJURIES AND DAMAGES	12DEM	237,268	92,492	62,634	135	12	81,995	0	0	
15	926 EMPLOYEE PENSIONS & BENEFITS	12DEM	761,736	296,940	201,083	434	38	263,241	0	0	
16	926 DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0	
17	928 REG COMMISSION EXP - GENERAL	13DEM	44,947	17,528	11,868	26	2	15,524	0	0	
18	928 REGULATORY COMMISSION EXP - PSC @ 0.001901	13DEM	40,045	15,616	10,573	23	2	13,831	0	0	
19	930.10 MISC. - INSTITUT & GOODWILL ADV	13DEM	0	0	0	0	0	0	0	0	
20	930.20 MISC. - GENERAL	13DEM	(14,119)	(5,506)	(3,728)	(8)	(1)	(4,877)	0	0	
21	931 RENTS	13DEM	145,956	56,917	38,538	83	7	50,410	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	58,894	22,966	15,550	34	3	20,341	0	0	
26	TOTAL ADMIN & GENERAL - M & E		3,958,742	1,543,611	1,045,206	2,258	197	1,367,470	0	0	
27	TOTAL O & M EXPENSE - M & E		7,547,188	2,942,929	1,992,716	4,304	376	2,606,863	0	0	

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	2,224,398	867,115	587,196	1,268	111	768,707	0	0
13		DISTRIBUTION - O&M MAINT.	PAGE 17	1,361,909	530,899	359,517	776	68	470,649	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>3,958,742</u>	<u>1,543,611</u>	<u>1,045,206</u>	<u>2,258</u>	<u>197</u>	<u>1,367,470</u>	<u>0</u>	<u>0</u>
18		TOTAL M & E EXPENSE		<u>7,547,188</u>	<u>2,942,929</u>	<u>1,992,716</u>	<u>4,304</u>	<u>376</u>	<u>2,606,863</u>	<u>0</u>	<u>0</u>
19		TOTAL O & M EXPENSES		9,074,471	3,538,294	2,395,889	5,173	451	3,134,662	0	0

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

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)		6,065,926	7,360,055	1,695,621	(1,300)	134,839	(3,123,286)	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		2,940,506	1,388,281	895,676	2,029	495	654,025	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)	<u>(316)</u>	<u>(214)</u>	<u>0</u>	<u>0</u>	<u>(280)</u>	<u>0</u>	<u>0</u>
8		TOTAL RECONCILING ITEMS		<u>4,161,971</u>	<u>1,864,231</u>	<u>1,218,010</u>	<u>2,728</u>	<u>1,005</u>	<u>1,075,999</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		1,903,955	5,495,824	477,611	(4,028)	133,834	(4,199,285)	0	0
10		STATE INCOME TAX @ 6.00%		114,236	329,747	28,656	(242)	8,030	(251,955)	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		114,236	329,747	28,656	(242)	8,030	(251,955)	0	0

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)	<u>(1,928)</u>	<u>(1,305)</u>	<u>(3)</u>	<u>(1)</u>	<u>(1,709)</u>	<u>0</u>	<u>0</u>
4		TOTAL DEFERRED INCOME TAX		(4,946)	(1,928)	(1,305)	(3)	(1)	(1,709)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		109,290	327,819	27,351	(245)	8,029	(253,664)	0	0

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		19,842,086	12,730,897	5,332,480	6,551	136,182	1,635,976	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>13,776,159</u>	<u>5,370,842</u>	<u>3,636,859</u>	<u>7,851</u>	<u>1,343</u>	<u>4,759,262</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		6,065,926	7,360,055	1,695,621	(1,300)	134,839	(3,123,286)	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		2,940,506	1,388,281	895,676	2,029	495	654,025	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>114,236</u>	<u>329,747</u>	<u>28,656</u>	<u>(242)</u>	<u>8,030</u>	<u>(251,955)</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		4,276,207	2,193,978	1,246,666	2,486	9,035	824,044	0	0
12		TAXABLE INCOME		1,789,719	5,166,077	448,955	(3,787)	125,804	(3,947,330)	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		608,504	1,756,465	152,644	(1,287)	42,773	(1,342,091)	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%		608,504	1,756,465	152,644	(1,287)	42,773	(1,342,091)	0	0

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		582,253	1,746,234	145,716	(1,302)	42,767	(1,351,161)	0	0

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]		1,134,309	442,287	299,486	647	56	391,833	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	106,714	41,614	28,177	61	5	36,857	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		111,382,802	52,586,401	33,927,136	76,845	18,764	24,773,661	0	0
		REFERENCES: [1] PAGE 109, [2] PAGE 111,									
		[3] TOTAL O & M EXPENSE		9,074,471	3,538,294	2,395,889	5,173	451	3,134,662	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		9,074,471	3,538,294	2,395,889	5,173	451	3,134,662	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ALLOCATION FACTORS

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%	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%	38.996%	26.404%	0.057%	0.005%	34.538%	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%

PROFORMA @ PROPOSED RATES REVENUE BY CLASS (PAGE 1)

		TOTAL CO.	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	
480.00	RESIDENTIAL SALES	62,645,905	62,645,905		0	0	0
481.10	COMMERCIAL SALES	22,447,007	0		22,447,007	0	0
481.20	INDUSTRIAL SALES	1,778,956	0		1,723,027	55,930	0
488, 495	OTHER	6 724,000	649,124		74,420	7	29
487	DELAYED PAY	608,048	391,160		173,234	291	2,495
489.00	TRANSPORTATION	29,886,623	12,465,512		9,094,509	0	479,213
	GAS COSTS	21,475,950	13,807,095		7,643,847	25,009	0
	Comm				7,102,739		
	Ind				541,108		
CUSTOMER CHARGE REVENUE		TOTAL					
		COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	
480.00	RESIDENTIAL SALES	23,796,710	23,796,710		0	0	0
481.10	COMMERCIAL SALES	7,476,495	0		7,476,495	0	0
481.20	INDUSTRIAL SALES	590,956	0		575,890	15,066	0
488, 495	OTHER	352,769	316,286		36,261	3	14
487	DELAYED PAY	296,272	190,593		84,408	142	1,216
489.00	REVENUE FROM TRANSPORTATION	14,562,258	6,073,821		4,431,299	0	233,497
COMMODITY CHARGE REVENUE		TOTAL					
		COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	
480.00	RESIDENTIAL SALES	25,100,581	25,100,581		0	0	0
481.10	COMMERCIAL SALES	10,650,948	0		10,650,948	0	0
481.20	INDUSTRIAL SALES	846,574	0		814,415	32,159	0
488, 495	OTHER	17,315	0		17,209	2	7
487	DELAYED PAY	140,605	90,452		40,059	67	577
489.00	REVENUE FROM TRANSPORTATION	6,910,982	2,882,525		2,103,014	0	110,813
DEMAND CHARGE REVENUE		TOTAL					
		COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	
480.00	RESIDENTIAL SALES	13,748,614	13,748,614		0	0	0
481.10	COMMERCIAL SALES	4,319,564	0		4,319,564	0	0
481.20	INDUSTRIAL SALES	341,427	0		332,722	8,705	0
488, 495	OTHER	353,916	332,838		20,950	2	8
487	DELAYED PAY	171,171	110,115		48,767	82	702
489.00	REVENUE FROM TRANSPORTATION	8,413,383	3,509,166		2,560,196	0	134,903

Columbia Gas of Kentucky, Inc.
Average Number of Customers
For the Twelve Months Ended December 31, 2017

Source: M-2.2 (Page 1 of 38)

Customers:

Rate Schedules	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>
CAP						
GSR	1,180,666	1,180,666				
G1C (Com.)	41		41			
G1R	192	192				
IN3 (Res & Com)	108	108				
IN5	36	36				
LG2 (Res & Com)	24	12	12			
LG3	12	12				
LG4	12	12				
GSO (Com)	119,233		119,233			
GSO (Ind)	524		524			
IUS (Wholesale)	24	0	0	24	0	
Total Sales	<u>1,300,872</u>	<u>1,181,038</u>	<u>119,810</u>	<u>24</u>	<u>0</u>	<u>0</u>
GTR	281,946	281,946				
GTO (Com)	47,445		47,445			
GTO (Ind)	149		149			
DS-IS (Com)	428					428
DS-IS (Ind)	468					468
GDS-GS (Com)	145		145			
GDS-GS (Ind)	180		180			
DS3 (Ind) -ML	36				36	
DS5 (Ind) (Sp. Con)	0					
FX1 (Com)	12					12
FX2 (Ind)	12					12
FX5 (Ind)	36				36	
FX7 (Ind)	12					12
SC3 (Ind)	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>
Total Transportation	<u>330,881</u>	<u>281,946</u>	<u>47,919</u>	<u>0</u>	<u>72</u>	<u>944</u>
Total Bills	<u>1,631,753</u>	<u>1,462,984</u>	<u>167,729</u>	<u>24</u>	<u>72</u>	<u>944</u>
Avg Customers	<u>135,979</u>	<u>121,915</u>	<u>13,977</u>	<u>2</u>	<u>6</u>	<u>79</u>

- (1) GS Customers and included in GS-Other
(2) IS Customers and included in DS/IS

**Columbia Gas of Kentucky, Inc,
Throughput
For the Twelve Months Ended December 31, 2017**

Source: M-2.1

<u>Volume</u>	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
Rate Schedules								
GSR	6,248,080.5	6,248,080.5						
G1C (Com.)	1,697.8		1,697.8					
G1R	2,018.9	2,018.9						
IN3 (Res & Com)	990.2	990.2						
IN4	0.0							
IN5	333.6	333.6						
LG2 (Res & Com)	1,316.1	605.2	710.9					
LG3	714.1	714.1						
LG4	257.6	257.6						
GSO (Com)	3,098,215.1		3,098,215.1					
GSO (Ind)	360,250.5		360,250.5					
GST GS FALLBACK COM	0.0		0.0					
GST GS FALLBACK IND	0.0		0.0					
IS INT COM	0.0					0.0		
IS INT IND	0.0					0.0		
IUS (Wholesale)	<u>11,320.7</u>	<u>0.0</u>	<u>0.0</u>	<u>11,320.7</u>			<u>0.0</u>	<u>0.0</u>
Total Sales	9,725,195.1	6,253,000.1	3,460,874.3	11,320.7	0.0	0.0	0.0	0.0
GTR	1,707,000.0	1,707,000.0						
GTO (Com)	1,859,990.8		1,859,990.8					
GTO (Ind)	71,999.9		71,999.9					
DS-IS (Com)	1,380,570.0					1,380,570.0		
DS-IS (Ind)	5,517,297.4					5,517,297.4		
GDS (Com)	203,630.5		203,630.5					
GDS (Ind)	154,467.9		154,467.9					
DS3 (Ind)	680,981.0				680,981.0			
FX1 (Com)	541,812.0					541,812.0		
FX2 (Ind)	533,988.0					533,988.0		

FX5 (Ind)	4,689,510.0				4,689,510.0			
FX7 (Ind)	410,759.0					410,759.0		
SC3 (Ind)	<u>1,710,000.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1,710,000.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transportation	<u>19,462,006.5</u>	<u>1,707,000.0</u>	<u>2,290,089.1</u>	<u>0.0</u>	<u>5,370,491.0</u>	<u>10,094,426.4</u>	<u>0.0</u>	<u>0.0</u>
Total Throughtput	<u>29,187,201.6</u>	<u>7,960,000.1</u>	<u>5,750,963.4</u>	<u>11,320.7</u>	<u>5,370,491.0</u>	<u>10,094,426.4</u>	<u>0.0</u>	<u>0.0</u>
Res. - Sales	6,253,000.1	6,253,000.1						
Res - Trans	1,707,000.0	1,707,000.0						
Com. - Sales	3,100,623.8		3,100,623.8			0.0		
Com. - Trans	3,986,003.3		2,063,621.3			1,922,382.0		
Ind. - Sales	371,571.2		360,250.5	11,320.7		0.0		
Ind.-Trans	13,358,244.2		226,467.8		5,370,491.0	7,761,285.4		
Other	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>		
Total	<u>28,776,442.6</u>	<u>7,960,000.1</u>	<u>5,750,963.4</u>	<u>11,320.7</u>	<u>5,370,491.0</u>	<u>9,683,667.4</u>		

Columbia Gas of Kentucky, Inc,

Revenue

Source: M-2.1

Revenue

Rate Schedules	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
GSR	49,681,142	49,681,142						
G1C (Com.)	9,744		9,744					
G1R	13,752	13,752						
IN3 (Res & Com)	396	396						
IN5	200	200						
LG2 (Res & Com)	461	212	249					
LG3	256	256						
LG4	103	103						
GSO (Com)	18,510,324		18,510,324					
GSO (Ind)	1,410,902		1,410,902					
GST GS FALLBACK COM	0		0					
GST GS FALLBACK IND	0		0					
IS INT COM	0					0		
IS INT IND	0					0		
IUS (Wholesale)	<u>47,824</u>	<u>0</u>	<u>0</u>	<u>47,824</u>			<u>0</u>	<u>0</u>
Total Sales	69,675,105	49,696,061	19,931,219	47,824	0	0	0	0
GTR	9,029,105	9,029,105						
GTO (Com)	5,787,037		5,787,037					
GTO (Ind)	127,654		127,654					
DS-IS (Com)	1,398,811					1,398,811		
DS-IS (Ind)	3,222,464					3,222,464		
GDS (Com)	351,127		351,127					
GDS (Ind)	276,061		276,061					
DS3 (Ind)	67,641				67,641			
FX1 (Com)	224,062					224,062		
FX2 (Com)	221,011					221,011		
FX5 (Ind)	411,572				411,572			
FX7 (Ind)	189,660					189,660		
SC3 (Ind)	<u>500,855</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,855</u>	<u>0</u>	<u>0</u>

Total Transportation	<u>21,807,062</u>	<u>9,029,105</u>	<u>6,541,880</u>	<u>0</u>	<u>479,213</u>	<u>5,756,864</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>91,482,167</u>	<u>58,725,166</u>	<u>26,473,099</u>	<u>47,824</u>	<u>479,213</u>	<u>5,756,864</u>	<u>0</u>	<u>0</u>
Res. - Sales	49,696,061	49,696,061						
Res - Trans	9,029,105	9,029,105						
Com. - Sales	18,520,317		18,520,317			0		
Com. - Trans	7,982,049		6,138,165			1,843,884		
Ind. - Sales	1,458,726		1,410,902	47,824	0	0		
Ind.-Trans	4,795,908		403,715		479,213	3,912,980		
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
Total	<u>91,482,167</u>	<u>58,725,166</u>	<u>26,473,099</u>	<u>47,824</u>	<u>479,213</u>	<u>5,756,864</u>		

Forfeited discounts	476,000	305,532	137,766	249	2,494	29,959
Misc. Serv Revenue	137,000					
Other	<u>587,000</u>					
Total	<u>1,200,000</u>					

Total Revenue **92,682,167**

**Columbia Gas of Kentucky, Inc,
Gas Purchases**

Source: M-2.2

<u>Gas Purchase</u>	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
Rate Schedules								
GSR	13,802,635	13,802,635						
G1C (Com.)	3,751		3,751					
G1R	4,460	4,460						
IN4	0	0						
IN5	0	0						
LG2 (Res & Com)	0	0	0					
LG3	0	0						
LG4	0	0						
GSO (Com)	6,844,267		6,844,267					
GSO (Ind)	795,829		795,829					
IUS (Wholesale)	<u>25,009</u>	<u>0</u>	<u>0</u>	<u>25,009</u>			<u>0</u>	<u>0</u>
Total Sales	21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
GTR	0	0						
GTO (Com)	0							
GTO (Ind)	0							
DS (Com)	0							
DS (Ind)	0							
DS-Smith	0							
DS1 (Com)	0							
DS1 (Ind)	0							
DS3 (Ind)	0							
FX1 (Com)	0							
FX2 (Ind)	0							
FX3 (Com)	0							
FX4 (Ind)	0							
FX5 (Ind)	0							
FX6 (Ind)	0							
FX7 (Ind)	0							

SAS (Ind)	0							
SC2 (Ind)	0							
SC3 (Ind)	<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 Transportation	<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 Gas Purchase	<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>
Res. - Sales	13,807,095	13,807,095						
Res - Trans	0	0						
Com. - Sales	6,848,018		6,848,018					
Com. - Trans	0		0			0		
Ind. - Sales	820,838		795,829	25,009				
Ind.-Trans	0		0		0	0		
Other	<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	<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>

Columbia Gas of Kentucky, Inc.
Current Account 487 Allocation
For the 12 Months Ended December 31, 2017

<u>Line No.</u>		<u>Reference</u>	<u>Revenue</u> (\$)	<u>Late Payment</u> (\$)
1	Test Year Revenue Subject to Late Payment Penalties:			
2	GSR/GTR Residential	Schedule M-2.1	58,710,248	305,532
1	G1C LG&E Commercial	Schedule M-2.1	9,744	51
3	GSO General Service - Commercial	Schedule M-2.1	18,510,324	96,329
4	GSO General Service - Industrial	Schedule M-2.1	1,410,902	7,342
5	IUS Intrastate Utility Service - Wholesale	Schedule M-2.1	47,824	249
6	GTO GTS Choice - Commercial	Schedule M-2.1	5,787,037	30,116
7	GTO GTS Choice - Industrial	Schedule M-2.1	127,654	664
8	DS GTS Delivery Service - Commercial	Schedule M-2.1	1,398,811	7,280
9	DS GTS Delivery Service - Industrial	Schedule M-2.1	3,222,464	16,770
10	GDS GTS Grandfathered Delivery Service - Commercial	Schedule M-2.1	351,127	1,827
11	GDS GTS Grandfathered Delivery Service - Industrial	Schedule M-2.1	276,061	1,437
12	DS3 GTS Main Line Service - Industrial	Schedule M-2.1	67,641	352
13	FX1 GTS Flex Rate - Commercial	Schedule M-2.1	224,062	1,166
14	FX2 GTS Flex Rate - Industrial	Schedule M-2.1	221,011	1,150
15	FX5 GTS Flex Rate - Industrial	Schedule M-2.1	411,572	2,142
16	FX7 GTS Flex Rate - Industrial	Schedule M-2.1	189,660	987
17	SC3 GTS Special Rate - Industrial	Schedule M-2.1	<u>500,855</u>	<u>2,606</u>
18	Total		91,466,999	476,000
 19 Summary				
20	GS-RES			305,532
21	GS-Other			137,766
22	IUS			249
23	DS-ML/SC			2,494
24	DS/IS			<u>29,959</u>
25	Total			476,000

Columbia Gas of Kentucky, Inc.
Proposed Account 487 Allocation
For the 12 Months Ended December 31, 2017

<u>Line No.</u>		<u>Reference</u>	<u>Revenue</u> (\$)	<u>Late Payment</u> (\$)
1	Proposed Revenue Subject to Late Payment Penalties:			
2	GSR/GTR Residential	MPB-6 Page 1	75,096,498	391,088

3	GSO/GTO/GDS	MPB-6 Page 1	33,254,549	173,183
4	DS/SAS	MPB-6 Page 1	6,711,801	34,954
5	IUS	MPB-6 Page 1	55,930	291
6	G1C	MPB-6 Page 1	9,744	51
7	G1R	MPB-6 Page 1	13,752	72
8	DS3	MPB-6 Page 1	67,641	352
9	FX1	MPB-6 Page 1	224,062	1,167
10	FX2	MPB-6 Page 1	221,011	1,151
11	FX5	MPB-6 Page 1	411,572	2,143
12	FX7	MPB-6 Page 1	189,660	988
13	SC3	MPB-6 Page 1	<u>500,855</u>	<u>2,608</u>
14	Total		116,757,076	608,048

15 **Summary**

16	GS-RES			391,160
17	GS-Other			173,234
18	IUS			291
19	DS-ML/SC			2,495
20	DS/IS			<u>40,868</u>
21	Total			608,048

Columbia Gas of Kentucky, Inc.
Proposed Base Revenue
For the Twelve Months Ended December 31, 2017

Source: M-2.3

<u>Revenue</u>	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>
Rate Schedules						
GRS	62,630,986	62,630,986				
G1C (Com.)	9,744		9,744			
G1R	13,752	13,752				
IN3 (Res & Com)	396	396				
IN4	-	-				
IN5	200	200				
LG2 (Res & Com)	461	212	249			
LG3	256	256				
LG4	103	103				
GSO (Com)	22,437,014		22,437,014			
GSO (Ind)	1,723,027		1,723,027			
GST GS FALLBACK COM	-		-			
GST GS FALLBACK IND	-		-			
IS INT COM	-		-			-
IS INT IND	-		-		-	-
SC4 (Ind)	-		-			-
IUS (Wholesale)	55,930	-	-	55,930		
SS COM FIRM	-		-			-
SS IND FIRM	-		-			-
SS COM INT	-		-			-
SS IND INT	-		-			-
Total Sales	86,871,868	62,645,905	24,170,034	55,930	-	-
GTR	12,465,512	12,465,512				
GTO (Com)	7,975,146		7,975,146			
GTO (Ind)	192,717		192,717			
DS-IS (Com)	1,868,525					1,868,525
DS-IS (Ind)	4,843,276					4,843,276
DS-GS (Com)	522,631		522,631			
DS-GS (Ind)	404,015		404,015			
DS3 (Ind)	67,641				67,641	
FX1 (Com)	224,062					224,062
FX2 (Com)	221,011					221,011
FX3 (Com)	-					
FX5 (Ind)	411,572				411,572	
FX7 (Ind)	189,660					189,660
SAS (Ind)	-					-
SC2 (Ind)	-					-
SC3 (Ind)	500,855					500,855
Total Transportation	29,886,623	12,465,512	9,094,509	-	479,213	7,847,390
Total Revenue	116,758,491	75,111,416	33,264,542	55,930	479,213	7,847,390
INCREASE	25,276,325	16,386,250	6,791,443	8,105	0	2,090,526
487 Increase	132,048					
Total Increase	25,408,373					

COLUMBIA GAS OF KENTUCKY, INC.
DESIGN DAY
SOURCE - GAS SUPPLY DESIGN DAY STUDY
TME DECEMBER 31, 2017

Design Day

Rate Schedule	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>
GSR / GTR	137,300	137,300				
GSO - Comm	54,300		54,300			
GSO - Ind.	3,200		3,200			
IUS	200			200		
IS - Com.	0					
IS - Ind.	400					400
SS - Com.	2,600					2,600
SS - Ind.	1,300					1,300
GTO - Comm	25,900		25,900			
GTO - Ind	500		500			
GDS - Comm	2,900		2,900			
GDS - Ind	1,500		1,500			
DS-ML	25,200				25,200	
DS - Comm.	31,900					31,900
DS- Ind.	46,200					46,200
Total	333,400	137,300	88,300	200	25,200	82,400
%	<u>100.000%</u>	<u>41.182%</u>	<u>26.485%</u>	<u>0.060%</u>	<u>7.558%</u>	<u>24.715%</u>
Excluding DS-ML/SC	308,200	137,300	88,300	200	-	82,400
%	<u>100.00%</u>	<u>44.549%</u>	<u>28.650%</u>	<u>0.065%</u>	<u>0.000%</u>	<u>26.736%</u>
Excluding Interruptible Volumes						
Interruptible Demand						
IS Ind.	400					400
GDS Com.	2,900		2,900			
GDS Ind.	1,500		1,500			
DS- IS - Com	31,900					31,900
DS-IS - Ind	<u>46,200</u>					<u>46,200</u>
Total Interruptible	82,900	-	4,400	-	-	78,500
Excluding Interruptible Demand	225,300	137,300	83,900	200	-	3,900
%	<u>100.00%</u>	<u>60.941%</u>	<u>37.239%</u>	<u>0.089%</u>	<u>0.000%</u>	<u>1.731%</u>

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 381 - METERS
SOURCE - LISTING BY RATE SCHEDULE, BY SIZE OF METER.
AS OF FEBRUARY 29, 2016

<u>Rate Schedule</u>	<u>Total Exc./ DS-ML</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS/IS</u>	<u>DS-ML</u>	<u>Total</u>
GSR	5,389,697	5,389,697					
GSO	1,725,560		1,725,560				
G1C	984		984				
G1R	860	860					
GST	-						
IN4	-						
IN5	161	161					
IN3	484	484					
IUS	1,210			1,210			
IS	-						
LG2	539	54	485				
LG3	485	485					
LG4	54	54					
GTO	801,280		801,280				
GTR	1,228,919	1,228,919					
SC3	1,655				1,655		
DS3	-					1,336	
GDS	12,829		12,829				
SAS	-						
DS	36,393				36,393		
FX1	891				891		
FX2	445				445		
FX5	-					1,336	
FX7	445				445	-	
Total	<u>9,202,891</u>	<u>6,620,713</u>	<u>2,541,138</u>	<u>1,210</u>	<u>39,830</u>	<u>2,672</u>	<u>9,205,563</u>
%	<u>100.00%</u>	<u>71.94%</u>	<u>27.61%</u>	<u>0.01%</u>	<u>0.43%</u>	<u>0.00%</u>	

Columbia Gas of Kentucky, Inc.
 Account 385 - DIS Records
 As of February 29, 2016

<u>Co</u>	<u>PCID</u>	<u>PSID</u>	<u>Tariff</u> <u>Rate</u>	<u>GTS</u> <u>Rate</u>	<u>Station</u> <u>Number</u>	<u>Taxing</u> <u>District</u>	<u>Name</u>	<u>Amt</u>	<u>Billing</u> <u>Rate</u>	<u>Rate</u> <u>Class</u>
32	10601949003	500153985	GST	GDS	45927	674805	CINTAS CORPORATION	12,486.45	GDS	GS-OTHER
32	10637093182	500767946	IST	FX2	46769	674805	UK REAL ESTATE SERVICES	9,682.69	FX2	DS/IS
32	10657147001	100406576	GSO		46186	674805	UNIVERSITY OF KENTUCKY	10,545.35	GSO	GS-OTHER
32	10710630002	100454835	GST	GDS	48930	173702	SOUTHERLANDS GREENHOUSES INC	5,537.15	GDS	GS-OTHER
32	12986378003	100468553	IST	DS3	20005	714902	MOUNTAIN ENTERPRISES INC	4,173.07	DS3	DS-ML
32	12986383001	100425379	GSO		5686	1195702	KNOTT COUNTY HOUSING AUTHORITY	1,726.49	GSO	GS-OTHER
32	12986388001	100425368	GTO		3203	1195705	HINDMAN SETTLEMENT SCHOOL	1,495.81	GTO	GS-OTHER
32	12986389001	100449144	GTO		14729	714902	FLOYD COUNTY BOARD OF EDUCATION	7,764.99	GTO	GS-OTHER
32	12986390001	100425363	GSO		6268	1957702	PEPSI COLA EAST	637.61	GSO	GS-OTHER
32	12986393001	100444698	IST	DS	14576	173715	AVANTOR PERFORMANCE MATERIAL	16,890.31	DS	DS/IS
32	12986396001	100469209	IST	DS	45641	173715	CENTRAL MOTOR WHEEL OF AMERICA	19,492.05	DS	DS/IS
32	12986397001	100466963	IST	DS	44675	173715	CENTRAL MANUFACTURING	15,978.28	DS	DS/IS
32	12986401002	100425597	IST	DS	5299	1616705	WALD LLC	19,652.90	DS	DS/IS
32	12986406004	800800025	IST	DS	5307	1616705	EMERSUB 15 LLC	17,775.66	DS	DS/IS
32	12986409001	100441363	GST	GDS	14480	494302	SOUTHERN STATES COOP INC FEED ML	4,377.94	GDS	GS-OTHER
32	12986411001	100425586	GST	GDS	3557	494305	OSRAM SYLVANIA	3,566.09	GDS	GS-OTHER
32	12986423001	100458538	IST	DS	44014	494305	CONTECH ENGINEERED SOLUTIONS LLC	9,167.99	DS	DS/IS
32	12986426001	100425571	IST	DS	4914	1736902	A O SMITH CORP	9,642.86	DS	DS/IS
32	12986432001	100449624	GST	GDS	14704	1736902	THE WALKER COMPANY	6,545.79	GDS	GS-OTHER
32	12986433001	100465111	IST	DS	44527	2398310	UNITED L-N GLASS INC	5,227.09	DS	DS/IS
32	12986434001	100451978	IST	DS	14794	674805	INTERNATIONAL PAPER	11,686.40	DS	DS/IS
32	12986435001	100447546	IST	DS	14671	674805	SAINT JOSEPH EAST HOSPITAL	11,439.10	DS	DS/IS
32	12986442001	100440181	IST	DS	14454	674805	LINK-BELT CONSTRUCTION EQUIPMENT	6,806.83	DS	DS/IS
32	12986452001	100425552	IST	DS	5863	674805	DEPARTMENT OF VETERANS AFFAIRS	3,926.20	DS	DS/IS
32	12986453001	100425551	IST	DS	5483	674805	DEPARTMENT OF VETERANS AFFAIRS	5,731.95	DS	DS/IS
32	12986454001	100425550	GTO		5913	2398310	HOUSING AUTHORITY OF VERSAILLES	371.93	GTO	GS-OTHER
32	12986456004	100425964	IST	FX1	3546	674805	UNIVERSITY OF KENTUCKY	9,521.62	FX1	DS/IS
32	12986456004	800800023	IST	FX1	5825	674805	UNIVERSITY OF KENTUCKY	14,145.94	FX1	DS/IS
32	12986461001	100425540	GST	GDS	4584	674805	INGERSOLL-RAND COMPANY	22,864.76	GDS	GS-OTHER
32	12986463005	100425538	GSO		4625	674805	TRANSYLVANIA UNIVERSITY	3,941.61	GSO	GS-OTHER

32	12986463010	500714773	GSO		48642	674805	TRANSYLVANIA UNIVERSITY	24,619.40	GSO	GS-OTHER
32	12986466001	100425534	IST	DS	4217	674805	SQUARE D CO INC	13,614.11	DS	DS/IS
32	12986467001	100425532	IST	DS	45021	674805	SHRINERS HOSPITAL	290.23	DS	DS/IS
32	12986468003	100425531	IST	DS	3811	674805	SAINT JOSEPH HOSPITAL	10,703.29	DS	DS/IS
32	12986474004	100425525	IST	DS	4528	2398310	QUADGRAPHICS	10,979.53	DS	DS/IS
32	12986477001	100425522	IST	DS	3611	674805	THE J M SMUCKER CO	3,104.37	DS	DS/IS
32	12986480001	100425517	IST	DS	5529	674805	FEDERAL MEDICAL CENTER	12,371.79	DS	DS/IS
32	12986484001	100425513	GST	GDS	5909	2398305	MIDWAY COLLEGE	7,977.30	GDS	GS-OTHER
32	12986488004	500135772	IST	DS	4422	674805	ARATEX SERVICES INC	8,460.94	DS	DS/IS
32	12986491001	100425501	IST	DS	4687	674805	LEX-FAY URBAN COUNTY AIRPORT	16,060.00	DS	DS/IS
32	12986493001	100436157	IST	DS	14280	674805	LEXINGTON CENTER CORPORATION	4,893.24	DS	DS/IS
32	12986494001	100425497	GST	GDS	4001	674805	L-M ASPHALT PARTNERS LTD	3,747.57	GDS	GS-OTHER
32	12986498001	100449311	GSO		5788	674805	KENTUCKY UTILITIES CO INC	12,325.04	GSO	GS-OTHER
32	12986501009	500637086	IST	DS	49006	674805	LEX-FAY URBAN COUNTY GOVERNMENT	24,612.26	DS	DS/IS
32	12986503001	100425489	IST	DS	4685	674805	KEENELAND ASSOCIATION INC	16,348.15	DS	DS/IS
32	12986507001	100425483	IST	DS	3680	674805	LEXMARK INTERNATIONAL INC	6,994.98	DS	DS/IS
32	12986507001	100465702	IST	DS	3947	674805	LEXMARK INTERNATIONAL INC	130,371.93	DS	DS/IS
32	12986514001	100425475	GST	GDS	4726	674805	G F VAUGHAN TOBACCO CO INC	4,233.39	GDS	GS-OTHER
32	12986515001	100425474	IST	DS	3521	674805	G E COMPANY LEX PLP PLANT	1,657.95	DS	DS/IS
32	12986517001	100425472	IST	GDS	5548	674805	PRESTRESS SERVICES INDUSTRIES LLC	7,052.10	GDS	GS-OTHER
32	12986520001	100467440	GTO		5147	674805	FAYETTE COUNTY BOARD OF EDUCATION	30,430.87	GTO	GS-OTHER
32	12986521001	100467439	GTO		5278	674805	FAYETTE COUNTY BOARD OF EDUCATION	2,990.56	GTO	GS-OTHER
32	12986525005	800800019	IST	DS	5709	674805	DIXIE CONSUMER PRODUCTS LLC	2,870.91	DS	DS/IS
32	12986525005	100425457	IST	DS	3739	674805	DIXIE CONSUMER PRODUCTS LLC	13,366.29	DS	DS/IS
32	12986528001	100445834	IST	DS	5463	674805	L-M ASPHALT PARTNERS LTD	24,392.95	DS	DS/IS
32	12986530001	100425447	IST	DS	5991	674805	CENTRAL BAPTIST HOSPITAL INC	7,316.33	DS	DS/IS
32	12986555001	100425432	IST	DS	5826	2098005	JOHNSON CONTROLS INC	6,643.66	DS	DS/IS
32	12986560001	100425427	IST	DS	3742	2098005	GEORGETOWN COLLEGE	36,843.35	DS	DS/IS
32	12986564003	100466949	IST	DS	44722	2098005	TOYOTA MOTOR MFG KENTUCKY	96,284.60	DS	DS/IS
32	12986564003	500134747	IST	DS	44722	2098005	TOYOTA MOTOR MFG KENTUCKY	96,284.60	DS	DS/IS
32	12986565003	100425606	GST	GDS	5295	173715	WESTERN PACIFIC STORAGE SOLUTIONS	8,212.59	GDS	GS-OTHER
32	12986569001	100425423	GST	GDS	4946	735002	AMERICAN WIRE PRODUCTS	38,998.80	GDS	GS-OTHER
32	12986570006	100442751	IST	DS	14495	735002	BUFFALO TRACE DISTILLERY INC	20,043.33	DS	DS/IS
32	12986570006	500136663	IST	DS	14495	735002	BUFFALO TRACE DISTILLERY INC	20,043.33	DS	DS/IS
32	12986572001	100441605	GTO		3938	735005	KINGS DAUGHTERS APARTMENTS	382.74	GTO	GS-OTHER
32	12986573001	100437118	IST	DS	14306	735007	FRANKFORT HOSPITAL INC.	8,143.41	DS	DS/IS
32	12986578001	100425415	GSO		5875	735005	FRANKFORT MUNICIPAL	194.54	GSO	GS-OTHER

32	12986584001	100425406	GST	GDS	4968	735007	COMMONWEALTH OF KENTUCKY	49,160.01	GDS	GS-OTHER
32	12986585001	100425405	IST	DS	5883	735005	COMMONWEALTH OF KENTUCKY	11,813.27	DS	DS/IS
32	12986589001	100469081	IST	DS	45229	735002	TOPY CORP	29,443.79	DS	DS/IS
32	12986590001	100459381	IST	DS	44119	735002	TOPY CORP	12,274.31	DS	DS/IS
32	12986594001	100425399	IST	DS	5672	975305	MINNESOTA MINING & MANUFACTURING	30,598.63	DS	DS/IS
32	12986596003	100461621	GTO		5898	975305	SOLUTION DISPERSIONS	3,752.89	GTO	GS-OTHER
32	12986599001	100425393	GST	GDS	4957	975305	TI GROUP AUTOMOTIVE SYSTEMS LLC	3,569.99	GDS	GS-OTHER
32	12986603001	100450048	GST	GDS	14791	895102	PREGIS INNOVATIVE PACKAGING	5,436.03	GDS	GS-OTHER
32	12986604002	100425389	IST	DS3	4949	193602	HUNTINGTON ALLOYS CORPORATION	4,373.73	DS3	DS-ML
32	12986606001	100425387	IST	FX5	4193	193602	CALGON CARBON CORP	20,535.64	FX5	DS-ML
32	12986612001	100425367	GSO		5815	193612	BRUCE APARTMENTS	1,800.85	GSO	GS-OTHER
32	12986614001	100425364	GSO		3759	895102	E I DU PONT DE NEMOURS	2,978.90	GSO	GS-OTHER
32	12986615001	100468990	IST	DS3	3848	895102	MARKWEST ENERGY APPALACHIA LLC	136,940.75	DS3	DS-ML
32	12986617001	100425357	GSO		3202	895122	CSX TRANS.-24729	5,926.82	GSO	GS-OTHER
32	12986618002	100431494	IST	DS	2618	895108	HARBISON WALKER INTERNATIONAL	4,387.03	DS	DS/IS
32	12986622002	100425350	IST	FX5	1584	193602	MARATHON ASHLAND PETROLEUM LLC	16,102.72	FX5	DS-ML
32	12986622005	500865803	IST	FX5	38145	193602	MARATHON ASHLAND PETROLEUM LLC	495,703.09	FX5	DS-ML
32	13219441001	100264548	IST	DS	45712	1957702	APPALACHIAN REGIONAL HEALTHCARE	4,409.02	DS	DS/IS
32	13228118002	500145493	IST	SC3	44536	193612	AK STEEL CORPORATION	10,073.30	SC3	DS/IS
32	13228118002	500144332	IST	SC3	44535	193602	AK STEEL CORPORATION	65,974.69	SC3	DS/IS
32	13228118002	500495598	IST	SC3	44535	193602	AK STEEL CORPORATION	65,974.69	SC3	DS/IS
32	13229269002	500144604	IST	DS	44546	193612	MOUNTAIN ENTERPRISES INC	5,318.31	DS	DS/IS
32	13609711004	100337848	IST	DS	48988	674805	EVERBURN MANUFACTURING INC	26,215.59	DS	DS/IS
32	13613595001	100253235	GSO		46041	193602	HARDIN STREET MARINE LLC	7,118.06	GSO	GS-OTHER
32	13672186001	500209796	IST	DS	46056	735002	JIM BEAM BRANDS COMPANY	19,836.12	DS	DS/IS
32	13768940001	500253895	IST	DS	46363	193612	KINGS DAUGHTERS MEDICAL CENTER	81,292.31	DS	DS/IS
32	13959510001	500145486	GSO		44538	193612	MANSBACK METAL CO	11,509.35	GSO	GS-OTHER
32	13987196002	500227853	IST	DS	48204	735007	COMMONWEALTH OF KENTUCKY	13,630.36	DS	DS/IS
32	14064515001	100425536	IST	DS	4800	2398310	OSRAM PENNSYLVANIA INC	62,267.50	DS	DS/IS
32	14146162001	100455791	IST	DS	14853	2098002	AICHI FORGE USA INC	39,708.97	DS	DS/IS
32	14186792004	501091579	GSO		49253	674805	UNIVERSITY OF KENTUCKY	4,723.10	GSO	GS-OTHER
32	14377875001	500129861	GSO		45843	494305	SONOCO PRODUCTS CO	7,801.78	GSO	GS-OTHER
32	14401089001	500375820	IST	DS	47435	2398302	BROWN FORMAN CORPORATION	11,830.00	DS	DS/IS
32	14448967001	500260265	GST	DS	47502	1616702	H G MAYS CORP	14,917.77	DS	DS/IS
32	14448967002	500263965	IST	DS	47981	735002	H G MAYS CORP	25,892.17	DS	DS/IS
32	14907631003	100427637	GSO		14058	674805	HOTWORK USA LLC	1,301.17	GSO	GS-OTHER
32	14907631003	500135779	GSO		14058	674805	HOTWORK USA LLC	1,301.17	GSO	GS-OTHER

32	15631820001	500725700	IST	DS	48555	193613	MARATHON PETROLEUM COMPANY LLC	16,884.77	DS	DS/IS
32	15631948001	500112715	GSO		48556	735002	MONTAPLAST OF NORTH AMERICA INC	18,122.27	GSO	GS-OTHER
32	15902431001	100425584	GSO		5233	494302	VOJECARO PROPERTIES LLC	1,176.42	GSO	GS-OTHER
32	16049885001	100435201	IUS		5560	1957702	PEOPLES GAS INC	637.61	IUS	IUS
32	16312595001	500144388	IST	FX7	44551	193602	KES ACQUISITION COMPANY	8,437.75	FX7	DS/IS
32	16358304001	500789884	IST	DS	48735	735005	COMMONWEALTH OF KENTUCKY	22,142.01	DS	DS/IS
32	16506898001	500381832	GTO		48431	735002	KENTUCKY INDUSTRIAL COATINGS LLC	5,141.89	GTO	GS-OTHER
32	16642002002	500021827	IST	DS	48623	494305	KENTUCKY HEAT TREATING CO	22,647.84	DS	DS/IS
32	16733087001	100469076	IST	DS	45244	674805	ATS ASPHALT TERMINAL LLC	12,519.73	DS	DS/IS
32	16803786001	500946178	IST	DS	48770	173715	KENTUCKY SMELTING TECHNOLOGIES	51,312.32	DS	DS/IS
32	17054287001	800800000	GSO		5060	895125	PROGRESS RAIL RACELAND CORPO	12,399.71	GSO	GS-OTHER
32	17250210001	500980083	IST	DS	48834	494302	SEKISUI S-LEC AMERICA LLC	18,699.93	DS	DS/IS
32	17265688001	100425477	IST	DS	5809	674805	UK HEALTHCARE GOOD SAMARITAN HOSP	4,238.55	DS	DS/IS
32	17398015001	500206091	IST	DS	47691	494305	CATALENT PHARMA SOLUTIONS	12,028.09	DS	DS/IS
32	18573449001	100466658	GSO		5682	1155502	BEN TIRE DISTRIBUTERS	5,936.32	GSO	GS-OTHER
32	18759655002	100463597	IST	DS	14673	494305	ALLTECH INC.	26,962.17	DS	DS/IS
32	18759655004	500076425	GSO		47840	494305	ALLTECH INC.	128,686.57	GSO	GS-OTHER
32	19062553002	501101909	IST	DS	49268	173702	HINKLE CONTRACTING COMPANY LLC	72,274.39	DS	DS/IS
32	19183325001	501089232	IST	DS	49278	173702	COLOR POINT LLC	45,352.22	DS	DS/IS
32	19301302001	500584936	IST	DS	49281	2098002	HINKLE CONTRACTING COMPANY LLC	16,492.01	DS	DS/IS
32	19773521001	501165742	GSO		49330	674805	UPS FUEL SERVICES	76,736.39	GSO	GS-OTHER

	<u>Total Cost</u>	<u>Percent</u>
GS-RES	0	0.000%
GS-OTHER	577,607	25.977%
DS/IS	1,645,313	73.995%
IUS	638	0.029%
N/A	0	0.000%
N/A	0	0.000%
N/A	0	0.000%
N/A	0	0.000%
TOTAL BEFORE DS-ML/SC	2,223,557	100.000%
DS-ML	<u>677,829</u>	
TOTAL	2,901,386	

Plant <u>Accounting</u>	Rate <u>Case</u>
BLANK	UNDER 3"
2" & UNDER	UNDER 3"
1"	UNDER 3"
2"	UNDER 3"
3"	3"
1/2"	UNDER 3"
5/8"	UNDER 3"
3/4"	UNDER 3"
7/8"	UNDER 3"
1"	UNDER 3"
1-1/4"	UNDER 3"
1-3/8"	UNDER 3"
1-1/2"	UNDER 3"
1-5/8"	UNDER 3"
1-3/4"	UNDER 3"
2"	UNDER 3"
2-3/8"	UNDER 3"
2-1/2"	UNDER 3"
3"	3"
3-1/8"	3-1/8"
3-1/2"	3-1/2"
4"	4"
4-1/4"	4-1/4"
4-1/2"	4-1/2"
4-5/8"	4-5/8"
5"	5"
5-3/16"	5-3/16"
6"	6"
6-5/8"	6-5/8"
7"	7"
7-1/2"	7-1/2"
8"	8"
8-5/8"	8-5/8"
10"	10"
10-1/8"	10-1/8"
10-1/4"	10-1/4"
11"	11"
11-1/8"	11-1/8"
11-1/4"	11-1/4"
12"	12"
12-1/2"	12-1/2"
14"	14"
15-3/8"	15-3/8"
16"	16"
18"	18"
20"	20"
20-1/2"	20-1/2"
22"	22"

24"

24"

Columbia Gas of Kentucky, Inc.
 Account 380 - Services
 As of February 29, 2016

<u>PUN</u>	<u>Desc</u>	<u>Size</u>	<u>Qty</u>	<u>Amt</u>
464516	SERV MAINS	2"	0	5
892126	VALVES	4"	1	2,747
655115	SERV MAIN/CURB	1-1/2"	2	121
655118	SERV MAIN/CURB	2-1/2"	8	1,515
655121	SERV MAIN/METER	3"	209	93,359
655126	SERV MAIN/METER	4"	140	180,358
655136	SERV MAIN/METER	6"	4	50,723
655140	SERV MAIN/METER	8"	2	20,041
655150	SERV MAIN/METER	12"	1	6,628
655196	SERV MAIN/METER	2" & UNDER	29,915	2,846,171
655221	SERV MAIN/CURB	3"	407	473,557
655226	SERV MAIN/CURB	4"	94	739,703
655236	SERV MAIN/CURB	6"	6	100,672
655240	SERV MAIN/CURB	8"	4	25,196
655296	SERV MAIN/CURB	2" & UNDER	88,792	54,387,433
655421	SERV CURB/METER	3"	2	10,250
655426	SERV CURB/METER	4"	3	3,217
655436	SERV CURB/METER	5"	1	7,112
655496	SERV CURB/METER	2" & UNDER	64	82,695
655521	SERV CURB/METER	3"	36	74,384
655526	SERV CURB/METER	4"	10	36,237
655596	SERV CURB/METER	2" & UNDER	66,253	46,868,050
655821	SERV MAIN/METER	3"	1	6,574
655826	SERV MAIN/METER	4"	1	4,745
655896	SERV MAIN/METER	2" & UNDER	16,472	10,336,206
655996	SERV MAIN/METER	2" & UNDER	<u>72</u>	<u>45,259</u>
			202,500	116,402,958

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 380 - SERVICES
SOURCE - LISTING OF SERVICES BY SIZE AND KIND
As of February 29, 2016

<u>PU#</u>	<u>DESCRIPTION</u>	<u>SIZE</u>	<u>QUANTITY</u>	<u>BOOK COST</u>	<u>AVG UNIT COST</u>
464516	SERV MAINS	OTHER	0	5	
892126	VALVES	OTHER	1	2,747	
655115	SERV MAIN/CURB	UNDER 3"	2	121	
655118	SERV MAIN/CURB	UNDER 3"	8	1,515	
655121	SERV MAIN/METER	3"	209	93,359	
655126	SERV MAIN/METER	4"	140	180,358	
655136	SERV MAIN/METER	6"	4	50,723	
655140	SERV MAIN/METER	8"	2	20,041	
655150	SERV MAIN/METER	12"	1	6,628	
655196	SERV MAIN/METER	UNDER 3"	29,915	2,846,171	
655221	SERV MAIN/CURB	3"	407	473,557	
655226	SERV MAIN/CURB	4"	94	739,703	
655236	SERV MAIN/CURB	6"	6	100,672	
655240	SERV MAIN/CURB	8"	4	25,196	
655296	SERV MAIN/CURB	UNDER 3"	88,792	54,387,433	
655421	SERV CURB/METER	3"	2	10,250	
655426	SERV CURB/METER	4"	3	3,217	
655436	SERV CURB/METER	5"	1	7,112	
655496	SERV CURB/METER	UNDER 3"	64	82,695	
655521	SERV CURB/METER	3"	36	74,384	
655526	SERV CURB/METER	4"	10	36,237	
655596	SERV CURB/METER	UNDER 3"	66,253	46,868,050	
655821	SERV MAIN/METER	3"	1	6,574	
655826	SERV MAIN/METER	4"	1	4,745	
655896	SERV MAIN/METER	UNDER 3"	16,472	10,336,206	
655996	SERV MAIN/METER	UNDER 3"	<u>72</u>	<u>45,259</u>	
TOTAL ACCOUNT 380			202,500	116,402,958	

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 380 - SERVICES
SOURCE - LISTING OF SERVICES BY SIZE AND KIND
As of February 29, 2016

<u>PU#</u>	<u>DESCRIPTION</u>	<u>SIZE</u>	<u>QUANTITY</u>	<u>BOOK COST</u>	<u>AVG UNIT COST</u>
SUMMARY BY SIZE					
	OTHER		1	2,752	N/A
	UNDER 3"		201,578	114,567,451	568.35
	3"		655	658,124	1,004.77
	3-1/8"		0	0	0.00
	3-1/2"		0	0	0.00
	4"		248	964,259	3,888.14
	4-1/2"		0	0	0.00
	5"		1	7,112	7,112.22
	6"		10	151,395	15,139.47
	6-5/8"		0	0	0.00
	8"		6	45,237	7,539.47
	8-5/8"		0	0	0.00
	10"		0	0	0.00
	12"		1	6,628	6,627.73
	20"		<u>0</u>	<u>0</u>	0.00
TOTAL ACCOUNT 380			202,500	116,402,958	

Columbia Gas of Kentucky, Inc.
 Master Code Summation Statistics
 As of February 29, 2016

Master Tap Codes

<u>NAME</u>	<u>RATE</u> <u>SCHEDULE</u>	<u>PIPE</u> <u>SIZE</u>	Pipe Size <u>Description</u>	<u>Classification</u>	<u>BLANK</u>	<u>P</u>	<u>S</u>	<u>*</u>	<u>±</u>
RESIDENTIAL	GSO	000	UNCLASSIFIED	UNDER 3"	1	0	0	0	1
RESIDENTIAL	GSO	010	1"	UNDER 3"	1	0	0	0	1

<u>INVALID</u>	<u>TOTAL</u>
0	2
0	2

COLUMBIA GAS OF KENTUCKY, INC.
2" MINIMUM SYSTEM CALCULATION
FEBRUARY 29, 2016

2" Pipe

	Qty		Amount
Total 2 " Pipe	4,906,346	\$	45,155,907

All Pipe

Total All Pipe	14,119,350	\$	200,461,723
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Cost - 2" Pipe	45,155,907
Quantity - 2" Pipe	4,906,346
Unit Cost - 2" Pipe	\$ 9.2036
Quantity - All Pipe	x <u>14,119,350</u>
Cost Minimum System	\$ 129,948,850
Cost - All Pipe	\$ 200,461,723

Customer Component	0.64825
Demand Component	0.35175

1.0000

COLUMBIA GAS OF KENTUCKY, INC.
DEVELOPMENT OF CUSTOMER/DEMAND ALLOCATION -FACTOR 3
FOR TME DECEMBER 31, 2017

Ln. No.	Rate Class (1)	Customers (2)	Ratio (3)	Customer Component Factor (4) = (3) * 64.825%	Design Day Volume (5)	Ratio (6)	Demand Component Factor (7) = (6) * 35.175%	Total (8) = (4) + (7)
1	GS-Residential	121,915	89.661%	58.123%	137,300	44.549%	15.670%	73.793%
2	GS-Other	13,977	10.279%	6.663%	88,300	28.650%	10.078%	16.741%
3	IUS	2	0.001%	0.001%	200	0.065%	0.023%	0.024%
4	DS/IS	79	0.058%	0.038%	82,400	26.736%	9.404%	9.442%
5	Total Excl. DS-ML	135,973	100.000%	64.825%	308,200	100.000%	35.175%	100.000%

COLUMBIA GAS OF KENTUCKY, INC.
Development of Factor 21 - Uncollectibles
For TME February 28, 2016

<u>Ln.</u>	<u>Customer Class</u>	<u>Net Charge-Offs</u>			
1	Residential	\$	1,022,789		
2	Commercial	\$	155,603		
3	Industrial	\$	248		
4	Total	\$	1,178,640		
			<u>Total Company</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>
5	Residential Customers		121,915	121,915	
6	Commercial & Industrial Customers		14,064		13,977
7	% Residential		100.000%	100.000%	
8	% Commercial & Industrial		100.000%		99.381%
9	Net Charge-Offs	\$	1,178,639	\$	1,022,789
				\$	154,887
				\$	22
10	Factor 21		100.000%	86.777%	13.141%
					0.002%

DS-ML DS/IS

6 79

0.043% 0.562%

\$ 66 \$ 875

0.006% **0.074%**

Classification Allocations

<u>Factor</u>	<u>Classification Basis</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
1	DEMAND DESIGN DAY	0.000%	0.000%	100.000%	100.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	0.000%	0.000%	100.000%	100.000%
3	MINIMUM SYSTEM MAINS	64.825%	0.000%	35.175%	100.000%
4	COMMODITY THROUGHPUT	0.000%	100.000%	0.000%	100.000%
5	COMPOSITE OF 1 & 4 - DEMAND/COMMODITY	0.000%	50.000%	50.000%	100.000%
6	CUSTOMER	100.000%	0.000%	0.000%	100.000%
7CD	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - C/D	79.545%	0.000%	20.455%	100.000%
7DC	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - D/C	41.847%	29.076%	29.076%	100.000%
7AVG	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - AVG	60.696%	14.538%	24.766%	100.000%
8	TOTAL PLANT ACCOUNT 385	100.000%	0.000%	0.000%	100.000%
9	GAS PURCHASE EXPENSE EX OFF SYST	0.000%	100.000%	0.000%	100.000%
10CD	OTHER DIST. EXP - LABOR - C/D	85.976%	1.091%	12.933%	100.000%
10DC	OTHER DIST. EXP - LABOR - D/C	62.142%	19.475%	18.383%	100.000%
10AVG	OTHER DIST. EXP - LABOR - AVG	74.059%	10.283%	15.658%	100.000%
11CD	OTHER DIST. EXP EXCL - M & E - C/D	78.028%	0.192%	21.780%	100.000%
11DC	OTHER DIST. EXP EXCL - M & E - D/C	37.888%	31.152%	30.960%	100.000%
11AVG	OTHER DIST. EXP EXCL - M & E - AVG	57.958%	15.672%	26.370%	100.000%
12CD	O & M EXCL A & G - LABOR - C/D	87.551%	0.969%	11.481%	100.000%
12DC	O & M EXCL A & G - LABOR - D/C	66.393%	17.288%	16.319%	100.000%
12AVG	O & M EXCL A & G - LABOR - AVG	76.972%	9.128%	13.900%	100.000%
13CD	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - C/D	83.292%	0.129%	16.579%	100.000%
13DC	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - D/C	56.402%	20.869%	22.728%	100.000%
13AVG	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - AVG	69.847%	10.499%	19.654%	100.000%
14CD	ACCT 376/380 - MAINS/SERVICES - C/D	77.680%	0.000%	22.320%	100.000%
14DC	ACCT 376/380 - MAINS/SERVICES - D/C	36.547%	31.727%	31.727%	100.000%
14AVG	ACCT 376/380 - MAINS/SERVICES - AVG	57.113%	15.863%	27.023%	100.000%
15	DIRECT PLANT ACCT 380	100.000%	0.000%	0.000%	100.000%
16	DIRECT PLANT ACCTS 381	100.000%	0.000%	0.000%	100.000%
17	DIRECT PLANT ACCT 385	100.000%	0.000%	0.000%	100.000%
18CD	ACCOUNT 376 MAINS - COMPOSITE/PLANT - C/D	64.825%	0.000%	35.175%	100.000%
18DC	ACCOUNT 376 MAINS - COMPOSITE/PLANT - D/C	0.000%	50.000%	50.000%	100.000%
18AVG	ACCOUNT 376 MAINS - COMPOSITE/PLANT - AVG	32.413%	25.000%	42.588%	100.000%
19CD	TOTAL PLANT - C/D	79.545%	0.000%	20.455%	100.000%
19DC	TOTAL PLANT - D/C	41.847%	29.076%	29.076%	100.000%
19AVG	TOTAL PLANT - AVG	60.696%	14.538%	24.766%	100.000%
20	AVERAGE C/D & D/C	32.413%	25.000%	42.588%	100.000%
21	UNCOLLECTIBLES	100.000%	0.000%	0.000%	100.000%

CUSTOMER ALLOCATION FACTOR TABLE

ALLOC. NO.	DESCRIPTION	GS-RESIDENTIAL AMT.	GS-OTHER AMT.	IUS AMT.	DS-ML AMT.	DS/IS AMT.	NOT USED AMT.	NOT USED AMT.
1	DESIGN DAY EXCL. DS-ML	137,300	88,300	200	0	82,400	0	0
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200	0	3,900	0	0
3	MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024	0.00000	0.09442	0.00000	0.00000
4	THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321	0	10,094,426	0	0
5	COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057	0.00000	0.34560	0.00000	0.00000
6	AVERAGE NO. OF CUSTOMERS	121,915	13,977	2	6	79	0	0
7	CUST DIST. PLANT EXCL. ACCTS 375.70,375.71,387	141,439,827	26,376,963	7,293	677,829	2,620,420	0	0
8	TOTAL PLANT ACCOUNT 385	0	700,742	782	677,829	1,996,050	0	0
9	GAS PURCHASE EXPENSE EX OFF SYST	0	0	0	0	0	0	0
10	CUST OTHER DIST. EXP - LABOR	2,839,750	893,340	386	11,679	49,826	0	0
11	CUST OTHER DIST. EXP EXCL - M & E	2,833,335	614,041	204	16,362	61,347	0	0
12	CUST O & M EXCL A & G - LABOR	3,982,445	1,096,701	444	13,206	56,682	0	0
13	CUST O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	8,336,389	1,315,791	311	20,584	79,485	0	0
14	CUST ACCT 376/380 - MAINS/SERVICES	112,461,887	14,554,221	1,275	0	449,960	0	0
15	DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001	0.00000	0.00353	0.00000	0.00000
16	DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013	0.00000	0.00433	0.00000	0.00000
17	DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029	0.00000	0.73995	0.00000	0.00000
18	CUST ACCOUNT 376 MAINS - COMPOSITE/PLANT	0	0	0	0	0	0	0
19	CUST TOTAL PLANT	151,459,098	28,245,419	7,776	725,830	2,806,006	0	0
20	AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041	0.00000	0.22001	0.00000	0.00000
21	UNCOLLECTIBLES	1,022,789	154,887	22	66	875	0	0

TOTAL	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
AMT.	PCT.	PCT.	PCT.	PCT.	PCT.	PCT.	PCT.
308,200	44.549%	28.650%	0.065%	0.000%	26.736%	0.000%	0.000%
225,300	60.941%	37.239%	0.089%	0.000%	1.731%	0.000%	0.000%
1	73.793%	16.741%	0.024%	0.000%	9.442%	0.000%	0.000%
23,816,711	33.421%	24.147%	0.048%	0.000%	42.384%	0.000%	0.000%
1	38.984%	26.399%	0.057%	0.000%	34.560%	0.000%	0.000%
135,979	89.658%	10.279%	0.001%	0.004%	0.058%	0.000%	0.000%
171,122,332	82.655%	15.414%	0.004%	0.396%	1.531%	0.000%	0.000%
3,375,403	0.000%	20.761%	0.023%	20.081%	59.135%	0.000%	0.000%
0	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
3,794,981	74.829%	23.540%	0.010%	0.308%	1.313%	0.000%	0.000%
3,525,289	80.372%	17.418%	0.006%	0.464%	1.740%	0.000%	0.000%
5,149,478	77.337%	21.297%	0.009%	0.256%	1.101%	0.000%	0.000%
9,752,560	85.479%	13.492%	0.003%	0.211%	0.815%	0.000%	0.000%
127,467,343	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
1	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
1	71.942%	27.612%	0.013%	0.000%	0.433%	0.000%	0.000%
1	0.000%	25.977%	0.029%	0.000%	73.995%	0.000%	0.000%
0	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
183,244,129	82.655%	15.414%	0.004%	0.396%	1.531%	0.000%	0.000%
1	56.388%	21.570%	0.041%	0.000%	22.001%	0.000%	0.000%
1,178,639	86.777%	13.141%	0.002%	0.006%	0.074%	0.000%	0.000%

DEMAND ALLOCATION FACTOR TABLE

ALLOC.		GS-RESIDENTIAL	GS-OTHER	IUS
NO.	DESCRIPTION	AMT.	AMT.	AMT.
1	1 DESIGN DAY EXCL. DS-ML	137,300	88,300	200
2	2 DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200
3	3 MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024
4	4 THROUGHPUT EXCL. MLS	7,960,000	5,750,963	11,321
5	5 COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057
6	6 AVERAGE NO. OF CUSTOMERS	121,915	13,977	2
7	7DEM DIST. PLANT EXCL. ACCTS 375.70,375.71,387	46,340,808	31,380,847	67,757
8	8 TOTAL PLANT ACCOUNT 385	0	0	0
9	9 GAS PURCHASE EXPENSE EX OFF SYST	0	0	0
10	10DEM OTHER DIST. EXP - LABOR	437,640	296,363	639
11	11DEM OTHER DIST. EXP EXCL - M & E	1,122,936	760,435	1,643
12	12DEM O & M EXCL A & G - LABOR	493,412	334,132	720
13	13DEM O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	1,399,318	947,510	2,046
14	14DEM ACCT 376/380 - MAINS/SERVICES	43,135,963	29,210,606	63,071
15	15 DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001
16	16 DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013
17	17 DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029
18	18DEM ACCOUNT 376 MAINS - COMPOSITE/PLANT	43,135,963	29,210,606	63,071
19	19DEM TOTAL PLANT	49,623,411	33,603,809	72,557
20	20 AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041
21	21 UNCOLLECTIBLES	1,022,789	154,887	22

DS-ML	DS/IS	NOT USED	NOT USED	TOTAL	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML
AMT.	AMT.	AMT.	AMT.	AMT.	PCT.	PCT.	PCT.	PCT.
0	82,400	0	0	308,200	44.549%	28.650%	0.065%	0.000%
0	3,900	0	0	225,300	60.941%	37.239%	0.089%	0.000%
0.00000	0.09442	0.00000	0.00000	1	73.793%	16.741%	0.024%	0.000%
0	10,094,426	0	0	23,816,711	33.421%	24.147%	0.048%	0.000%
0.00000	0.34560	0.00000	0.00000	1	38.984%	26.399%	0.057%	0.000%
6	79	0	0	135,979	89.658%	10.279%	0.001%	0.004%
28,947	41,081,938	0	0	118,900,297	38.974%	26.393%	0.057%	0.024%
0	0	0	0	0	0.000%	100.000%	0.000%	0.000%
0	0	0	0	0	100.000%	0.000%	0.000%	0.000%
55	387,974	0	0	1,122,671	38.982%	26.398%	0.057%	0.005%
144	995,496	0	0	2,880,654	38.982%	26.398%	0.057%	0.005%
62	437,417	0	0	1,265,743	38.982%	26.398%	0.057%	0.005%
179	1,239,393	0	0	3,588,446	38.996%	26.404%	0.057%	0.005%
5,841	38,240,788	0	0	110,656,269	38.982%	26.398%	0.057%	0.005%
0.00000	0.00353	0.00000	0.00000	1	88.228%	11.418%	0.001%	0.000%
0.00000	0.00433	0.00000	0.00000	1	71.942%	27.612%	0.013%	0.000%
0.00000	0.73995	0.00000	0.00000	1	0.000%	25.977%	0.029%	0.000%
5,841	38,240,788	0	0	110,656,269	38.982%	26.398%	0.057%	0.005%
30,968	43,992,095	0	0	127,322,840	38.974%	26.393%	0.057%	0.024%
0.00000	0.22001	0.00000	0.00000	1	56.388%	21.570%	0.041%	0.000%
66	875	0	0	1,178,639	86.777%	13.141%	0.002%	0.006%

DS/IS	NOT USED	NOT USED
PCT.	PCT.	PCT.
26.736%	0.000%	0.000%
1.731%	0.000%	0.000%
9.442%	0.000%	0.000%
42.384%	0.000%	0.000%
34.560%	0.000%	0.000%
0.058%	0.000%	0.000%
34.552%	0.000%	0.000%
0.000%	0.000%	0.000%
0.000%	0.000%	0.000%
34.558%	0.000%	0.000%
34.558%	0.000%	0.000%
34.558%	0.000%	0.000%
34.538%	0.000%	0.000%
34.558%	0.000%	0.000%
0.353%	0.000%	0.000%
0.433%	0.000%	0.000%
73.995%	0.000%	0.000%
34.558%	0.000%	0.000%
34.552%	0.000%	0.000%
22.001%	0.000%	0.000%
0.074%	0.000%	0.000%

COMMODITY ALLOCATION FACTOR TABLE

ALLOC.		GS-RESIDENTIAL	GS-OTHER	IUS
NO.	DESCRIPTION	AMT.	AMT.	AMT.
1	1 DESIGN DAY EXCL. DS-ML	137,300	88,300	200
2	2 DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200
3	3 MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024
4	4 THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321
5	5 COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057
6	6 AVERAGE NO. OF CUSTOMERS	121,915	13,977	2
7	7COMM DIST. PLANT EXCL. ACCTS 375.70,375.71,387	46,340,807	31,380,848	67,757
8	8 TOTAL PLANT ACCOUNT 385	0	0	0
9	9 GAS PURCHASE EXPENSE EX OFF SYST	13,807,095	7,643,847	25,009
10	10COMM OTHER DIST. EXP - LABOR	459,914	312,456	671
11	11COMM OTHER DIST. EXP EXCL - M & E	1,128,913	764,754	1,652
12	12COMM O & M EXCL A & G - LABOR	518,524	352,274	757
13	13COMM O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	1,625,047	1,073,660	2,452
14	14COMM ACCT 376/380 - MAINS/SERVICES	43,135,962	29,210,606	63,071
15	15 DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001
16	16 DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013
17	17 DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029
18	18COMM ACCOUNT 376 MAINS - COMPOSITE/PLANT	43,135,962	29,210,606	63,071
19	19COMM TOTAL PLANT	49,623,412	33,603,809	72,557
20	20 AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041
21	21 UNCOLLECTIBLES	1,022,789	154,887	22

DS-ML	DS/IS	NOT USED	NOT USED	TOTAL	GS-RESIDEI	GS-OTHER	IUS
AMT.	AMT.	AMT.	AMT.	AMT.	PCT.	PCT.	PCT.
0	82,400	0	0	308,200	44.549%	28.650%	0.065%
0	3,900	0	0	225,300	60.941%	37.239%	0.089%
0.00000	0.09442	0.00000	0.00000	1	73.793%	16.741%	0.024%
0	10,094,426	0	0	23,816,711	33.421%	24.147%	0.048%
0.00000	0.34560	0.00000	0.00000	1	38.984%	26.399%	0.057%
6	79	0	0	135,979	89.658%	10.279%	0.001%
28,946	41,081,939	0	0	118,900,297	38.974%	26.393%	0.057%
0	0	0	0	0	0.000%	100.000%	0.000%
0	0	0	0	21,475,950	64.291%	35.593%	0.116%
55	416,221	0	0	1,189,317	38.670%	26.272%	0.056%
144	1,003,076	0	0	2,898,539	38.948%	26.384%	0.057%
62	469,263	0	0	1,340,880	38.670%	26.272%	0.056%
179	1,248,791	0	0	3,950,129	41.139%	27.180%	0.062%
5,841	38,240,788	0	0	110,656,268	38.982%	26.398%	0.057%
0.00000	0.00353	0.00000	0.00000	1	88.228%	11.418%	0.001%
0.00000	0.00433	0.00000	0.00000	1	71.942%	27.612%	0.013%
0.00000	0.73995	0.00000	0.00000	1	0.000%	25.977%	0.029%
5,841	38,240,788	0	0	110,656,268	38.982%	26.398%	0.057%
30,967	43,992,096	0	0	127,322,841	38.974%	26.393%	0.057%
0.00000	0.22001	0.00000	0.00000	1	56.388%	21.570%	0.041%
66	875	0	0	1,178,639	86.777%	13.141%	0.002%

DS-ML	DS/IS	NOT USED	NOT USED
PCT.	PCT.	PCT.	PCT.
0.000%	26.736%	0.000%	0.000%
0.000%	1.731%	0.000%	0.000%
0.000%	9.442%	0.000%	0.000%
0.000%	42.384%	0.000%	0.000%
0.000%	34.560%	0.000%	0.000%
0.004%	0.058%	0.000%	0.000%
0.024%	34.552%	0.000%	0.000%
0.000%	0.000%	0.000%	0.000%
0.000%	0.000%	0.000%	0.000%
0.005%	34.997%	0.000%	0.000%
0.005%	34.606%	0.000%	0.000%
0.005%	34.997%	0.000%	0.000%
0.005%	31.614%	0.000%	0.000%
0.005%	34.558%	0.000%	0.000%
0.000%	0.353%	0.000%	0.000%
0.000%	0.433%	0.000%	0.000%
0.000%	73.995%	0.000%	0.000%
0.005%	34.558%	0.000%	0.000%
0.024%	34.552%	0.000%	0.000%
0.000%	22.001%	0.000%	0.000%
0.006%	0.074%	0.000%	0.000%

Columbia Gas of Kentucky, Inc.
Calculation of Revenue Requirement Allocation Factor - Classification
For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>Total Company</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>
1 PRODUCTION	343,696	0	341,557	2,139
2 DISTRIBUTION - O&M OPERATION	13,521,662	7,562,101	3,027,564	2,932,000
3 DISTRIBUTION - O&M MAINT.	4,947,314	1,105,365	1,921,894	1,920,057
4 CUSTOMER ACCOUNTS	5,539,212	5,539,212	0	0
5 CUSTOMER SERVICE & INFOR.	1,546,761	1,546,761	0	0
6 SALES	176,183	176,183	0	0
7 ADMINISTRATIVE & GENERAL 1/	18,844,010	10,788,523	3,875,253	4,180,234
8 DEPRECIATION & AMORTIZATION	15,939,787	9,155,554	3,392,118	3,392,118
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 EXPENSES AND OTHER TAXES	65,649,506	38,039,095	13,874,297	13,736,122
11 RATE BASE	253,360,780	72,360,386	69,617,593	111,382,801
12 INCOME TAX @ 0.0360350126	9,129,859	2,607,507	2,508,671	4,013,681
13 RETURN @ 0.0824	20,876,928	5,962,496	5,736,490	9,177,943
14 REVENUE REQUIREMENT	95,656,293	46,609,098	22,119,458	26,927,746
15 ALLOCATION FACTOR 22	100.000%	48.725%	23.124%	28.151%

1/ Excluding Regulatory Commission Expense PSC Fees

Columbia Gas of Kentucky, Inc.
 Calculation of Revenue Requirement Allocation Factor - Customer Only
 For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>CUSTOMER ONLY</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
1 PRODUCTION	0	0	0	0	0	0	0	0
2 DISTRIBUTION - O&M OPERATION	7,562,101	5,857,404	1,600,683	637	18,610	84,767	0	0
3 DISTRIBUTION - O&M MAINT.	1,105,365	871,639	170,959	55	14,929	47,783	0	0
4 CUSTOMER ACCOUNTS	5,539,212	4,936,742	598,785	67	243	3,378	0	0
5 CUSTOMER SERVICE & INFOR.	1,546,761	1,386,794	158,990	16	63	897	0	0
6 SALES	176,183	157,962	18,110	1	7	102	0	0
7 ADMINISTRATIVE & GENERAL 1/	10,788,523	8,933,442	1,732,129	534	24,357	98,061	0	0
8 DEPRECIATION & AMORTIZATION	9,155,554	7,618,315	1,359,472	350	16,645	160,772	0	0
9 TAXES OTHER THAN INCOME	<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>
10 EXPENSES AND OTHER TAXES	38,039,095	31,529,011	5,998,451	1,768	82,821	427,044	0	0
11 RATE BASE	72,360,386	58,719,448	11,824,755	3,734	447,979	1,364,492	0	0
12 INCOME TAX @ 0.0360350126	2,607,507	2,115,956	426,105	135	16,143	49,169	0	0
13 RETURN @ 0.0824	5,962,496	4,838,483	974,360	308	36,913	112,434	0	0
14 REVENUE REQUIREMENT	46,609,098	38,483,450	7,398,916	2,211	135,877	588,647	0	0
15 ALLOCATION FACTOR 22CUST	100.000%	82.566%	15.874%	0.005%	0.292%	1.263%	0.000%	0.000%

1/ Excluding Regulatory Commission Expense PSC Fees

Columbia Gas of Kentucky, Inc.
Calculation of Revenue Requirement Allocation Factor - Commodity
For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>COMMODITY ONLY</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
1 PRODUCTION	341,557	219,590	121,570	396	0	0	0	0
2 DISTRIBUTION - O&M OPERATION	3,027,564	1,174,891	797,065	1,718	146	1,053,741	0	0
3 DISTRIBUTION - O&M MAINT.	1,921,894	749,090	507,299	1,095	95	664,313	0	0
4 CUSTOMER ACCOUNTS	0	0	0	0	0	0	0	0
5 CUSTOMER SERVICE & INFOR.	0	0	0	0	0	0	0	0
6 SALES	0	0	0	0	0	0	0	0
7 ADMINISTRATIVE & GENERAL 1/	3,875,253	1,564,751	1,042,447	2,332	194	1,265,529	0	0
8 DEPRECIATION & AMORTIZATION	3,392,118	1,322,148	895,331	1,931	597	1,172,110	0	0
9 TAXES OTHER THAN INCOME	<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>
10 EXPENSES AND OTHER TAXES	13,874,297	5,542,990	3,710,884	8,221	1,327	4,610,869	0	0
11 RATE BASE	69,617,593	27,151,627	18,380,223	39,716	18,762	24,027,267	0	0
12 INCOME TAX @ 0.0360350126	2,508,671	978,409	662,332	1,431	676	865,823	0	0
13 RETURN @ 0.0824	5,736,490	2,237,294	1,514,530	3,273	1,546	1,979,847	0	0
14 REVENUE REQUIREMENT	22,119,458	8,758,693	5,887,746	12,925	3,549	7,456,539	0	0
15 ALLOCATION FACTOR 22COMM	100.000%	39.598%	26.618%	0.058%	0.016%	33.710%	0.000%	0.000%

1/ Excluding Regulatory Commission Expense PSC Fees

Columbia Gas of Kentucky, Inc.
 Calculation of Revenue Requirement Allocation Factor - Demand Only
 For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>DEMAND ONLY</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
1 PRODUCTION	2,139	1,304	797	2	0	37	0	0
2 DISTRIBUTION - O&M OPERATION	2,932,000	1,142,950	773,989	1,670	146	1,013,240	0	0
3 DISTRIBUTION - O&M MAINT.	1,920,057	748,476	506,856	1,094	95	663,533	0	0
4 CUSTOMER ACCOUNTS	0	0	0	0	0	0	0	0
5 CUSTOMER SERVICE & INFOR.	0	0	0	0	0	0	0	0
6 SALES	0	0	0	0	0	0	0	0
7 ADMINISTRATIVE & GENERAL 1/	4,180,234	1,629,948	1,103,674	2,384	208	1,444,021	0	0
8 DEPRECIATION & AMORTIZATION	3,392,118	1,322,146	895,328	1,931	598	1,172,110	0	0
9 TAXES OTHER THAN INCOME	<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>
10 EXPENSES AND OTHER TAXES	13,736,122	5,355,226	3,626,286	7,828	1,341	4,745,431	0	0
11 RATE BASE	111,382,801	52,586,401	33,927,136	76,845	18,764	24,773,661	0	0
12 INCOME TAX @ 0.0360350126	4,013,681	1,894,952	1,222,565	2,769	676	892,719	0	0
13 RETURN @ 0.0824	9,177,943	4,333,119	2,795,596	6,332	1,546	2,041,350	0	0
14 REVENUE REQUIREMENT	26,927,746	11,583,297	7,644,447	16,929	3,563	7,679,500	0	0
15 ALLOCATION FACTOR 22DEM	100.000%	43.016%	28.389%	0.063%	0.013%	28.519%	0.000%	0.000%

Columbia Gas of Kentucky, Inc.
 Computation of Pre-Tax Rate of Return Rate
 As of December 31, 2017

<u>Line No.</u>	<u>Description</u>	<u>Total</u>
1	Weighted Cost of Debt	2.58%
2	Weighted Cost of Equity	5.66%
4	Gross Conversion Factor	1.636661
5	Federal and State Income Tax ((Line 2 X Line 3) - Line 2)	3.60%
6	Total Return & Tax (Line 1 + Line 2 + Line 4)	11.84%

7	Proof:	
8	Return (Line 5)	11.84%
9	Interest (Line 2)	2.58%
11	State Income Tax Base (Line 7 - Line 8)	9.26%
12	State Tax Rate	6.0%
13	State Income Tax (Line 9 X Line 10)	0.56%
14	Federal Income Tax Base Line 9 - (Line 9 - Line 11)	8.71%
15	Federal Tax Rate	35.0%
16	Federal Income Tax (Line 12 X Line 13)	3.05%
17	Equity Return (Line 9 - Line 11 - Line 14)	5.66%

COLUMBIA GAS OF KENTUCKY, INC.
CAPITAL STRUCTURE
AS OF DECEMBER 31, 2017

LINE NO.	CLASS OF CAPITAL (A)	WORKPAPER REFERENCE (B)	AMOUNT (C) \$	PERCENT OF TOTAL (D) (%)	COST RATE (E) (%)
1	SHORT-TERM DEBT		13,000,895	4.95%	2.50%
2	LONG-TERM DEBT		<u>114,375,000</u>	<u>43.58%</u>	5.64%
3	TOTAL DEBT		127,375,895	48.53%	
4	PREFERRED STOCK		0	0.00%	0.00%
5	COMMON EQUITY		<u>135,083,000</u>	<u>51.47%</u>	11.00%
7	TOTAL CAPITAL		262,458,895	100.00%	

WEIGHTED
COST

(F=D*E)
(%)

0.12%

2.46%

2.58%

0.00%

5.66%

8.24%

COLUMBIA GAS OF KENTUCKY, INC.
COMPUTATION OF GROSS REVENUE CONVERSION FACTOR
AS OF DECEMBER 31, 2017

LINE NO.	DESCRIPTION	
1	OPERATING REVENUE	
2	LESS: UNCOLLECTIBLE ACCOUNTS EXPENSE	
3	LESS: PSC FEES	
4	NET REVENUES	
5	STATE INCOME TAX	6%
6	INCOME BEFORE FEDERAL INCOME TAX	
7	FEDERAL INCOME TAX	35%
8	OPERATING INCOME PERCENTAGE	
9	GROSS REVENUE CONVERSION FACTOR	
10	(100 % DIVIDED BY INCOME AFTER INCOME TAX)	

PERCENTAGE OF
INCREMENTAL
GROSS REVENUE

100.000000%

0.000000%

0.000000%

100.000000%

6.000000%

94.000000%

32.900000%

61.100000%

1.636661

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>	<u>DESCRIPTION</u>
PAGE	PAGE	PAGE	PAGE	PAGE	
1	26	52	78	104	RATE OF RETURN - PROFORMA @ PROPOSED RATES
2	27	53	79	105	RATE OF RETURN - PROFORMA @ AUTHORIZED RETURN
3	28	54	80	106	DEVELOPMENT OF PROFORMA ADJUSTMENTS
4	29	55	81	107	RATE OF RETURN BY CLASS @ CURRENT RATES
5	30	56	82	108	GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. (ACCTS 101,106)
6	31	57	83	109	GROSS DIST. & GENERAL PLANT ALLOCATION (ACCTS 101,106)
7	32	58	84	110	GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. DEPR. RESERVE
8	33	59	85	111	GROSS DIST. & GENERAL PLANT ALLOCATION DEPR. RESERVE
9	34	60	86	112	GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. DEPR. EXPENSE
10	35	61	87	113	GROSS DIST. & GENERAL PLANT ALLOCATION DEPR. EXPENSE
11	36	62	88	114	OPERATING REVENUE @ CURRENT RATES
12	37	63	89	115	PRODUCTION EXPENSE ALLOCATION
13	38	64	90	116	DISTRIBUTION O & M EXPENSE ALLOCATION - LABOR
14	39	65	91	117	CUST ACCTS & CUST SERVICE & INFOR EXP ALLOC - LABOR
15	40	66	92	118	SALES AND A & G EXPENSE ALLOCATION - LABOR
16	41	67	93	119	DISTRIBUTION O & M EXPENSE ALLOCATION - M & E
17	42	68	94	120	CUST ACCTS & CUST SERVICE & INFOR EXP ALLOC - M & E
18	43	69	95	121	SALES AND A & G EXPENSE ALLOCATION - M & E
19	44	70	96	122	OPERATION & MAINTENANCE EXPENSE SUMMARY
20	45	71	97	123	TAXES OTHER THAN INCOME
21	46	72	98	124	KENTUCKY STATE INCOME TAX - CURRENT
22	47	73	99	125	KENTUCKY STATE INCOME TAX - DEFERRED
23	48	74	100	126	FEDERAL INCOME TAX - CURRENT
24	49	75	101	127	FEDERAL INCOME TAX - DEFERRED
25	50	76	102	128	WORKING CAPITAL/RATE BASE SUMMARY
N/A	51	77	103	129	ALLOCATION FACTORS

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		45,377,931	32,757,538	8,394,235	9,216	59,720	4,157,222	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		7,781,829	3,722,615	3,887,877	4,568	118,754	48,015	0	0
8		KENTUCKY STATE INCOME TAX		1,416,522	670,082	717,964	842	22,293	5,340	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		96,782,897	65,645,804	24,392,179	43,968	227,184	6,473,762	0	0
11		OPERATING INCOME		21,307,642	10,505,896	9,120,018	12,260	254,553	1,414,915	0	0
12		INTEREST EXPENSE		<u>6,688,727</u>	<u>4,294,449</u>	<u>1,515,763</u>	<u>2,583</u>	<u>12,814</u>	<u>863,118</u>	<u>0</u>	<u>0</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		14,618,915	6,211,447	7,604,255	9,677	241,739	551,797	0	0
14		RATE BASE		253,360,781	162,668,511	57,415,257	97,824	485,360	32,693,845	0	0
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	6.46%	15.88%	12.53%	52.45%	4.33%	0.00%	0.00%
16		UNITIZED RETURN		1.00	0.77	1.89	1.49	6.24	0.51	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	81,405,824	26,409,553	49,552	127,988	10,097,622	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	32,816,038	8,315,152	9,142	55,782	4,181,817	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		7,781,828	5,431,975	1,577,125	2,396	3,666	766,666	0	0
6		KENTUCKY STATE INCOME TAX		1,416,522	981,820	296,550	446	1,304	136,401	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		96,782,900	67,725,402	21,580,930	41,326	87,169	7,348,069	0	0
9		OPERATING INCOME		21,307,645	13,680,422	4,828,623	8,227	40,819	2,749,553	0	0
10		INTEREST EXPENSE		<u>6,688,727</u>	<u>4,294,449</u>	<u>1,515,763</u>	<u>2,583</u>	<u>12,814</u>	<u>863,118</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		14,618,918	9,385,973	3,312,860	5,644	28,005	1,886,435	0	0
12		RATE BASE		253,360,781	162,668,511	57,415,257	97,824	485,360	32,693,845	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	21,725,999	(275,732)	1,472	(353,747)	4,310,380	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		234,603	200,602	(2,546)	14	(3,266)	39,799	0	0
4	LESS: PSC FEES @ 0.00190100		<u>48,302</u>	<u>41,301</u>	<u>(524)</u>	<u>3</u>	<u>(672)</u>	<u>8,194</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		25,125,473	21,484,096	(272,662)	1,455	(349,809)	4,262,387	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,507,528</u>	<u>1,289,046</u>	<u>(16,360)</u>	<u>87</u>	<u>(20,989)</u>	<u>255,743</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		23,617,945	20,195,050	(256,302)	1,368	(328,820)	4,006,644	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>8,266,279</u>	<u>7,068,268</u>	<u>(89,706)</u>	<u>479</u>	<u>(115,087)</u>	<u>1,402,325</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		15,351,666	13,126,782	(166,596)	889	(213,733)	2,604,319	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	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	32,574,135	8,318,222	9,125	59,720	4,133,824	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)	(1,636,293)	1,666,831	1,917	118,753	(635,659)	0	0
6		KENTUCKY STATE INCOME TAX [5]		(91,006)	(307,226)	312,910	359	22,293	(119,342)	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	59,126,185	21,690,066	40,743	227,183	5,642,008	0	0
9		OPERATING INCOME		5,955,978	553,639	4,995,219	7,338	254,552	145,234	0	0
10		INTEREST EXPENSE [7]		<u>6,688,725</u>	<u>4,294,449</u>	<u>1,515,763</u>	<u>2,583</u>	<u>12,814</u>	<u>863,118</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(732,747)	(3,740,810)	3,479,456	4,755	241,738	(717,884)	0	0
12		RATE BASE [8]		253,360,781	162,668,511	57,415,257	97,824	485,360	32,693,845	0	0
13		RATE OF RETURN EARNED ON RATE BASE		2.35%	0.34%	8.70%	7.50%	52.45%	0.44%	0.00%	0.00%
14		UNITIZED RETURN		1.00	0.14	3.70	3.19	22.32	0.19	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	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										
	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 INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION RESERVE ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 7 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		0	0	0	0	0	0	0	0
3	303.00	MISC. INTANGIBLE PLANT		49,104	33,083	9,326	13	89	6,595	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>3,424,538</u>	<u>2,307,162</u>	<u>650,350</u>	<u>885</u>	<u>6,164</u>	<u>459,978</u>	<u>0</u>	<u>0</u>
7		TOTAL INTANGIBLE PLANT		3,473,642	2,340,245	659,676	898	6,253	466,573	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		0	0	0	0	0	0	0	0
15	374.20	LAND - OTHER DISTRIBUTION		(523)	(295)	(113)	0	0	(115)	0	0
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION		184,637	104,113	39,826	76	0	40,621	0	0
17	374.50	RIGHTS OF WAY		942,676	531,556	203,335	387	0	207,399	0	0
18	375.20	CITY GATE - MEAS & REG STRUCTURES		2,063	1,163	444	0	0	454	0	0
19	375.30	STRUC & IMPROV-GENERAL M&R		(78)	(44)	(16)	0	0	(17)	0	0
20	375.40	STRUC & IMPROV-REGULATING		497,862	280,734	107,389	204	0	109,535	0	0
21	375.40	DIRECT STRUC & IMPROV-REGULATING		3,028	0	0	0	3,028	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		3,369,677	2,270,202	639,931	870	6,065	452,608	0	0
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV		199,220	134,217	37,834	51	359	26,760	0	0
25	375.80	STRUC & IMPROV-COMMUNICATION		0	0	0	0	0	0	0	0
26	376.00	MAINS		58,817,583	33,166,059	12,686,953	24,115	0	12,940,456	0	0
27	376.00	DIRECT MAINS		8,703	0	0	0	8,703	0	0	0
28	378.10	M & R GENERAL		372,072	209,804	80,256	152	0	81,860	0	0
29	378.20	M & R GENERAL - REGULATING		3,453,479	1,947,348	744,916	1,416	0	759,800	0	0
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES		36,634	20,658	7,902	15	0	8,059	0	0
31	379.10	STA EQUIP - CITY		267,731	150,968	57,749	110	0	58,904	0	0
32	380.00	SERVICES		61,085,053	53,894,121	6,974,691	611	0	215,630	0	0

33 380.00 DIRECT SERVICES

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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 INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION EXPENSE ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 9 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)
				\$	\$	\$	\$	\$	\$	\$	\$
INTANGIBLE PLANT											
1	301.00	ORGANIZATION		0	0	0	0	0	0	0	0
2	303.00	MISC. INTANGIBLE PLANT		2,478	1,669	471	0	4	333	0	0
3	303.10	DIS SOFTWARE		0	0	0	0	0	0	0	0
4	303.20	FARA SOFTWARE		0	0	0	0	0	0	0	0
5	303.30	OTHER SOFTWARE		<u>1,271,617</u>	<u>856,708</u>	<u>241,491</u>	<u>328</u>	<u>2,289</u>	<u>170,801</u>	<u>0</u>	<u>0</u>
6		TOTAL INTANGIBLE PLANT		1,274,096	858,377	241,962	328	2,293	171,134	0	0
7 PRODUCTION PLANT											
8	304.10	LAND		0	0	0	0	0	0	0	0
9	305.00	STRUCTURES & IMPROVEMENTS		0	0	0	0	0	0	0	0
10	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>
11		TOTAL PRODUCTION PLANT		0	0	0	0	0	0	0	0
12 DISTRIBUTION PLANT											
13	374.10	LAND - CITY GATE & M/L IND M&R		0	0	0	0	0	0	0	0
14	374.20	LAND - OTHER DISTRIBUTION		0	0	0	0	0	0	0	0
15	374.40	LAND RIGHTS - OTHER DISTRIBUTION		11,508	6,489	2,483	5	0	2,532	0	0
16	374.50	RIGHTS OF WAY		35,215	19,857	7,596	15	0	7,747	0	0
17	375.20	CITY GATE - MEAS & REG STRUCTURES		72	40	16	0	0	16	0	0
18	375.30	STRUC & IMPROV-GENERAL M&R		0	0	0	0	0	0	0	0
19	375.40	STRUC & IMPROV-REGULATING		69,888	39,408	15,075	28	0	15,376	0	0
20	375.40	DIRECT STRUC & IMPROV-REGULATING		744	0	0	0	744	0	0	0
21	375.60	STRUC & IMPROV-DIST. IND. M & R		0	0	0	0	0	0	0	0
22	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM		185,730	125,129	35,271	48	334	24,947	0	0
23	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV		33,049	22,266	6,276	8	59	4,439	0	0
24	375.80	STRUC & IMPROV-COMMUNICATION		0	0	0	0	0	0	0	0
25	376.00	MAINS		5,087,613	2,868,804	1,097,397	2,085	0	1,119,326	0	0
26	376.00	DIRECT MAINS		151	0	0	0	151	0	0	0
27	378.10	M & R GENERAL		17,220	9,710	3,715	7	0	3,789	0	0
28	378.20	M & R GENERAL - REGULATING		304,399	171,644	65,659	124	0	66,971	0	0
29	378.30	M & R EQUIP - LOCAL GAS PURCHASES		1,512	852	327	0	0	333	0	0
30	379.10	STA EQUIP - CITY		0	0	0	0	0	0	0	0
31	380.00	SERVICES		6,496,995	5,732,169	741,827	65	0	22,934	0	0

32 380.00 DIRECT SERVICES

0

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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.	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	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 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 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)	(C)	(D)	(E)	(F)	(G)		(I)	(J)	(K)
			\$	\$	\$	\$	\$	\$	\$	\$
1			DISTRIBUTION EXPENSES							
2	870		97,461	65,880	22,243	21	189	9,130	0	0
3	871		66,644	22,273	16,093	32	0	28,246	0	0
4	874		1,726,536	1,174,442	308,340	451	57	243,246	0	0
5	875		82,347	46,432	17,761	33	4	18,116	0	0
6	876		38,736	0	8,042	9	7,779	22,907	0	0
7	878		1,279,637	920,596	353,333	166	0	5,541	0	0
8	879		1,500,691	1,079,627	414,371	195	0	6,498	0	0
9	880		547,972	370,406	125,059	120	1,058	51,329	0	0
10	881		<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			5,340,024	3,679,656	1,265,242	1,027	9,087	385,013	0	0
12			MAINTENANCE							
13	885		8,649	5,847	1,973	2	17	810	0	0
14	886		2,509	1,415	541	0	0	552	0	0
15	887		926,354	522,324	199,805	380	47	203,798	0	0
16	889		138,594	78,146	29,893	56	7	30,491	0	0
17	890		19,419	0	4,032	4	3,900	11,483	0	0
18	892		298,657	263,499	34,101	3	0	1,054	0	0
19	893		26,851	19,317	7,414	3	0	116	0	0
20	894		<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			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 TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 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	5,434,948	1,660,857	1,511	13,334	645,455	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES		1,597,984	1,119,752	342,189	312	2,749	132,981	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	3,248	992	0	8	386	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		<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>
24		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.	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			DISTRIBUTION EXPENSES							
2	870		783,470	512,618	156,702	217	1,401	112,531	0	0
3	871		17,885	5,977	4,319	9	0	7,580	0	0
4	874		4,797,660	3,263,513	856,810	1,255	158	675,925	0	0
5	875		118,379	66,748	25,533	49	6	26,043	0	0
6	876		29,602	0	6,146	7	5,944	17,505	0	0
7	878		485,057	348,960	133,934	63	0	2,100	0	0
8	879		655,941	471,897	181,118	85	0	2,840	0	0
9	880		1,211,487	792,666	242,310	335	2,167	174,008	0	0
10	881		<u>82,157</u>	<u>53,755</u>	<u>16,432</u>	<u>23</u>	<u>147</u>	<u>11,800</u>	<u>0</u>	<u>0</u>
11			8,181,638	5,516,134	1,623,304	2,043	9,823	1,030,332	0	0
12			MAINTENANCE							
13	885		2,571	1,682	514	0	5	369	0	0
14	886		251,838	141,999	54,319	103	12	55,404	0	0
15	887		2,202,076	1,241,641	474,965	904	111	484,457	0	0
16	889		144,736	81,609	31,219	59	7	31,842	0	0
17	890		51,880	0	10,771	12	10,418	30,679	0	0
18	892		431,251	380,484	49,240	4	0	1,522	0	0
19	893		118,176	85,018	32,631	15	0	512	0	0
20	894		<u>199,573</u>	<u>130,578</u>	<u>39,916</u>	<u>56</u>	<u>358</u>	<u>28,665</u>	<u>0</u>	<u>0</u>
21			3,402,101	2,063,011	693,575	1,153	10,911	633,450	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.	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											
2	901		0	0	0	0	0	0	0	0	0
3	902		399,502	358,186	41,065	4	16	232	0	0	0
4	903		3,252,912	2,916,496	334,367	33	130	1,887	0	0	0
5	904		1,027,585	891,707	135,035	21	62	760	0	0	0
6	905		1,073	962	110	0	0	1	0	0	0
7	920		0	0	0	0	0	0	0	0	0
8	921		253	227	26	0	0	0	0	0	0
9	931		0	0	0	0	0	0	0	0	0
10	935		<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>
11			4,681,325	4,167,578	510,603	58	208	2,880	0	0	0
12											
13	907		(2,789)	(2,501)	(287)	0	0	(2)	0	0	0
14	908		1,198,971	1,074,973	123,242	12	48	695	0	0	0
15	909		65,932	59,113	6,777	1	3	38	0	0	0
16	910		257,797	231,136	26,499	3	10	150	0	0	0
17	920		0	0	0	0	0	0	0	0	0
18	921		13,868	12,434	1,425	0	1	8	0	0	0
19	931		0	0	0	0	0	0	0	0	0
20	935		<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>
21			1,533,779	1,375,155	157,656	16	62	889	0	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	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	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	17,975,026	13,279,840	3,003,248	3,271	21,011	1,667,653	0	0
8	ADMINISTRATIVE & GENERAL									
9	920	SALARIES	2,963,302	2,160,328	511,198	611	3,580	287,585	0	0
10	921	OFFICE SUPPLIES & EXPENSES	894,098	651,822	154,241	184	1,081	86,771	0	0
11	922	ADMIN. EXPENSES TRANSFERED	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	7,869,789	5,737,294	1,357,612	1,622	9,510	763,751	0	0
13	924	PROPERTY INSURANCE	81,748	59,597	14,102	18	99	7,933	0	0
14	925	INJURIES AND DAMAGES	1,043,923	717,718	223,757	225	1,634	100,589	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	3,351,467	2,304,198	718,362	722	5,248	322,939	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS	0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	197,762	144,174	34,116	41	239	19,193	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	176,188	128,447	30,394	36	213	17,098	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	(62,123)	(45,290)	(10,717)	(12)	(75)	(6,029)	0	0
21	931	RENTS	642,175	468,163	110,781	133	776	62,322	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	130	95	22	0	0	12	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>188,907</u>	<u>44,701</u>	<u>53</u>	<u>313</u>	<u>25,148</u>	<u>0</u>	<u>0</u>
25		TOTAL ADMIN & GENERAL - M & E	<u>17,417,580</u>	<u>12,515,453</u>	<u>3,188,569</u>	<u>3,633</u>	<u>22,618</u>	<u>1,687,312</u>	<u>0</u>	<u>0</u>
26		TOTAL O & M EXPENSE - M & E	35,736,302	26,016,187	6,314,184	7,302	43,629	3,355,002	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	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	3,679,656	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	8,181,638	5,516,134	1,623,304	2,043	9,823	1,030,332	0	0
13		DISTRIBUTION - O&M MAINT.	PAGE 17	3,402,101	2,063,011	693,575	1,153	10,911	633,450	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>17,417,580</u>	<u>12,515,453</u>	<u>3,188,569</u>	<u>3,633</u>	<u>22,618</u>	<u>1,687,312</u>	<u>0</u>	<u>0</u>
18		TOTAL M & E EXPENSE		<u>35,736,302</u>	<u>26,016,187</u>	<u>6,314,184</u>	<u>7,302</u>	<u>43,629</u>	<u>3,355,002</u>	<u>0</u>	<u>0</u>
19		TOTAL O & M EXPENSES		45,095,029	32,574,135	8,318,222	9,125	59,720	4,133,824	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	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	(1,389,879)	6,974,960	9,614	395,598	(609,767)	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		6,688,725	4,294,449	1,515,763	2,583	12,814	863,118	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>3,539,611</u>	<u>1,705,950</u>	<u>3,543</u>	<u>23,525</u>	<u>1,341,204</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(1,233,308)	(4,929,490)	5,269,010	6,071	372,073	(1,950,971)	0	0
10		STATE INCOME TAX @ 6.00%		(73,998)	(295,768)	316,139	364	22,324	(117,058)	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)	(295,768)	316,139	364	22,324	(117,058)	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)	(307,226)	312,910	359	22,293	(119,342)	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>61,069,704</u>	<u>19,710,325</u>	<u>38,467</u>	<u>86,137</u>	<u>6,397,009</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		5,380,520	(1,389,879)	6,974,960	9,614	395,598	(609,767)	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		6,688,725	4,294,449	1,515,763	2,583	12,814	863,118	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>(295,768)</u>	<u>316,139</u>	<u>364</u>	<u>22,324</u>	<u>(117,058)</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		6,539,830	3,243,843	2,022,089	3,907	45,849	1,224,146	0	0
12		TAXABLE INCOME		(1,159,310)	(4,633,723)	4,952,871	5,707	349,749	(1,833,913)	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(1,575,466)	1,683,976	1,940	118,915	(623,531)	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)	(1,575,466)	1,683,976	1,940	118,915	(623,531)	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)	(1,636,293)	1,666,831	1,917	118,753	(635,659)	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	4,071,767	1,039,778	1,141	7,465	516,728	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	342,291	80,997	97	568	45,565	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	162,668,511	57,415,257	97,824	485,360	32,693,845	0	0
		REFERENCES: [1] PAGE 6, [2] PAGE 8,									
		[3] TOTAL O & M EXPENSE		66,570,979	46,381,230	15,962,069	34,134	59,720	4,133,824	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	32,574,135	8,318,222	9,125	59,720	4,133,824	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 GEN-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	45,398,449	29,819,555	17,464,163
2		PROPOSED INCREASE		<u>25,408,373</u>	<u>15,839,740</u>	<u>2,997,594</u>	<u>6,571,039</u>
3		TOTAL PROPOSED REVENUES		118,090,539	61,238,189	32,817,149	24,035,201
4		COST OF GAS		21,475,950	0	21,475,950	0
5		OPERATING & MAINTENANCE EXPENSE		45,377,934	32,650,592	4,873,354	7,853,989
6		DEPRECIATION & AMORTIZATION		15,939,787	11,354,490	1,696,059	2,889,238
7		FEDERAL INCOME TAX		7,781,828	4,197,390	839,380	2,745,059
8		KENTUCKY STATE INCOME TAX		1,416,521	760,318	152,341	503,862
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	51,977,118	29,698,207	15,107,577
11		OPERATING INCOME		21,307,639	9,261,071	3,118,942	8,927,624
12		INTEREST EXPENSE		<u>6,688,725</u>	<u>3,100,705</u>	<u>919,747</u>	<u>2,668,272</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		14,618,914	6,160,366	2,199,195	6,259,352
14		RATE BASE		253,360,781	117,450,953	34,838,908	101,070,924
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	7.89%	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	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		TOTAL REVENUES		118,090,544	62,258,641	32,504,353	23,327,553
2		COST OF GAS		21,475,950	0	21,475,950	0
3		OPERATING & MAINTENANCE EXPENSE		45,377,934	32,661,954	4,869,872	7,846,109
4		DEPRECIATION & AMORTIZATION		15,939,787	11,354,490	1,696,059	2,889,238
5		FEDERAL INCOME TAX		7,781,830	4,529,380	737,615	2,514,835
6		KENTUCKY STATE INCOME TAX		1,416,521	820,863	133,782	461,876
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	52,381,015	29,574,401	14,827,487
9		OPERATING INCOME		21,307,642	9,877,625	2,929,952	8,500,066
10		INTEREST EXPENSE		<u>6,688,725</u>	<u>3,100,705</u>	<u>919,747</u>	<u>2,668,272</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		14,618,917	6,776,920	2,010,205	5,831,794
12		RATE BASE		253,360,781	117,450,953	34,838,908	101,070,924
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	16,860,192	2,684,798	5,863,390
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		234,603	155,675	24,790	54,138
4	LESS: PSC FEES @ 0.00190100		<u>48,301</u>	<u>32,051</u>	<u>5,104</u>	<u>11,146</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		25,125,474	16,672,466	2,654,904	5,798,106
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,507,528</u>	<u>1,000,348</u>	<u>159,294</u>	<u>347,886</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		23,617,946	15,672,118	2,495,610	5,450,220
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>8,266,281</u>	<u>5,485,241</u>	<u>873,463</u>	<u>1,907,577</u>
9	OPERATING INCOME		15,351,665	10,186,877	1,622,147	3,542,643

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		TOTAL REVENUES [1]		92,682,167	45,398,449	29,819,555	17,464,163
2		COST OF GAS		21,475,950	0	21,475,950	0
3		OPERATING & MAINTENANCE EXPENSE [2]		45,095,030	32,474,228	4,839,978	7,780,825
4		DEPRECIATION & AMORTIZATION [3]		15,939,787	11,354,490	1,696,059	2,889,238
5		FEDERAL INCOME TAX [4]		(484,451)	(955,861)	(135,848)	607,258
6		KENTUCKY STATE INCOME TAX [5]		(91,007)	(179,485)	(25,512)	113,990
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	45,707,700	28,511,750	12,506,740
9		OPERATING INCOME		5,955,978	(309,251)	1,307,805	4,957,423
10		INTEREST EXPENSE [7]		<u>6,688,725</u>	<u>3,100,705</u>	<u>919,747</u>	<u>2,668,272</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(732,747)	(3,409,956)	388,058	2,289,151
12		RATE BASE [8]		253,360,781	117,450,953	34,838,908	101,070,924
13		RATE OF RETURN EARNED ON RATE BASE		2.35%	-0.26%	3.75%	4.90%
14		UNITIZED RETURN		1.00	(0.11)	1.60	2.09

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

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

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	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

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CLASSIFICATION
 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 33 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	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

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

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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	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	<u>4,248</u>	<u>2,578</u>	<u>618</u>	<u>1,052</u>
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	<u>19,604</u>	<u>11,899</u>	<u>2,850</u>	<u>4,855</u>
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	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING REVENUE					
2	480.00	RESIDENTIAL SALES	22	49,696,061	22,747,863	18,048,453	8,899,746
3	481.10	COMMERCIAL SALES	22	18,520,317	7,236,911	8,452,078	2,831,328
4	481.20	INDUSTRIAL SALES	22	<u>1,458,726</u>	<u>565,779</u>	<u>671,596</u>	<u>221,351</u>
5		TOTAL SALES REVENUE		69,675,105	30,550,553	27,172,126	11,952,425
6	487.00	FORFEITED DISCOUNTS	22	476,000	301,708	70,271	104,021
7	488.00	MISC. SERVICE REVENUE	6	137,000	137,000	0	0
8	489.00	REVENUE FROM TRANSPORTATION	22	21,807,062	13,822,188	2,577,158	5,407,716
9	495.00	OTHER	6	<u>587,000</u>	<u>587,000</u>	<u>0</u>	<u>0</u>
10		TOTAL OTHER GAS DEPT REVENUE		<u>23,007,062</u>	<u>14,847,896</u>	<u>2,647,429</u>	<u>5,511,737</u>
11		TOTAL OPERATING REVENUE		92,682,167	45,398,449	29,819,555	17,464,163

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 GEN-3
 PAGE 39 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	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

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

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	454,082	122,787	206,601
3	871	DISTRIBUTION LOAD DISPATCH	4	17,885	0	17,885	0
4	874	MAINS & SERVICES	14AVG	4,797,660	2,740,110	761,069	1,296,481
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	702,151	189,866	319,470
10	881	RENTS	11AVG	<u>82,157</u>	<u>47,616</u>	<u>12,876</u>	<u>21,665</u>
11		TOTAL OPERATION		8,181,638	5,152,929	1,134,078	1,894,632
12		MAINTENANCE					
13	885	SUPERVISION & ENGINEERING	11AVG	2,571	1,490	403	678
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>115,668</u>	<u>31,277</u>	<u>52,627</u>
21		TOTAL MAINTENANCE		3,402,101	1,560,753	681,343	1,160,005

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 GEN-3
 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
 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

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		17,975,026	13,104,969	1,815,421	3,054,637
8		ADMINISTRATIVE & GENERAL					
9	920	SALARIES	13AVG	2,963,302	2,069,785	311,121	582,396
10	921	OFFICE SUPPLIES & EXPENSES	13AVG	894,098	624,503	93,873	175,723
11	922	ADMIN. EXPENSES TRANSFERED	13AVG	0	0	0	0
12	923	OUTSIDE SERVICES	13AVG	7,869,789	5,496,831	826,260	1,546,698
13	924	PROPERTY INSURANCE	13AVG	81,748	57,099	8,583	16,066
14	925	INJURIES AND DAMAGES	13AVG	1,043,923	729,152	109,603	205,169
15	926	EMPLOYEE PENSIONS & BENEFITS	13AVG	3,351,467	2,340,907	351,875	658,684
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS	13AVG	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13AVG	197,762	138,131	20,763	38,867
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13AVG	176,189	123,063	18,498	34,627
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13AVG	0	0	0	0
20	930.20	MISC. - GENERAL	13AVG	(62,123)	(43,391)	(6,522)	(12,209)
21	931	RENTS	13AVG	642,175	448,542	67,423	126,211
22	935.13	MAINT. STRUCTURES & IMPROV.	13AVG	130	91	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>180,989</u>	<u>27,205</u>	<u>50,927</u>
25		TOTAL ADMIN & GENERAL - M & E		<u>17,417,581</u>	<u>12,165,702</u>	<u>1,828,696</u>	<u>3,423,185</u>
26		TOTAL O & M EXPENSE - M & E		35,736,303	25,270,671	3,985,674	6,479,961

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION	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	8,181,638	5,152,929	1,134,078	1,894,632
13		DISTRIBUTION - O&M MAINT.	PAGE 17	3,402,101	1,560,753	681,343	1,160,005
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>17,417,581</u>	<u>12,165,702</u>	<u>1,828,696</u>	<u>3,423,185</u>
18		TOTAL M & E EXPENSE		<u>35,736,303</u>	<u>25,270,671</u>	<u>3,985,674</u>	<u>6,479,961</u>
19		TOTAL O & M EXPENSES		45,095,030	32,474,228	4,839,978	7,780,825

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	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		5,380,519	(1,444,597)	1,146,445	5,678,671
2		LESS: RECONCILING ITEMS:					
3		IMPUTED INTEREST		6,688,725	3,100,705	919,747	2,668,272
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>1,374,745</u>	<u>1,530,430</u>	<u>3,708,651</u>
9		TAXABLE INCOME		(1,233,309)	(2,819,342)	(383,985)	1,970,020
10		STATE INCOME TAX @ 6.00%		(73,999)	(169,162)	(23,039)	118,202
11		PLUS: FOREIGN TAX PAYMENTS	19AVG	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		KENTUCKY STATE INCOME TAX - CURRENT		(73,999)	(169,162)	(23,039)	118,202

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		(91,007)	(179,485)	(25,512)	113,990

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING REVENUE		92,682,167	45,398,449	29,819,555	17,464,163
2		LESS: EXPENSES OTHER THAN FIT		<u>87,301,647</u>	<u>46,843,046</u>	<u>28,673,110</u>	<u>11,785,492</u>
3		OPERATING INCOME BEFORE TAXES		5,380,519	(1,444,597)	1,146,445	5,678,671
4		LESS: RECONCILING ITEMS:					
5		IMPUTED INTEREST		6,688,725	3,100,705	919,747	2,668,272
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>(73,999)</u>	<u>(169,162)</u>	<u>(23,039)</u>	<u>118,202</u>
11		TOTAL RECONCILING ITEMS		6,539,829	1,205,583	1,507,391	3,826,853
12		TAXABLE INCOME		(1,159,310)	(2,650,180)	(360,946)	1,851,818
13		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(901,061)	(122,722)	629,618
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)	(901,061)	(122,722)	629,618

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		(54,526)	(33,095)	(7,927)	(13,504)
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)	(955,861)	(135,848)	607,258

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	4,059,279	604,997	972,603
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	327,945	49,295	92,277
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	117,450,953	34,838,908	101,070,924
		REFERENCES: [1] PAGE 31, [2] PAGE 33,					
		[3] TOTAL O & M EXPENSE		66,570,980	32,474,228	26,315,928	7,780,825
		LESS: COST OF GAS		<u>21,475,950</u>	<u>0</u>	<u>21,475,950</u>	<u>0</u>
		O & M EXCL. GAS COST		45,095,030	32,474,228	4,839,978	7,780,825

COLUMBIA GAS OF KENTUCKY, INC.

CLASSIFICATION FACTORS

CLASSIFICATION
FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(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%	78.028%	0.192%	21.780%
16	OTHER DIST. EXP EXCL - M & E - D/C	11DC	100.000%	37.888%	31.152%	30.960%
17	OTHER DIST. EXP EXCL - M & E - AVG	11AVG	100.000%	57.958%	15.672%	26.370%
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%	83.292%	0.129%	16.579%
22	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - D/C	13DC	100.000%	56.402%	20.869%	22.728%
23	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - AVG	13AVG	100.000%	69.847%	10.499%	19.654%
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%

63.384%

11.818%

24.798%

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		45,398,446	29,313,652	12,096,475	14,627	305,353	3,668,339	0	0	
2	PROPOSED INCREASE		<u>15,839,743</u>	<u>10,202,853</u>	<u>4,299,919</u>	<u>5,160</u>	<u>(9)</u>	<u>1,331,820</u>	<u>0</u>	<u>0</u>	
3	TOTAL PROPOSED REVENUES		61,238,189	39,516,505	16,396,394	19,787	305,344	5,000,159	0	0	
4	COST OF GAS		0	0	0	0	0	0	0	0	
5	OPERATING & MAINTENANCE EXPENSE		32,650,592	25,567,624	5,560,511	3,573	59,122	1,459,762	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		4,197,391	792,181	2,605,404	4,395	63,397	732,014	0	0	
8	KENTUCKY STATE INCOME TAX		760,317	130,885	481,617	815	11,901	135,098	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		51,977,122	37,593,995	11,023,627	10,510	159,632	3,189,357	0	0	
11	OPERATING INCOME		9,261,067	1,922,510	5,372,767	9,277	145,712	1,810,802	0	0	
12	INTEREST EXPENSE		<u>3,100,706</u>	<u>2,221,375</u>	<u>568,871</u>	<u>581</u>	<u>12,144</u>	<u>297,735</u>	<u>0</u>	<u>0</u>	
13	INCOME AVAILABLE FOR COMMON EQUITY		6,160,361	(298,865)	4,803,896	8,696	133,568	1,513,067	0	0	
14	RATE BASE		117,450,953	84,142,977	21,548,139	22,004	459,994	11,277,857	0	0	
15	RATE OF RETURN AUTHORIZED ON RATE BASE		7.89%	2.28%	24.93%	42.16%	31.68%	16.06%	0.00%	0.00%	
16	UNITIZED RETURN		1.00	0.27	2.96	5.01	3.77	1.91	0.00	0.00	

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		62,258,641	48,046,693	10,503,333	7,498	128,206	3,572,919	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		32,661,953	25,662,602	5,494,895	3,436	57,149	1,443,871	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		4,529,384	3,567,365	688,174	397	5,768	267,680	0	0
6		KENTUCKY STATE INCOME TAX		820,865	636,998	131,970	86	1,392	50,418	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		52,381,021	40,970,270	8,691,134	5,646	89,521	2,624,452	0	0
9		OPERATING INCOME		9,877,620	7,076,423	1,812,198	1,851	38,685	948,468	0	0
10		INTEREST EXPENSE		<u>3,100,706</u>	<u>2,221,375</u>	<u>568,871</u>	<u>581</u>	<u>12,144</u>	<u>297,735</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		6,776,914	4,855,048	1,243,327	1,270	26,541	650,733	0	0
12		RATE BASE		117,450,953	84,142,977	21,548,139	22,004	459,994	11,277,857	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]		38.15	32.84	62.62	312.40	1,780.64	3,768.90	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 GEN-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		16,860,192	18,733,041	(1,593,142)	(7,129)	(177,147)	(95,420)	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		155,675	172,968	(14,710)	(66)	(1,636)	(881)	0	0
4	LESS: PSC FEES @ 0.00190100		<u>32,051</u>	<u>35,612</u>	<u>(3,029)</u>	<u>(14)</u>	<u>(337)</u>	<u>(181)</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		16,672,466	18,524,461	(1,575,403)	(7,049)	(175,174)	(94,358)	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,000,348</u>	<u>1,111,468</u>	<u>(94,524)</u>	<u>(423)</u>	<u>(10,510)</u>	<u>(5,661)</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		15,672,118	17,412,993	(1,480,879)	(6,626)	(164,664)	(88,697)	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>5,485,245</u>	<u>6,094,548</u>	<u>(518,308)</u>	<u>(2,319)</u>	<u>(57,632)</u>	<u>(31,044)</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		10,186,873	11,318,445	(962,571)	(4,307)	(107,032)	(57,653)	0	0

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 [1]		45,398,449	29,313,652	12,096,475	14,627	305,353	3,668,339	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		32,474,228	25,454,022	5,512,634	3,516	59,122	1,444,933	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]		(955,861)	(2,527,183)	1,206,482	2,716	63,400	298,724	0	0
6		KENTUCKY STATE INCOME TAX [5]		(179,485)	(474,470)	226,494	509	11,902	56,079	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		45,707,700	33,555,674	9,321,705	8,468	159,636	2,662,219	0	0
9		OPERATING INCOME		(309,251)	(4,242,022)	2,774,770	6,159	145,717	1,006,120	0	0
10		INTEREST EXPENSE [7]		<u>3,100,705</u>	<u>2,221,375</u>	<u>568,871</u>	<u>581</u>	<u>12,144</u>	<u>297,735</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(3,409,956)	(6,463,397)	2,205,899	5,578	133,573	708,385	0	0
12		RATE BASE [8]		117,450,953	84,142,977	21,548,139	22,004	459,994	11,277,857	0	0
13		RATE OF RETURN EARNED ON RATE BASE		-0.26%	-5.04%	12.88%	27.99%	31.68%	8.92%	0.00%	0.00%
14		UNITIZED RETURN		1.00	19.38	(49.54)	(107.65)	(121.85)	(34.31)	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 GEN-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

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		INTANGIBLE PLANT									
2	301.00	ORGANIZATION	7CUST	0	0	0	0	0	0	0	0
3	303.00	MISC. INTANGIBLE PLANT	7CUST	29,804	22,202	5,163	5	84	2,350	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>2,078,554</u>	<u>1,548,377</u>	<u>360,089</u>	<u>333</u>	<u>5,841</u>	<u>163,915</u>	<u>0</u>	<u>0</u>
7		TOTAL INTANGIBLE PLANT		2,108,358	1,570,579	365,252	338	5,925	166,265	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	0	0	0	0	0	0	0	0
15	374.20	LAND - OTHER DISTRIBUTION	20	(170)	(96)	(37)	0	0	(37)	0	0
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION	20	59,845	33,745	12,909	25	0	13,166	0	0
17	374.50	RIGHTS OF WAY	20	305,545	172,291	65,906	125	0	67,223	0	0
18	375.20	CITY GATE - MEAS & REG STRUCTURES	20	669	377	144	0	0	147	0	0
19	375.30	STRUC & IMPROV-GENERAL M&R	20	(25)	(14)	(5)	0	0	(6)	0	0
20	375.40	STRUC & IMPROV-REGULATING	20	161,370	90,993	34,808	66	0	35,503	0	0
21	375.40	DIRECT STRUC & IMPROV-REGULATING		981	0	0	0	981	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	2,045,256	1,523,573	354,320	327	5,747	161,289	0	0
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7CUST	120,918	90,075	20,948	19	340	9,536	0	0
25	375.80	STRUC & IMPROV-COMMUNICATION	20	0	0	0	0	0	0	0	0
26	376.00	MAINS	20	19,064,249	10,749,949	4,112,159	7,816	0	4,194,325	0	0
27	376.00	DIRECT MAINS		2,821	0	0	0	2,821	0	0	0
28	378.10	M & R GENERAL	20	120,598	68,003	26,013	49	0	26,533	0	0
29	378.20	M & R GENERAL - REGULATING	20	1,119,359	631,184	241,446	459	0	246,270	0	0
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES	20	11,874	6,696	2,561	5	0	2,612	0	0
31	379.10	STA EQUIP - CITY	20	86,778	48,932	18,718	36	0	19,092	0	0
32	380.00	SERVICES	15	61,085,053	53,894,121	6,974,691	611	0	215,630	0	0

33 380.00 DIRECT SERVICES

0 0 0 0 0 0 0 0 0

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	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 INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION EXPENSE ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT GEN-3
 PAGE 60 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)
				\$	\$	\$	\$	\$	\$	\$	\$
INTANGIBLE PLANT											
1	301.00	ORGANIZATION	7CUST	0	0	0	0	0	0	0	0
2	303.00	MISC. INTANGIBLE PLANT	7CUST	1,504	1,120	261	0	4	119	0	0
3	303.10	DIS SOFTWARE	7CUST	0	0	0	0	0	0	0	0
4	303.20	FARA SOFTWARE	7CUST	0	0	0	0	0	0	0	0
5	303.30	OTHER SOFTWARE	7CUST	<u>771,820</u>	<u>574,952</u>	<u>133,710</u>	<u>123</u>	<u>2,169</u>	<u>60,866</u>	<u>0</u>	<u>0</u>
6		TOTAL INTANGIBLE PLANT		773,324	576,072	133,971	123	2,173	60,985	0	0
7 PRODUCTION PLANT											
8	304.10	LAND	2	0	0	0	0	0	0	0	0
9	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0	0	0	0	0
10	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>
11		TOTAL PRODUCTION PLANT		0	0	0	0	0	0	0	0
12 DISTRIBUTION PLANT											
13	374.10	LAND - CITY GATE & M/L IND M&R	20	0	0	0	0	0	0	0	0
14	374.20	LAND - OTHER DISTRIBUTION	20	0	0	0	0	0	0	0	0
15	374.40	LAND RIGHTS - OTHER DISTRIBUTION	20	3,730	2,103	805	2	0	821	0	0
16	374.50	RIGHTS OF WAY	20	11,414	6,436	2,462	5	0	2,511	0	0
17	375.20	CITY GATE - MEAS & REG STRUCTURES	20	23	13	5	0	0	5	0	0
18	375.30	STRUC & IMPROV-GENERAL M&R	20	0	0	0	0	0	0	0	0
19	375.40	STRUC & IMPROV-REGULATING	20	22,652	12,773	4,886	9	0	4,984	0	0
20	375.40	DIRECT STRUC & IMPROV-REGULATING		241	0	0	0	241	0	0	0
21	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0	0	0	0	0
22	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7CUST	112,730	83,976	19,529	18	317	8,890	0	0
23	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7CUST	20,059	14,943	3,475	3	56	1,582	0	0
24	375.80	STRUC & IMPROV-COMMUNICATION	20	0	0	0	0	0	0	0	0
25	376.00	MAINS	20	1,649,023	929,851	355,694	676	0	362,802	0	0
26	376.00	DIRECT MAINS		49	0	0	0	49	0	0	0
27	378.10	M & R GENERAL	20	5,581	3,147	1,204	2	0	1,228	0	0
28	378.20	M & R GENERAL - REGULATING	20	98,663	55,634	21,282	40	0	21,707	0	0
29	378.30	M & R EQUIP - LOCAL GAS PURCHASES	20	490	276	106	0	0	108	0	0
30	379.10	STA EQUIP - CITY	20	0	0	0	0	0	0	0	0
31	380.00	SERVICES	15	6,496,995	5,732,169	741,827	65	0	22,934	0	0

32 380.00 DIRECT SERVICES

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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 GEN-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	<u>2,578</u>	<u>1,920</u>	<u>447</u>	<u>0</u>	<u>7</u>	<u>203</u>	<u>0</u>	<u>0</u>
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	<u>11,899</u>	<u>8,864</u>	<u>2,061</u>	<u>2</u>	<u>33</u>	<u>938</u>	<u>0</u>	<u>0</u>
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 GEN-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	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		22,747,863	22,747,863	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		7,236,911	0	7,236,911	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		<u>565,779</u>	<u>0</u>	<u>551,317</u>	<u>14,462</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5		TOTAL SALES REVENUE		30,550,553	22,747,863	7,788,228	14,462	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		301,708	193,658	87,322	158	1,581	18,989	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		13,822,188	5,723,008	4,146,505	0	303,744	3,648,931	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>14,847,896</u>	<u>6,565,789</u>	<u>4,308,247</u>	<u>165</u>	<u>305,353</u>	<u>3,668,339</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATING REVENUE		45,398,449	29,313,652	12,096,475	14,627	305,353	3,668,339	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 GEN-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 GEN-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	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	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

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		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		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		1,233,562	918,473	263,180	160	2,739	49,010	0	0
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 GEN-3
 PAGE 67 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)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1											
2	870	SUPERVISION & ENGINEERING	11CUST	454,082	327,239	85,617	82	1,385	39,759	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14CUST	2,740,110	2,103,363	413,017	411	55	223,264	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	702,151	506,012	132,391	126	2,142	61,480	0	0
10	881	RENTS	11CUST	<u>47,616</u>	<u>34,315</u>	<u>8,978</u>	<u>9</u>	<u>145</u>	<u>4,169</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		5,152,929	3,813,421	969,477	799	9,673	359,558	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11CUST	1,490	1,074	281	0	5	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>115,668</u>	<u>83,357</u>	<u>21,809</u>	<u>21</u>	<u>353</u>	<u>10,128</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		1,560,753	1,024,857	296,405	397	10,818	228,275	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 GEN-3
 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
 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

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		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		13,104,969	10,538,973	1,952,251	1,271	20,768	591,704	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13CUST	2,069,785	1,653,344	311,420	207	3,539	101,275	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13CUST	624,503	498,853	93,963	62	1,068	30,557	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13CUST	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13CUST	5,496,831	4,390,869	827,053	550	9,400	268,960	0	0
13	924	PROPERTY INSURANCE	13CUST	57,099	45,611	8,591	6	98	2,794	0	0
14	925	INJURIES AND DAMAGES	12CUST	729,152	542,905	155,565	95	1,619	28,969	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12CUST	2,340,907	1,742,969	499,433	304	5,197	93,004	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13CUST	138,131	110,339	20,783	14	236	6,759	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13CUST	123,063	98,303	18,516	12	210	6,021	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13CUST	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13CUST	(43,391)	(34,661)	(6,529)	(4)	(74)	(2,123)	0	0
21	931	RENTS	13CUST	448,542	358,295	67,488	45	767	21,947	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	13CUST	91	73	14	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>180,989</u>	<u>144,574</u>	<u>27,232</u>	<u>18</u>	<u>309</u>	<u>8,856</u>	<u>0</u>	<u>0</u>
26		TOTAL ADMIN & GENERAL - M & E		<u>12,165,702</u>	<u>9,551,474</u>	<u>2,023,529</u>	<u>1,309</u>	<u>22,369</u>	<u>567,023</u>	<u>0</u>	<u>0</u>
27		TOTAL O & M EXPENSE - M & E		25,270,671	20,090,447	3,975,780	2,580	43,137	1,158,727	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 GEN-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	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	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	5,152,929	3,813,421	969,477	799	9,673	359,558	0	0
13		DISTRIBUTION - O&M MAINT.	PAGE 17	1,560,753	1,024,857	296,405	397	10,818	228,275	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>12,165,702</u>	<u>9,551,474</u>	<u>2,023,529</u>	<u>1,309</u>	<u>22,369</u>	<u>567,023</u>	<u>0</u>	<u>0</u>
18		TOTAL M & E EXPENSE		<u>25,270,671</u>	<u>20,090,447</u>	<u>3,975,780</u>	<u>2,580</u>	<u>43,137</u>	<u>1,158,727</u>	<u>0</u>	<u>0</u>
19		TOTAL O & M EXPENSES		32,474,228	25,454,022	5,512,634	3,516	59,122	1,444,933	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 GEN-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	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		(1,444,597)	(7,243,675)	4,207,746	9,384	221,019	1,360,923	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		3,100,705	2,221,375	568,871	581	12,144	297,735	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>1,374,745</u>	<u>535,934</u>	<u>403,066</u>	<u>861</u>	<u>22,165</u>	<u>412,717</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(2,819,342)	(7,779,609)	3,804,680	8,523	198,854	948,206	0	0
10		STATE INCOME TAX @ 6.00%		(169,162)	(466,780)	228,282	511	11,931	56,893	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		(169,162)	(466,780)	228,282	511	11,931	56,893	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 GEN-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	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	<u>(10,323)</u>	<u>(7,690)</u>	<u>(1,788)</u>	<u>(2)</u>	<u>(29)</u>	<u>(814)</u>	<u>0</u>	<u>0</u>
4		TOTAL DEFERRED INCOME TAX		(10,323)	(7,690)	(1,788)	(2)	(29)	(814)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(179,485)	(474,470)	226,494	509	11,902	56,079	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		45,398,449	29,313,652	12,096,475	14,627	305,353	3,668,339	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>46,843,046</u>	<u>36,557,327</u>	<u>7,888,729</u>	<u>5,243</u>	<u>84,334</u>	<u>2,307,416</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		(1,444,597)	(7,243,675)	4,207,746	9,384	221,019	1,360,923	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		3,100,705	2,221,375	568,871	581	12,144	297,735	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>(169,162)</u>	<u>(466,780)</u>	<u>228,282</u>	<u>511</u>	<u>11,931</u>	<u>56,893</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		1,205,583	69,154	631,348	1,372	34,096	469,610	0	0
12		TAXABLE INCOME		(2,650,180)	(7,312,829)	3,576,398	8,012	186,923	891,313	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(901,061)	(2,486,361)	1,215,975	2,724	63,554	303,046	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%		(901,061)	(2,486,361)	1,215,975	2,724	63,554	303,046	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 GEN-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		(955,861)	(2,527,183)	1,206,482	2,716	63,400	298,724	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 GEN-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	NOT USED
	(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]		4,059,279	3,181,753	689,079	440	7,390	180,617	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	327,945	261,962	49,343	33	561	16,046	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		117,450,953	84,142,977	21,548,139	22,004	459,994	11,277,857	0	0
		REFERENCES: [1] PAGE 57, [2] PAGE 59,									
		[3] TOTAL O & M EXPENSE		32,474,228	25,454,022	5,512,634	3,516	59,122	1,444,933	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		32,474,228	25,454,022	5,512,634	3,516	59,122	1,444,933	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ALLOCATION FACTORS

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%	72.066%	18.855%	0.018%	0.305%	8.756%	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%	79.880%	15.046%	0.010%	0.171%	4.893%	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%

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		29,819,555	19,151,621	9,903,251	27,705	56,633	680,346	0	0
2		PROPOSED INCREASE		<u>2,997,594</u>	<u>1,946,646</u>	<u>797,718</u>	<u>993</u>	<u>298</u>	<u>251,939</u>	<u>0</u>	<u>0</u>
3		TOTAL PROPOSED REVENUES		32,817,149	21,098,267	10,700,969	28,698	56,931	932,285	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		4,873,353	2,754,398	1,135,606	2,428	212	980,709	0	0
6		DEPRECIATION & AMORTIZATION		1,696,054	956,201	365,777	694	298	373,084	0	0
7		FEDERAL INCOME TAX		839,380	760,667	350,614	(103)	17,824	(289,622)	0	0
8		KENTUCKY STATE INCOME TAX		152,341	139,401	64,429	(21)	3,346	(54,814)	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		29,698,201	18,789,015	9,703,009	28,279	21,827	1,156,071	0	0
11		OPERATING INCOME		3,118,948	2,309,252	997,960	419	35,104	(223,786)	0	0
12		INTEREST EXPENSE		<u>919,747</u>	<u>518,514</u>	<u>198,638</u>	<u>378</u>	<u>248</u>	<u>201,969</u>	<u>0</u>	<u>0</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		2,199,201	1,790,738	799,322	41	34,856	(425,755)	0	0
14		RATE BASE		34,838,908	19,640,679	7,524,167	14,337	9,381	7,650,344	0	0
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.95%	11.76%	13.26%	2.92%	374.21%	-2.93%	0.00%	0.00%
16		UNITIZED RETURN		1.00	1.40	1.58	0.35	44.50	(0.35)	0.00	0.00

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)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		32,504,353	20,010,093	10,096,568	30,000	136	2,367,546	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		4,869,869	2,742,282	1,128,876	2,442	(420)	996,689	0	0	
4	DEPRECIATION & AMORTIZATION		1,696,059	956,201	365,777	694	298	373,084	0	0	
5	FEDERAL INCOME TAX		737,612	406,643	153,980	321	(654)	177,322	0	0	
6	KENTUCKY STATE INCOME TAX		133,782	74,838	28,569	56	(24)	30,343	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		29,574,395	18,358,312	9,463,785	28,794	(653)	1,724,152	0	0	
9	OPERATING INCOME		2,929,958	1,651,781	632,782	1,207	789	643,394	0	0	
10	INTEREST EXPENSE		<u>919,747</u>	<u>518,514</u>	<u>198,638</u>	<u>378</u>	<u>248</u>	<u>201,969</u>	<u>0</u>	<u>0</u>	
11	INCOME AVAILABLE FOR COMMON EQUITY		2,010,211	1,133,267	434,144	829	541	441,425	0	0	
12	RATE BASE		34,838,908	19,640,679	7,524,167	14,337	9,381	7,650,344	0	0	
13	RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.42%	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 GEN-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		2,684,798	858,473	193,317	2,296	(56,497)	1,687,200	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		24,789	7,927	1,785	21	(522)	15,578	0	0
4	LESS: PSC FEES @ 0.00190100		<u>5,103</u>	<u>1,632</u>	<u>367</u>	<u>4</u>	<u>(107)</u>	<u>3,207</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		2,654,906	848,914	191,165	2,271	(55,868)	1,668,415	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>159,294</u>	<u>50,935</u>	<u>11,470</u>	<u>136</u>	<u>(3,352)</u>	<u>100,105</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		2,495,612	797,979	179,695	2,135	(52,516)	1,568,310	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>873,460</u>	<u>279,292</u>	<u>62,893</u>	<u>747</u>	<u>(18,381)</u>	<u>548,909</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		1,622,152	518,687	116,802	1,388	(34,135)	1,019,401	0	0

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)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES [1]		29,819,555	19,151,621	9,903,251	27,705	56,633	680,346	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]		4,839,978	2,732,723	1,126,724	2,417	209	977,904	0	0	
4	DEPRECIATION & AMORTIZATION [3]		1,696,059	956,201	365,777	694	298	373,084	0	0	
5	FEDERAL INCOME TAX [4]		(135,848)	127,351	91,087	(426)	17,727	(371,587)	0	0	
6	KENTUCKY STATE INCOME TAX [5]		(25,512)	23,903	17,099	(80)	3,328	(69,762)	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		28,511,750	18,018,526	9,387,270	27,886	21,709	1,056,353	0	0	
9	OPERATING INCOME		1,307,805	1,133,095	515,981	(181)	34,924	(376,007)	0	0	
10	INTEREST EXPENSE [7]		<u>919,747</u>	<u>518,514</u>	<u>198,638</u>	<u>378</u>	<u>248</u>	<u>201,969</u>	<u>0</u>	<u>0</u>	
11	INCOME AVAILABLE FOR COMMON EQUITY		388,058	614,581	317,343	(559)	34,676	(577,976)	0	0	
12	RATE BASE [8]		34,838,908	19,640,679	7,524,167	14,337	9,381	7,650,344	0	0	
13	RATE OF RETURN EARNED ON RATE BASE		3.75%	5.77%	6.86%	-1.26%	372.29%	-4.91%	0.00%	0.00%	
14	UNITIZED RETURN		1.00	1.54	1.83	(0.34)	99.28	(1.31)	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

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	0
2	381.00	METERS	16	0	0	0	0	0	0	0	0	0
3	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0	0
4	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0	0
5	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0	0
6	385.00	IND M&R EQUIPMENT	17	0	0	0	0	0	0	0	0	0
7	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0	0
8	387.20	ODORIZATION	7COMM	0	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	0
10	387.42	RADIO	7COMM	115,606	65,172	24,930	47	28	25,429	0	0	0
11	387.44	OTHER COMMUNICATION	7COMM	19,422	10,949	4,188	8	5	4,272	0	0	0
12	387.45	TELEMETERING	7COMM	549,485	309,767	118,496	225	132	120,865	0	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>	<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	0
15		GENERAL PLANT										
16	391.10	OFF FURN & EQUIP - UNSPEC	7COMM	106,896	60,262	23,052	44	26	23,513	0	0	0
17	391.11	OFF FURN & EQUIP - DATA HAND	7COMM	2,736	1,542	590	1	1	602	0	0	0
18	391.12	OFF FURN & EQUIP - INFO SYSTEM	7COMM	182,839	103,074	39,429	75	44	40,217	0	0	0
19	392.20	TR EQ - TRAILER > \$1,000	7COMM	13,924	7,850	3,003	6	3	3,063	0	0	0
20	392.21	TR EQ - TRAILER < \$1,000	7COMM	3,556	2,005	767	1	1	782	0	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7COMM	3,524	1,987	760	1	1	775	0	0	0
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7COMM	0	0	0	0	0	0	0	0	0
23	393.00	STORES EQUIPMENT	7COMM	0	0	0	0	0	0	0	0	0
24	394.20	SHOP EQUIPMENT	7COMM	0	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	0
26	395.00	LABORATORY EQUIPMENT	7COMM	1,346	759	290	1	0	296	0	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS	7COMM	36,801	20,746	7,936	15	9	8,095	0	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7COMM	0	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>	<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>	<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	0

33

380.00 DIRECT SERVICES

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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

32 380.00 DIRECT SERVICES

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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 GEN-3
 PAGE 88 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 REVENUE								
2	480.00		RESIDENTIAL SALES	18,048,453	18,048,453	0	0	0	0	0	0
3	481.10		COMMERCIAL SALES	8,452,078	0	8,452,078	0	0	0	0	0
4	481.20		INDUSTRIAL SALES	<u>671,596</u>	<u>0</u>	<u>643,891</u>	<u>27,705</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5			TOTAL SALES REVENUE	27,172,126	18,048,453	9,095,969	27,705	0	0	0	0
6	487.00		FORFEITED DISCOUNTS	70,271	36,108	34,163	0	0	0	0	0
7	488.00	6	MISC. SERVICE REVENUE	0	0	0	0	0	0	0	0
8	489.00		REVENUE FROM TRANSPORTATION - GS - Residential	2,577,158	1,067,060	773,119	0	56,633	680,346	0	0
9	495.00	6	OTHER	<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>2,647,429</u>	<u>1,103,168</u>	<u>807,282</u>	<u>0</u>	<u>56,633</u>	<u>680,346</u>	<u>0</u>	<u>0</u>
11			TOTAL OPERATING REVENUE	29,819,555	19,151,621	9,903,251	27,705	56,633	680,346	0	0

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

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 TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT GEN-3
 PAGE 92 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		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 GEN-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	122,787	68,887	26,523	50	6	27,320	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	761,069	429,129	164,155	312	38	167,435	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	189,866	106,521	41,013	78	9	42,245	0	0
10	881	RENTS	11COMM	<u>12,876</u>	<u>7,224</u>	<u>2,781</u>	<u>5</u>	<u>1</u>	<u>2,865</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		1,134,078	634,425	245,174	466	55	253,956	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>31,277</u>	<u>17,547</u>	<u>6,756</u>	<u>13</u>	<u>2</u>	<u>6,959</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		681,343	384,085	146,969	280	35	149,974	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

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		1,815,421	1,018,510	392,143	746	90	403,930	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13COMM	311,121	178,583	74,097	165	12	58,264	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13COMM	93,873	53,883	22,357	50	4	17,580	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13COMM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13COMM	826,260	474,273	196,782	438	33	154,734	0	0
13	924	PROPERTY INSURANCE	13COMM	8,583	4,927	2,044	5	0	1,607	0	0
14	925	INJURIES AND DAMAGES	12COMM	109,603	59,129	23,939	46	5	26,483	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12COMM	351,875	189,830	76,857	148	18	85,024	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13COMM	20,763	11,918	4,945	11	1	3,888	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13COMM	18,498	10,618	4,405	10	1	3,464	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13COMM	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13COMM	(6,522)	(3,744)	(1,553)	(3)	0	(1,221)	0	0
21	931	RENTS	13COMM	67,423	38,701	16,057	36	3	12,626	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	27,205	15,616	6,479	14	1	5,095	0	0
26		TOTAL ADMIN & GENERAL - M & E		1,828,696	1,033,742	426,412	920	78	367,547	0	0
27		TOTAL O & M EXPENSE - M & E		3,985,674	2,271,842	940,125	2,062	168	771,477	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 GEN-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	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	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	1,134,078	634,425	245,174	466	55	253,956	0	0
13		DISTRIBUTION - O&M MAINT.	PAGE 17	681,343	384,085	146,969	280	35	149,974	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>1,828,696</u>	<u>1,033,742</u>	<u>426,412</u>	<u>920</u>	<u>78</u>	<u>367,547</u>	<u>0</u>	<u>0</u>
18		TOTAL M & E EXPENSE		<u>3,985,674</u>	<u>2,271,842</u>	<u>940,125</u>	<u>2,062</u>	<u>168</u>	<u>771,477</u>	<u>0</u>	<u>0</u>
19		TOTAL O & M EXPENSES		4,839,978	2,732,723	1,126,724	2,417	209	977,904	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 GEN-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

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)
	(B)		\$	\$	\$	\$	\$	\$	\$	\$
1	OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		1,146,445	1,284,349	624,166	(687)	55,979	(817,356)	0	0
2	LESS: RECONCILING ITEMS:									
3	IMPUTED INTEREST		919,747	518,514	198,638	378	248	201,969	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>1,530,430</u>	<u>862,727</u>	<u>330,309</u>	<u>630</u>	<u>503</u>	<u>336,266</u>	<u>0</u>	<u>0</u>
9	TAXABLE INCOME		(383,985)	421,622	293,857	(1,317)	55,476	(1,153,622)	0	0
10	STATE INCOME TAX @ 6.00%		(23,039)	25,297	17,632	(79)	3,329	(69,218)	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		(23,039)	25,297	17,632	(79)	3,329	(69,218)	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 GEN-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		(25,512)	23,903	17,099	(80)	3,328	(69,762)	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	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)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	OPERATING REVENUE		29,819,555	19,151,621	9,903,251	27,705	56,633	680,346	0	0	
2	LESS: EXPENSES OTHER THAN FIT		<u>28,673,110</u>	<u>17,867,272</u>	<u>9,279,085</u>	<u>28,392</u>	<u>654</u>	<u>1,497,702</u>	<u>0</u>	<u>0</u>	
3	OPERATING INCOME BEFORE TAXES		1,146,445	1,284,349	624,166	(687)	55,979	(817,356)	0	0	
4	LESS: RECONCILING ITEMS:										
5	IMPUTED INTEREST		919,747	518,514	198,638	378	248	201,969	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>(23,039)</u>	<u>25,297</u>	<u>17,632</u>	<u>(79)</u>	<u>3,329</u>	<u>(69,218)</u>	<u>0</u>	<u>0</u>	
11	TOTAL RECONCILING ITEMS		1,507,391	888,024	347,941	551	3,832	267,048	0	0	
12	TAXABLE INCOME		(360,946)	396,325	276,226	(1,238)	52,147	(1,084,404)	0	0	
13	CURRENT FEDERAL INCOME TAX @ 35%		(122,722)	134,751	93,917	(421)	17,730	(368,699)	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%		(122,722)	134,751	93,917	(421)	17,730	(368,699)	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	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	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		(135,848)	127,351	91,087	(426)	17,727	(371,587)	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	ACCT	ALLOC	TOTAL								
NO.	NO.	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]			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]			604,997	341,590	140,841	302	26	122,238	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		49,295	28,295	11,740	26	2	9,231	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			34,838,908	19,640,679	7,524,167	14,337	9,381	7,650,344	0	0
	REFERENCES: [1] PAGE 83, [2] PAGE 85,										
	[3] TOTAL O & M EXPENSE			26,315,928	16,539,818	8,770,571	27,426	209	977,904	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			4,839,978	2,732,723	1,126,724	2,417	209	977,904	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ALLOCATION FACTORS

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%	56.103%	21.601%	0.041%	0.005%	22.250%	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%	57.400%	23.816%	0.053%	0.004%	18.727%	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%

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)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		17,464,163	11,214,549	4,685,559	5,749	119,749	1,438,557	0	0	
2	PROPOSED INCREASE		<u>6,571,039</u>	<u>4,322,380</u>	<u>1,729,274</u>	<u>1,994</u>	<u>(287)</u>	<u>517,677</u>	<u>0</u>	<u>0</u>	
3	TOTAL PROPOSED REVENUES		24,035,201	15,536,929	6,414,833	7,743	119,462	1,956,234	0	0	
4	COST OF GAS		0	0	0	0	0	0	0	0	
5	OPERATING & MAINTENANCE EXPENSE		7,853,986	4,435,517	1,698,118	3,214	386	1,716,751	0	0	
6	DEPRECIATION & AMORTIZATION		2,889,236	1,628,893	623,100	1,183	509	635,551	0	0	
7	FEDERAL INCOME TAX		2,745,060	2,169,770	931,858	277	37,533	(394,378)	0	0	
8	KENTUCKY STATE INCOME TAX		503,863	399,792	171,922	48	7,047	(74,945)	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		15,107,575	9,262,794	3,665,545	5,179	45,725	2,128,332	0	0	
11	OPERATING INCOME		8,927,626	6,274,135	2,749,289	2,564	73,737	(172,098)	0	0	
12	INTEREST EXPENSE		<u>2,668,272</u>	<u>1,554,560</u>	<u>748,254</u>	<u>1,623</u>	<u>422</u>	<u>363,413</u>	<u>0</u>	<u>0</u>	
13	INCOME AVAILABLE FOR COMMON EQUITY		6,259,354	4,719,575	2,001,035	941	73,315	(535,511)	0	0	
14	RATE BASE		101,070,920	58,884,855	28,342,951	61,483	15,985	13,765,644	0	0	
15	RATE OF RETURN AUTHORIZED ON RATE BASE		8.83%	10.65%	9.70%	4.17%	461.27%	-1.25%	0.00%	0.00%	
16	UNITIZED RETURN		1.00	1.27	1.15	0.50	54.85	(0.15)	0.00	0.00	

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)
	(B)		\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		23,327,549	13,349,035	5,809,656	12,058	(355)	4,157,154	0	0
2	COST OF GAS		0	0	0	0	0	0	0	0
3	OPERATING & MAINTENANCE EXPENSE		7,846,107	4,411,156	1,691,380	3,262	(948)	1,741,257	0	0
4	DEPRECIATION & AMORTIZATION		2,889,238	1,628,893	623,100	1,183	509	635,551	0	0
5	FEDERAL INCOME TAX		2,514,834	1,457,968	734,971	1,681	(1,448)	321,662	0	0
6	KENTUCKY STATE INCOME TAX		461,877	269,980	136,016	304	(62)	55,640	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		14,827,486	8,396,819	3,426,014	6,887	(1,699)	2,999,463	0	0
9	OPERATING INCOME		8,500,064	4,952,216	2,383,642	5,171	1,343	1,157,691	0	0
10	INTEREST EXPENSE		<u>2,668,272</u>	<u>1,554,560</u>	<u>748,254</u>	<u>1,623</u>	<u>422</u>	<u>363,413</u>	<u>0</u>	<u>0</u>
11	INCOME AVAILABLE FOR COMMON EQUITY		5,831,792	3,397,656	1,635,388	3,548	921	794,278	0	0
12	RATE BASE		101,070,920	58,884,855	28,342,951	61,483	15,985	13,765,644	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		5,863,387	2,134,486	1,124,097	6,309	(120,104)	2,718,597	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		54,138	19,708	10,379	58	(1,109)	25,102	0	0
4	LESS: PSC FEES @ 0.00190100		<u>11,147</u>	<u>4,058</u>	<u>2,137</u>	<u>12</u>	<u>(228)</u>	<u>5,168</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		5,798,102	2,110,720	1,111,581	6,239	(118,767)	2,688,327	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>347,886</u>	<u>126,643</u>	<u>66,695</u>	<u>374</u>	<u>(7,126)</u>	<u>161,300</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		5,450,216	1,984,077	1,044,886	5,865	(111,641)	2,527,027	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>1,907,575</u>	<u>694,427</u>	<u>365,710</u>	<u>2,053</u>	<u>(39,074)</u>	<u>884,459</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		3,542,641	1,289,650	679,176	3,812	(72,567)	1,642,568	0	0

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]		17,464,163	11,214,549	4,685,559	5,749	119,749	1,438,557	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		7,780,824	4,387,390	1,678,864	3,192	389	1,710,987	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]		607,258	763,541	369,261	(372)	37,626	(562,797)	0	0
6		KENTUCKY STATE INCOME TAX [5]		113,990	143,337	69,321	(70)	7,064	(105,660)	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		12,506,739	7,551,983	2,981,093	4,390	45,838	1,923,434	0	0
9		OPERATING INCOME		4,957,424	3,662,566	1,704,466	1,359	73,910	(484,877)	0	0
10		INTEREST EXPENSE [7]		<u>2,668,272</u>	<u>1,554,560</u>	<u>748,254</u>	<u>1,623</u>	<u>422</u>	<u>363,413</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		2,289,152	2,108,006	956,212	(264)	73,488	(848,290)	0	0
12		RATE BASE [8]		101,070,920	58,884,855	28,342,951	61,483	15,985	13,765,644	0	0
13		RATE OF RETURN EARNED ON RATE BASE		4.90%	6.22%	6.01%	2.21%	462.36%	-3.52%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.27	1.23	0.45	94.36	(0.72)	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

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

33 380.00 DIRECT SERVICES

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DEMAND RELATED
 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

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

32 380.00 DIRECT SERVICES

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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

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	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(B)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1											
	OPERATING REVENUE										
2	480.00	RESIDENTIAL SALES	8,899,746	8,899,746	0	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES	2,831,328	0	2,831,328	0	0	0	0	0	0
4	481.20	INDUSTRIAL SALES	<u>221,351</u>	<u>0</u>	<u>215,694</u>	<u>5,658</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5		TOTAL SALES REVENUE	11,952,425	8,899,746	3,047,022	5,658	0	0	0	0	0
6	487.00	FORFEITED DISCOUNTS	104,021	75,766	16,281	91	913	10,970	0	0	0
7	488.00	MISC. SERVICE REVENUE	6 0	0	0	0	0	0	0	0	0
8	489.00	REVENUE FROM TRANSPORTATION	5,407,716	2,239,037	1,622,256	0	118,836	1,427,587	0	0	0
9	495.00	OTHER	6 0	0	0	0	0	0	0	0	0
10		TOTAL OTHER GAS DEPT REVENUE	<u>5,511,737</u>	<u>2,314,803</u>	<u>1,638,537</u>	<u>91</u>	<u>119,749</u>	<u>1,438,557</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATING REVENUE	17,464,163	11,214,549	4,685,559	5,749	119,749	1,438,557	0	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

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

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
 FORTHETWELVEMONTHSENDED12/31/2017

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

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	206,601	116,492	44,562	85	10	45,452	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14DEM	1,296,481	731,021	279,638	532	65	285,226	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	319,470	180,133	68,906	131	16	70,283	0	0
10	881	RENTS	11DEM	<u>21,665</u>	<u>12,216</u>	<u>4,673</u>	<u>9</u>	<u>1</u>	<u>4,766</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		1,894,631	1,068,288	408,653	778	95	416,818	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11DEM	678	382	146	0	0	149	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>52,628</u>	<u>29,674</u>	<u>11,351</u>	<u>22</u>	<u>3</u>	<u>11,578</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		1,160,005	654,069	250,201	476	58	255,201	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

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

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		3,054,636	1,722,357	658,854	1,254	153	672,019	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13DEM	582,396	328,401	125,681	239	29	128,046	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13DEM	175,722	99,086	37,921	72	9	38,634	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13DEM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13DEM	1,546,698	872,152	333,777	634	77	340,057	0	0
13	924	PROPERTY INSURANCE	13DEM	16,066	9,059	3,467	7	1	3,532	0	0
14	925	INJURIES AND DAMAGES	12DEM	205,168	115,684	44,253	84	10	45,137	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12DEM	658,685	371,399	142,072	270	33	144,911	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13DEM	38,868	21,917	8,388	16	2	8,546	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13DEM	34,628	19,526	7,473	14	2	7,613	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13DEM	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13DEM	(12,210)	(6,885)	(2,635)	(5)	(1)	(2,685)	0	0
21	931	RENTS	13DEM	126,210	71,167	27,236	52	6	27,749	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	13DEM	25	14	5	0	0	5	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	50,927	28,717	10,990	21	3	11,197	0	0
26		TOTAL ADMIN & GENERAL - M & E		3,423,183	1,930,237	738,628	1,404	171	752,742	0	0
27		TOTAL O & M EXPENSE - M & E		6,479,958	3,653,898	1,398,279	2,660	324	1,424,798	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	1,894,631	1,068,288	408,653	778	95	416,818	0	0
13		DISTRIBUTION - O&M MAINT.	PAGE 17	1,160,005	654,069	250,201	476	58	255,201	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>3,423,183</u>	<u>1,930,237</u>	<u>738,628</u>	<u>1,404</u>	<u>171</u>	<u>752,742</u>	<u>0</u>	<u>0</u>
18		TOTAL M & E EXPENSE		<u>6,479,958</u>	<u>3,653,898</u>	<u>1,398,279</u>	<u>2,660</u>	<u>324</u>	<u>1,424,798</u>	<u>0</u>	<u>0</u>
19		TOTAL O & M EXPENSES		7,780,824	4,387,390	1,678,864	3,192	389	1,710,987	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

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)		5,678,671	4,569,444	2,143,048	917	118,600	(1,153,334)	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		2,668,272	1,554,560	748,254	1,623	422	363,413	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>3,708,652</u>	<u>2,140,950</u>	<u>972,575</u>	<u>2,051</u>	<u>857</u>	<u>592,220</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		1,970,019	2,428,494	1,170,473	(1,134)	117,743	(1,745,554)	0	0
10		STATE INCOME TAX @ 6.00%		118,202	145,711	70,229	(68)	7,065	(104,734)	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		118,202	145,711	70,229	(68)	7,065	(104,734)	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)	<u>(2,374)</u>	<u>(908)</u>	<u>(2)</u>	<u>(1)</u>	<u>(926)</u>	<u>0</u>	<u>0</u>
4		TOTAL DEFERRED INCOME TAX		(4,212)	(2,374)	(908)	(2)	(1)	(926)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		113,990	143,337	69,321	(70)	7,064	(105,660)	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		17,464,163	11,214,549	4,685,559	5,749	119,749	1,438,557	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>11,785,491</u>	<u>6,645,105</u>	<u>2,542,511</u>	<u>4,832</u>	<u>1,149</u>	<u>2,591,891</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		5,678,671	4,569,444	2,143,048	917	118,600	(1,153,334)	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		2,668,272	1,554,560	748,254	1,623	422	363,413	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>118,202</u>	<u>145,711</u>	<u>70,229</u>	<u>(68)</u>	<u>7,065</u>	<u>(104,734)</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		3,826,854	2,286,661	1,042,804	1,983	7,922	487,486	0	0
12		TAXABLE INCOME		1,851,817	2,282,783	1,100,244	(1,066)	110,678	(1,640,820)	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		629,618	776,146	374,083	(362)	37,631	(557,879)	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%		629,618	776,146	374,083	(362)	37,631	(557,879)	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		607,258	763,541	369,261	(372)	37,626	(562,797)	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]		972,603	548,424	209,858	399	49	213,873	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	92,278	52,034	19,914	38	5	20,288	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		101,070,920	58,884,855	28,342,951	61,483	15,985	13,765,644	0	0

REFERENCES: [1] PAGE 109, [2] PAGE 111,

[3] TOTAL O & M EXPENSE	7,780,824	4,387,390	1,678,864	3,192	389	1,710,987	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	7,780,824	4,387,390	1,678,864	3,192	389	1,710,987	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ALLOCATION FACTORS

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%	21.580%	0.041%	0.005%	21.986%	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%

PROFORMA @ PROPOSED RATES REVENUE BY CLASS (PAGE 1)

		TOTAL CO.	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	
480.00	RESIDENTIAL SALES	62,645,905	62,645,905		0	0	0
481.10	COMMERCIAL SALES	22,447,007	0		22,447,007	0	0
481.20	INDUSTRIAL SALES	1,778,956	0		1,723,027	55,930	0
488, 495	OTHER	6 724,000	649,124		74,420	7	29
487	DELAYED PAY	608,048	391,160		173,234	291	2,495
489.00	TRANSPORTATION	29,886,623	12,465,512		9,094,509	0	479,213
	GAS COSTS	21,475,950	13,807,095		7,643,847	25,009	0
	Comm				7,102,739		
	Ind				541,108		
CUSTOMER CHARGE REVENUE		TOTAL					
		COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	
480.00	RESIDENTIAL SALES	30,955,991	30,955,991		0	0	0
481.10	COMMERCIAL SALES	9,725,811	0		9,725,811	0	0
481.20	INDUSTRIAL SALES	768,746	0		749,147	19,599	0
488, 495	OTHER	458,899	411,441		47,170	4	18
487	DELAYED PAY	385,405	247,933		109,803	184	1,581
489.00	REVENUE FROM TRANSPORTATION	18,943,337	7,901,140		5,764,463	0	303,745
COMMODITY CHARGE REVENUE		TOTAL					
		COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	
480.00	RESIDENTIAL SALES	19,578,866	19,578,866		0	0	0
481.10	COMMERCIAL SALES	8,916,125	0		8,916,125	0	0
481.20	INDUSTRIAL SALES	709,450	0		680,787	28,663	0
488, 495	OTHER	8,849	0		8,795	1	3
487	DELAYED PAY	71,859	46,227		20,473	34	295
489.00	REVENUE FROM TRANSPORTATION	3,532,001	1,473,174		1,074,789	0	56,633
DEMAND CHARGE REVENUE		TOTAL					
		COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	
480.00	RESIDENTIAL SALES	12,111,048	12,111,048		0	0	0
481.10	COMMERCIAL SALES	3,805,071	0		3,805,071	0	0
481.20	INDUSTRIAL SALES	300,761	0		293,093	7,668	0
488, 495	OTHER	256,252	237,683		18,455	2	8
487	DELAYED PAY	150,784	97,000		42,958	73	619
489.00	REVENUE FROM TRANSPORTATION	7,411,285	3,091,198		2,255,257	0	118,835

Columbia Gas of Kentucky, Inc.
Average Number of Customers
For the Twelve Months Ended December 31, 2017

Source: M-2.2 (Page 1 of 38)

Customers:

Rate Schedules	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>
CAP						
GSR	1,180,666	1,180,666				
G1C (Com.)	41		41			
G1R	192	192				
IN3 (Res & Com)	108	108				
IN5	36	36				
LG2 (Res & Com)	24	12	12			
LG3	12	12				
LG4	12	12				
GSO (Com)	119,233		119,233			
GSO (Ind)	524		524			
IUS (Wholesale)	24	0	0	24	0	
Total Sales	<u>1,300,872</u>	<u>1,181,038</u>	<u>119,810</u>	<u>24</u>	<u>0</u>	<u>0</u>
GTR	281,946	281,946				
GTO (Com)	47,445		47,445			
GTO (Ind)	149		149			
DS-IS (Com)	428					428
DS-IS (Ind)	468					468
GDS-GS (Com)	145		145			
GDS-GS (Ind)	180		180			
DS3 (Ind) -ML	36				36	
DS5 (Ind) (Sp. Con)	0					
FX1 (Com)	12					12
FX2 (Ind)	12					12
FX5 (Ind)	36				36	
FX7 (Ind)	12					12
SC3 (Ind)	<u>12</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>
Total Transportation	<u>330,881</u>	<u>281,946</u>	<u>47,919</u>	<u>0</u>	<u>72</u>	<u>944</u>
Total Bills	<u>1,631,753</u>	<u>1,462,984</u>	<u>167,729</u>	<u>24</u>	<u>72</u>	<u>944</u>
Avg Customers	<u>135,979</u>	<u>121,915</u>	<u>13,977</u>	<u>2</u>	<u>6</u>	<u>79</u>

- (1) GS Customers and included in GS-Other
(2) IS Customers and included in DS/IS

**Columbia Gas of Kentucky, Inc,
Throughput
For the Twelve Months Ended December 31, 2017**

Source: M-2.1

<u>Volume</u>	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
Rate Schedules								
GSR	6,248,080.5	6,248,080.5						
G1C (Com.)	1,697.8		1,697.8					
G1R	2,018.9	2,018.9						
IN3 (Res & Com)	990.2	990.2						
IN4	0.0							
IN5	333.6	333.6						
LG2 (Res & Com)	1,316.1	605.2	710.9					
LG3	714.1	714.1						
LG4	257.6	257.6						
GSO (Com)	3,098,215.1		3,098,215.1					
GSO (Ind)	360,250.5		360,250.5					
GST GS FALLBACK COM	0.0		0.0					
GST GS FALLBACK IND	0.0		0.0					
IS INT COM	0.0					0.0		
IS INT IND	0.0					0.0		
IUS (Wholesale)	<u>11,320.7</u>	<u>0.0</u>	<u>0.0</u>	<u>11,320.7</u>			<u>0.0</u>	<u>0.0</u>
Total Sales	9,725,195.1	6,253,000.1	3,460,874.3	11,320.7	0.0	0.0	0.0	0.0
GTR	1,707,000.0	1,707,000.0						
GTO (Com)	1,859,990.8		1,859,990.8					
GTO (Ind)	71,999.9		71,999.9					
DS-IS (Com)	1,380,570.0					1,380,570.0		
DS-IS (Ind)	5,517,297.4					5,517,297.4		
GDS (Com)	203,630.5		203,630.5					
GDS (Ind)	154,467.9		154,467.9					
DS3 (Ind)	680,981.0				680,981.0			
FX1 (Com)	541,812.0					541,812.0		
FX2 (Ind)	533,988.0					533,988.0		

FX5 (Ind)	4,689,510.0				4,689,510.0			
FX7 (Ind)	410,759.0					410,759.0		
SC3 (Ind)	<u>1,710,000.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1,710,000.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transportation	<u>19,462,006.5</u>	<u>1,707,000.0</u>	<u>2,290,089.1</u>	<u>0.0</u>	<u>5,370,491.0</u>	<u>10,094,426.4</u>	<u>0.0</u>	<u>0.0</u>
Total Througput	<u>29,187,201.6</u>	<u>7,960,000.1</u>	<u>5,750,963.4</u>	<u>11,320.7</u>	<u>5,370,491.0</u>	<u>10,094,426.4</u>	<u>0.0</u>	<u>0.0</u>
Res. - Sales	6,253,000.1	6,253,000.1						
Res - Trans	1,707,000.0	1,707,000.0						
Com. - Sales	3,100,623.8		3,100,623.8			0.0		
Com. - Trans	3,986,003.3		2,063,621.3			1,922,382.0		
Ind. - Sales	371,571.2		360,250.5	11,320.7		0.0		
Ind.-Trans	13,358,244.2		226,467.8		5,370,491.0	7,761,285.4		
Other	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>		
Total	<u>28,776,442.6</u>	<u>7,960,000.1</u>	<u>5,750,963.4</u>	<u>11,320.7</u>	<u>5,370,491.0</u>	<u>9,683,667.4</u>		

Columbia Gas of Kentucky, Inc,

Revenue

Source: M-2.1

Revenue

Rate Schedules	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
GSR	49,681,142	49,681,142						
G1C (Com.)	9,744		9,744					
G1R	13,752	13,752						
IN3 (Res & Com)	396	396						
IN5	200	200						
LG2 (Res & Com)	461	212	249					
LG3	256	256						
LG4	103	103						
GSO (Com)	18,510,324		18,510,324					
GSO (Ind)	1,410,902		1,410,902					
GST GS FALLBACK COM	0		0					
GST GS FALLBACK IND	0		0					
IS INT COM	0					0		
IS INT IND	0					0		
IUS (Wholesale)	<u>47,824</u>	<u>0</u>	<u>0</u>	<u>47,824</u>			<u>0</u>	<u>0</u>
Total Sales	69,675,105	49,696,061	19,931,219	47,824	0	0	0	0
GTR	9,029,105	9,029,105						
GTO (Com)	5,787,037		5,787,037					
GTO (Ind)	127,654		127,654					
DS-IS (Com)	1,398,811					1,398,811		
DS-IS (Ind)	3,222,464					3,222,464		
GDS (Com)	351,127		351,127					
GDS (Ind)	276,061		276,061					
DS3 (Ind)	67,641				67,641			
FX1 (Com)	224,062					224,062		
FX2 (Com)	221,011					221,011		
FX5 (Ind)	411,572				411,572			
FX7 (Ind)	189,660					189,660		
SC3 (Ind)	<u>500,855</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,855</u>	<u>0</u>	<u>0</u>

Total Transportation	<u>21,807,062</u>	<u>9,029,105</u>	<u>6,541,880</u>	<u>0</u>	<u>479,213</u>	<u>5,756,864</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>91,482,167</u>	<u>58,725,166</u>	<u>26,473,099</u>	<u>47,824</u>	<u>479,213</u>	<u>5,756,864</u>	<u>0</u>	<u>0</u>
Res. - Sales	49,696,061	49,696,061						
Res - Trans	9,029,105	9,029,105						
Com. - Sales	18,520,317		18,520,317			0		
Com. - Trans	7,982,049		6,138,165			1,843,884		
Ind. - Sales	1,458,726		1,410,902	47,824	0	0		
Ind.-Trans	4,795,908		403,715		479,213	3,912,980		
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
Total	<u>91,482,167</u>	<u>58,725,166</u>	<u>26,473,099</u>	<u>47,824</u>	<u>479,213</u>	<u>5,756,864</u>		

Forfeited discounts	476,000	305,532	137,766	249	2,494	29,959
Misc. Serv Revenue	137,000					
Other	<u>587,000</u>					
Total	<u>1,200,000</u>					

Total Revenue **92,682,167**

**Columbia Gas of Kentucky, Inc,
Gas Purchases**

Source: M-2.2

<u>Gas Purchase</u>	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
Rate Schedules								
GSR	13,802,635	13,802,635						
G1C (Com.)	3,751		3,751					
G1R	4,460	4,460						
IN4	0	0						
IN5	0	0						
LG2 (Res & Com)	0	0	0					
LG3	0	0						
LG4	0	0						
GSO (Com)	6,844,267		6,844,267					
GSO (Ind)	795,829		795,829					
IUS (Wholesale)	<u>25,009</u>	<u>0</u>	<u>0</u>	<u>25,009</u>			<u>0</u>	<u>0</u>
Total Sales	21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
GTR	0	0						
GTO (Com)	0							
GTO (Ind)	0							
DS (Com)	0							
DS (Ind)	0							
DS-Smith	0							
DS1 (Com)	0							
DS1 (Ind)	0							
DS3 (Ind)	0							
FX1 (Com)	0							
FX2 (Ind)	0							
FX3 (Com)	0							
FX4 (Ind)	0							
FX5 (Ind)	0							
FX6 (Ind)	0							
FX7 (Ind)	0							

SAS (Ind)	0							
SC2 (Ind)	0							
SC3 (Ind)	<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 Transportation	<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 Gas Purchase	<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>
Res. - Sales	13,807,095	13,807,095						
Res - Trans	0	0						
Com. - Sales	6,848,018		6,848,018					
Com. - Trans	0		0			0		
Ind. - Sales	820,838		795,829	25,009				
Ind.-Trans	0		0		0	0		
Other	<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	<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>

Columbia Gas of Kentucky, Inc.
Current Account 487 Allocation
For the 12 Months Ended December 31, 2017

<u>Line No.</u>		<u>Reference</u>	<u>Revenue</u> (\$)	<u>Late Payment</u> (\$)
1	Test Year Revenue Subject to Late Payment Penalties:			
2	GSR/GTR Residential	Schedule M-2.1	58,710,248	305,532
1	G1C LG&E Commercial	Schedule M-2.1	9,744	51
3	GSO General Service - Commercial	Schedule M-2.1	18,510,324	96,329
4	GSO General Service - Industrial	Schedule M-2.1	1,410,902	7,342
5	IUS Intrastate Utility Service - Wholesale	Schedule M-2.1	47,824	249
6	GTO GTS Choice - Commercial	Schedule M-2.1	5,787,037	30,116
7	GTO GTS Choice - Industrial	Schedule M-2.1	127,654	664
8	DS GTS Delivery Service - Commercial	Schedule M-2.1	1,398,811	7,280
9	DS GTS Delivery Service - Industrial	Schedule M-2.1	3,222,464	16,770
10	GDS GTS Grandfathered Delivery Service - Commercial	Schedule M-2.1	351,127	1,827
11	GDS GTS Grandfathered Delivery Service - Industrial	Schedule M-2.1	276,061	1,437
12	DS3 GTS Main Line Service - Industrial	Schedule M-2.1	67,641	352
13	FX1 GTS Flex Rate - Commercial	Schedule M-2.1	224,062	1,166
14	FX2 GTS Flex Rate - Industrial	Schedule M-2.1	221,011	1,150
15	FX5 GTS Flex Rate - Industrial	Schedule M-2.1	411,572	2,142
16	FX7 GTS Flex Rate - Industrial	Schedule M-2.1	189,660	987
17	SC3 GTS Special Rate - Industrial	Schedule M-2.1	<u>500,855</u>	<u>2,606</u>
18	Total		91,466,999	476,000
 19 Summary				
20	GS-RES			305,532
21	GS-Other			137,766
22	IUS			249
23	DS-ML/SC			2,494
24	DS/IS			<u>29,959</u>
25	Total			476,000

Columbia Gas of Kentucky, Inc.
Proposed Account 487 Allocation
For the 12 Months Ended December 31, 2017

<u>Line No.</u>		<u>Reference</u>	<u>Revenue</u> (\$)	<u>Late Payment</u> (\$)
1	Proposed Revenue Subject to Late Payment Penalties:			
2	GSR/GTR Residential	MPB-6 Page 1	75,096,498	391,088

3	GSO/GTO/GDS	MPB-6 Page 1	33,254,549	173,183
4	DS/SAS	MPB-6 Page 1	6,711,801	34,954
5	IUS	MPB-6 Page 1	55,930	291
6	G1C	MPB-6 Page 1	9,744	51
7	G1R	MPB-6 Page 1	13,752	72
8	DS3	MPB-6 Page 1	67,641	352
9	FX1	MPB-6 Page 1	224,062	1,167
10	FX2	MPB-6 Page 1	221,011	1,151
11	FX5	MPB-6 Page 1	411,572	2,143
12	FX7	MPB-6 Page 1	189,660	988
13	SC3	MPB-6 Page 1	<u>500,855</u>	<u>2,608</u>
14	Total		116,757,076	608,048

15 **Summary**

16	GS-RES			391,160
17	GS-Other			173,234
18	IUS			291
19	DS-ML/SC			2,495
20	DS/IS			<u>40,868</u>
21	Total			608,048

Columbia Gas of Kentucky, Inc.
Proposed Base Revenue
For the Twelve Months Ended December 31, 2017

Source: M-2.3

Revenue	Total	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS
Rate Schedules						
GRS	62,630,986	62,630,986				
G1C (Com.)	9,744		9,744			
G1R	13,752	13,752				
IN3 (Res & Com)	396	396				
IN4	-	-				
IN5	200	200				
LG2 (Res & Com)	461	212	249			
LG3	256	256				
LG4	103	103				
GSO (Com)	22,437,014		22,437,014			
GSO (Ind)	1,723,027		1,723,027			
GST GS FALLBACK COM	-		-			
GST GS FALLBACK IND	-		-			
IS INT COM	-		-			-
IS INT IND	-		-		-	-
SC4 (Ind)	-		-			-
IUS (Wholesale)	55,930	-	-	55,930		
SS COM FIRM	-		-			-
SS IND FIRM	-		-			-
SS COM INT	-		-			-
SS IND INT	-		-			-
Total Sales	86,871,868	62,645,905	24,170,034	55,930	-	-
GTR	12,465,512	12,465,512				
GTO (Com)	7,975,146		7,975,146			
GTO (Ind)	192,717		192,717			
DS-IS (Com)	1,868,525					1,868,525
DS-IS (Ind)	4,843,276					4,843,276
DS-GS (Com)	522,631		522,631			
DS-GS (Ind)	404,015		404,015			
DS3 (Ind)	67,641				67,641	
FX1 (Com)	224,062					224,062
FX2 (Com)	221,011					221,011
FX3 (Com)	-					
FX5 (Ind)	411,572				411,572	
FX7 (Ind)	189,660					189,660
SAS (Ind)	-					-
SC2 (Ind)	-					-
SC3 (Ind)	500,855					500,855
Total Transportation	29,886,623	12,465,512	9,094,509	-	479,213	7,847,390
Total Revenue	116,758,491	75,111,416	33,264,542	55,930	479,213	7,847,390
INCREASE	25,276,325	16,386,250	6,791,443	8,105	0	2,090,526
487 Increase	132,048					
Total Increase	25,408,373					

COLUMBIA GAS OF KENTUCKY, INC.
DESIGN DAY
SOURCE - GAS SUPPLY DESIGN DAY STUDY
TME DECEMBER 31, 2017

Design Day

Rate Schedule	<u>Total</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>
GSR / GTR	137,300	137,300				
GSO - Comm	54,300		54,300			
GSO - Ind.	3,200		3,200			
IUS	200			200		
IS - Com.	0					
IS - Ind.	400					400
SS - Com.	2,600					2,600
SS - Ind.	1,300					1,300
GTO - Comm	25,900		25,900			
GTO - Ind	500		500			
GDS - Comm	2,900		2,900			
GDS - Ind	1,500		1,500			
DS-ML	25,200				25,200	
DS - Comm.	31,900					31,900
DS- Ind.	46,200					46,200
Total	333,400	137,300	88,300	200	25,200	82,400
%	<u>100.000%</u>	<u>41.182%</u>	<u>26.485%</u>	<u>0.060%</u>	<u>7.558%</u>	<u>24.715%</u>
Excluding DS-ML/SC	308,200	137,300	88,300	200	-	82,400
%	<u>100.00%</u>	<u>44.549%</u>	<u>28.650%</u>	<u>0.065%</u>	<u>0.000%</u>	<u>26.736%</u>
Excluding Interruptible Volumes						
Interruptible Demand						
IS Ind.	400					400
GDS Com.	2,900		2,900			
GDS Ind.	1,500		1,500			
DS- IS - Com	31,900					31,900
DS-IS - Ind	<u>46,200</u>					<u>46,200</u>
Total Interruptible	82,900	-	4,400	-	-	78,500
Excluding Interruptible Demand	225,300	137,300	83,900	200	-	3,900
%	<u>100.00%</u>	<u>60.941%</u>	<u>37.239%</u>	<u>0.089%</u>	<u>0.000%</u>	<u>1.731%</u>

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 381 - METERS
SOURCE - LISTING BY RATE SCHEDULE, BY SIZE OF METER.
AS OF FEBRUARY 29, 2016

<u>Rate Schedule</u>	<u>Total Exc./ DS-ML</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS/IS</u>	<u>DS-ML</u>	<u>Total</u>
GSR	5,389,697	5,389,697					
GSO	1,725,560		1,725,560				
G1C	984		984				
G1R	860	860					
GST	-						
IN4	-						
IN5	161	161					
IN3	484	484					
IUS	1,210			1,210			
IS	-						
LG2	539	54	485				
LG3	485	485					
LG4	54	54					
GTO	801,280		801,280				
GTR	1,228,919	1,228,919					
SC3	1,655				1,655		
DS3	-					1,336	
GDS	12,829		12,829				
SAS	-						
DS	36,393				36,393		
FX1	891				891		
FX2	445				445		
FX5	-					1,336	
FX7	445				445	-	
Total	<u>9,202,891</u>	<u>6,620,713</u>	<u>2,541,138</u>	<u>1,210</u>	<u>39,830</u>	<u>2,672</u>	<u>9,205,563</u>
%	<u>100.00%</u>	<u>71.94%</u>	<u>27.61%</u>	<u>0.01%</u>	<u>0.43%</u>	<u>0.00%</u>	

Columbia Gas of Kentucky, Inc.
 Account 385 - DIS Records
 As of February 29, 2016

<u>Co</u>	<u>PCID</u>	<u>PSID</u>	<u>Tariff</u> <u>Rate</u>	<u>GTS</u> <u>Rate</u>	<u>Station</u> <u>Number</u>	<u>Taxing</u> <u>District</u>	<u>Name</u>	<u>Amt</u>	<u>Billing</u> <u>Rate</u>	<u>Rate</u> <u>Class</u>
32	10601949003	500153985	GST	GDS	45927	674805	CINTAS CORPORATION	12,486.45	GDS	GS-OTHER
32	10637093182	500767946	IST	FX2	46769	674805	UK REAL ESTATE SERVICES	9,682.69	FX2	DS/IS
32	10657147001	100406576	GSO		46186	674805	UNIVERSITY OF KENTUCKY	10,545.35	GSO	GS-OTHER
32	10710630002	100454835	GST	GDS	48930	173702	SOUTHERLANDS GREENHOUSES INC	5,537.15	GDS	GS-OTHER
32	12986378003	100468553	IST	DS3	20005	714902	MOUNTAIN ENTERPRISES INC	4,173.07	DS3	DS-ML
32	12986383001	100425379	GSO		5686	1195702	KNOTT COUNTY HOUSING AUTHORITY	1,726.49	GSO	GS-OTHER
32	12986388001	100425368	GTO		3203	1195705	HINDMAN SETTLEMENT SCHOOL	1,495.81	GTO	GS-OTHER
32	12986389001	100449144	GTO		14729	714902	FLOYD COUNTY BOARD OF EDUCATION	7,764.99	GTO	GS-OTHER
32	12986390001	100425363	GSO		6268	1957702	PEPSI COLA EAST	637.61	GSO	GS-OTHER
32	12986393001	100444698	IST	DS	14576	173715	AVANTOR PERFORMANCE MATERIAL	16,890.31	DS	DS/IS
32	12986396001	100469209	IST	DS	45641	173715	CENTRAL MOTOR WHEEL OF AMERICA	19,492.05	DS	DS/IS
32	12986397001	100466963	IST	DS	44675	173715	CENTRAL MANUFACTURING	15,978.28	DS	DS/IS
32	12986401002	100425597	IST	DS	5299	1616705	WALD LLC	19,652.90	DS	DS/IS
32	12986406004	800800025	IST	DS	5307	1616705	EMERSUB 15 LLC	17,775.66	DS	DS/IS
32	12986409001	100441363	GST	GDS	14480	494302	SOUTHERN STATES COOP INC FEED ML	4,377.94	GDS	GS-OTHER
32	12986411001	100425586	GST	GDS	3557	494305	OSRAM SYLVANIA	3,566.09	GDS	GS-OTHER
32	12986423001	100458538	IST	DS	44014	494305	CONTECH ENGINEERED SOLUTIONS LLC	9,167.99	DS	DS/IS
32	12986426001	100425571	IST	DS	4914	1736902	A O SMITH CORP	9,642.86	DS	DS/IS
32	12986432001	100449624	GST	GDS	14704	1736902	THE WALKER COMPANY	6,545.79	GDS	GS-OTHER
32	12986433001	100465111	IST	DS	44527	2398310	UNITED L-N GLASS INC	5,227.09	DS	DS/IS
32	12986434001	100451978	IST	DS	14794	674805	INTERNATIONAL PAPER	11,686.40	DS	DS/IS
32	12986435001	100447546	IST	DS	14671	674805	SAINT JOSEPH EAST HOSPITAL	11,439.10	DS	DS/IS
32	12986442001	100440181	IST	DS	14454	674805	LINK-BELT CONSTRUCTION EQUIPMENT	6,806.83	DS	DS/IS
32	12986452001	100425552	IST	DS	5863	674805	DEPARTMENT OF VETERANS AFFAIRS	3,926.20	DS	DS/IS
32	12986453001	100425551	IST	DS	5483	674805	DEPARTMENT OF VETERANS AFFAIRS	5,731.95	DS	DS/IS
32	12986454001	100425550	GTO		5913	2398310	HOUSING AUTHORITY OF VERSAILLES	371.93	GTO	GS-OTHER
32	12986456004	100425964	IST	FX1	3546	674805	UNIVERSITY OF KENTUCKY	9,521.62	FX1	DS/IS
32	12986456004	800800023	IST	FX1	5825	674805	UNIVERSITY OF KENTUCKY	14,145.94	FX1	DS/IS
32	12986461001	100425540	GST	GDS	4584	674805	INGERSOLL-RAND COMPANY	22,864.76	GDS	GS-OTHER
32	12986463005	100425538	GSO		4625	674805	TRANSYLVANIA UNIVERSITY	3,941.61	GSO	GS-OTHER

32	12986463010	500714773	GSO		48642	674805	TRANSYLVANIA UNIVERSITY	24,619.40	GSO	GS-OTHER
32	12986466001	100425534	IST	DS	4217	674805	SQUARE D CO INC	13,614.11	DS	DS/IS
32	12986467001	100425532	IST	DS	45021	674805	SHRINERS HOSPITAL	290.23	DS	DS/IS
32	12986468003	100425531	IST	DS	3811	674805	SAINT JOSEPH HOSPITAL	10,703.29	DS	DS/IS
32	12986474004	100425525	IST	DS	4528	2398310	QUADGRAPHICS	10,979.53	DS	DS/IS
32	12986477001	100425522	IST	DS	3611	674805	THE J M SMUCKER CO	3,104.37	DS	DS/IS
32	12986480001	100425517	IST	DS	5529	674805	FEDERAL MEDICAL CENTER	12,371.79	DS	DS/IS
32	12986484001	100425513	GST	GDS	5909	2398305	MIDWAY COLLEGE	7,977.30	GDS	GS-OTHER
32	12986488004	500135772	IST	DS	4422	674805	ARATEX SERVICES INC	8,460.94	DS	DS/IS
32	12986491001	100425501	IST	DS	4687	674805	LEX-FAY URBAN COUNTY AIRPORT	16,060.00	DS	DS/IS
32	12986493001	100436157	IST	DS	14280	674805	LEXINGTON CENTER CORPORATION	4,893.24	DS	DS/IS
32	12986494001	100425497	GST	GDS	4001	674805	L-M ASPHALT PARTNERS LTD	3,747.57	GDS	GS-OTHER
32	12986498001	100449311	GSO		5788	674805	KENTUCKY UTILITIES CO INC	12,325.04	GSO	GS-OTHER
32	12986501009	500637086	IST	DS	49006	674805	LEX-FAY URBAN COUNTY GOVERNMENT	24,612.26	DS	DS/IS
32	12986503001	100425489	IST	DS	4685	674805	KEENELAND ASSOCIATION INC	16,348.15	DS	DS/IS
32	12986507001	100425483	IST	DS	3680	674805	LEXMARK INTERNATIONAL INC	6,994.98	DS	DS/IS
32	12986507001	100465702	IST	DS	3947	674805	LEXMARK INTERNATIONAL INC	130,371.93	DS	DS/IS
32	12986514001	100425475	GST	GDS	4726	674805	G F VAUGHAN TOBACCO CO INC	4,233.39	GDS	GS-OTHER
32	12986515001	100425474	IST	DS	3521	674805	G E COMPANY LEX PLP PLANT	1,657.95	DS	DS/IS
32	12986517001	100425472	IST	GDS	5548	674805	PRESTRESS SERVICES INDUSTRIES LLC	7,052.10	GDS	GS-OTHER
32	12986520001	100467440	GTO		5147	674805	FAYETTE COUNTY BOARD OF EDUCATION	30,430.87	GTO	GS-OTHER
32	12986521001	100467439	GTO		5278	674805	FAYETTE COUNTY BOARD OF EDUCATION	2,990.56	GTO	GS-OTHER
32	12986525005	800800019	IST	DS	5709	674805	DIXIE CONSUMER PRODUCTS LLC	2,870.91	DS	DS/IS
32	12986525005	100425457	IST	DS	3739	674805	DIXIE CONSUMER PRODUCTS LLC	13,366.29	DS	DS/IS
32	12986528001	100445834	IST	DS	5463	674805	L-M ASPHALT PARTNERS LTD	24,392.95	DS	DS/IS
32	12986530001	100425447	IST	DS	5991	674805	CENTRAL BAPTIST HOSPITAL INC	7,316.33	DS	DS/IS
32	12986555001	100425432	IST	DS	5826	2098005	JOHNSON CONTROLS INC	6,643.66	DS	DS/IS
32	12986560001	100425427	IST	DS	3742	2098005	GEORGETOWN COLLEGE	36,843.35	DS	DS/IS
32	12986564003	100466949	IST	DS	44722	2098005	TOYOTA MOTOR MFG KENTUCKY	96,284.60	DS	DS/IS
32	12986564003	500134747	IST	DS	44722	2098005	TOYOTA MOTOR MFG KENTUCKY	96,284.60	DS	DS/IS
32	12986565003	100425606	GST	GDS	5295	173715	WESTERN PACIFIC STORAGE SOLUTIONS	8,212.59	GDS	GS-OTHER
32	12986569001	100425423	GST	GDS	4946	735002	AMERICAN WIRE PRODUCTS	38,998.80	GDS	GS-OTHER
32	12986570006	100442751	IST	DS	14495	735002	BUFFALO TRACE DISTILLERY INC	20,043.33	DS	DS/IS
32	12986570006	500136663	IST	DS	14495	735002	BUFFALO TRACE DISTILLERY INC	20,043.33	DS	DS/IS
32	12986572001	100441605	GTO		3938	735005	KINGS DAUGHTERS APARTMENTS	382.74	GTO	GS-OTHER
32	12986573001	100437118	IST	DS	14306	735007	FRANKFORT HOSPITAL INC.	8,143.41	DS	DS/IS
32	12986578001	100425415	GSO		5875	735005	FRANKFORT MUNICIPAL	194.54	GSO	GS-OTHER

32	12986584001	100425406	GST	GDS	4968	735007	COMMONWEALTH OF KENTUCKY	49,160.01	GDS	GS-OTHER
32	12986585001	100425405	IST	DS	5883	735005	COMMONWEALTH OF KENTUCKY	11,813.27	DS	DS/IS
32	12986589001	100469081	IST	DS	45229	735002	TOPY CORP	29,443.79	DS	DS/IS
32	12986590001	100459381	IST	DS	44119	735002	TOPY CORP	12,274.31	DS	DS/IS
32	12986594001	100425399	IST	DS	5672	975305	MINNESOTA MINING & MANUFACTURING	30,598.63	DS	DS/IS
32	12986596003	100461621	GTO		5898	975305	SOLUTION DISPERSIONS	3,752.89	GTO	GS-OTHER
32	12986599001	100425393	GST	GDS	4957	975305	TI GROUP AUTOMOTIVE SYSTEMS LLC	3,569.99	GDS	GS-OTHER
32	12986603001	100450048	GST	GDS	14791	895102	PREGIS INNOVATIVE PACKAGING	5,436.03	GDS	GS-OTHER
32	12986604002	100425389	IST	DS3	4949	193602	HUNTINGTON ALLOYS CORPORATION	4,373.73	DS3	DS-ML
32	12986606001	100425387	IST	FX5	4193	193602	CALGON CARBON CORP	20,535.64	FX5	DS-ML
32	12986612001	100425367	GSO		5815	193612	BRUCE APARTMENTS	1,800.85	GSO	GS-OTHER
32	12986614001	100425364	GSO		3759	895102	E I DU PONT DE NEMOURS	2,978.90	GSO	GS-OTHER
32	12986615001	100468990	IST	DS3	3848	895102	MARKWEST ENERGY APPALACHIA LLC	136,940.75	DS3	DS-ML
32	12986617001	100425357	GSO		3202	895122	CSX TRANS.-24729	5,926.82	GSO	GS-OTHER
32	12986618002	100431494	IST	DS	2618	895108	HARBISON WALKER INTERNATIONAL	4,387.03	DS	DS/IS
32	12986622002	100425350	IST	FX5	1584	193602	MARATHON ASHLAND PETROLEUM LLC	16,102.72	FX5	DS-ML
32	12986622005	500865803	IST	FX5	38145	193602	MARATHON ASHLAND PETROLEUM LLC	495,703.09	FX5	DS-ML
32	13219441001	100264548	IST	DS	45712	1957702	APPALACHIAN REGIONAL HEALTHCARE	4,409.02	DS	DS/IS
32	13228118002	500145493	IST	SC3	44536	193612	AK STEEL CORPORATION	10,073.30	SC3	DS/IS
32	13228118002	500144332	IST	SC3	44535	193602	AK STEEL CORPORATION	65,974.69	SC3	DS/IS
32	13228118002	500495598	IST	SC3	44535	193602	AK STEEL CORPORATION	65,974.69	SC3	DS/IS
32	13229269002	500144604	IST	DS	44546	193612	MOUNTAIN ENTERPRISES INC	5,318.31	DS	DS/IS
32	13609711004	100337848	IST	DS	48988	674805	EVERBURN MANUFACTURING INC	26,215.59	DS	DS/IS
32	13613595001	100253235	GSO		46041	193602	HARDIN STREET MARINE LLC	7,118.06	GSO	GS-OTHER
32	13672186001	500209796	IST	DS	46056	735002	JIM BEAM BRANDS COMPANY	19,836.12	DS	DS/IS
32	13768940001	500253895	IST	DS	46363	193612	KINGS DAUGHTERS MEDICAL CENTER	81,292.31	DS	DS/IS
32	13959510001	500145486	GSO		44538	193612	MANSBACK METAL CO	11,509.35	GSO	GS-OTHER
32	13987196002	500227853	IST	DS	48204	735007	COMMONWEALTH OF KENTUCKY	13,630.36	DS	DS/IS
32	14064515001	100425536	IST	DS	4800	2398310	OSRAM PENNSYLVANIA INC	62,267.50	DS	DS/IS
32	14146162001	100455791	IST	DS	14853	2098002	AICHI FORGE USA INC	39,708.97	DS	DS/IS
32	14186792004	501091579	GSO		49253	674805	UNIVERSITY OF KENTUCKY	4,723.10	GSO	GS-OTHER
32	14377875001	500129861	GSO		45843	494305	SONOCO PRODUCTS CO	7,801.78	GSO	GS-OTHER
32	14401089001	500375820	IST	DS	47435	2398302	BROWN FORMAN CORPORATION	11,830.00	DS	DS/IS
32	14448967001	500260265	GST	DS	47502	1616702	H G MAYS CORP	14,917.77	DS	DS/IS
32	14448967002	500263965	IST	DS	47981	735002	H G MAYS CORP	25,892.17	DS	DS/IS
32	14907631003	100427637	GSO		14058	674805	HOTWORK USA LLC	1,301.17	GSO	GS-OTHER
32	14907631003	500135779	GSO		14058	674805	HOTWORK USA LLC	1,301.17	GSO	GS-OTHER

32	15631820001	500725700	IST	DS	48555	193613	MARATHON PETROLEUM COMPANY LLC	16,884.77	DS	DS/IS
32	15631948001	500112715	GSO		48556	735002	MONTAPLAST OF NORTH AMERICA INC	18,122.27	GSO	GS-OTHER
32	15902431001	100425584	GSO		5233	494302	VOJECARO PROPERTIES LLC	1,176.42	GSO	GS-OTHER
32	16049885001	100435201	IUS		5560	1957702	PEOPLES GAS INC	637.61	IUS	IUS
32	16312595001	500144388	IST	FX7	44551	193602	KES ACQUISITION COMPANY	8,437.75	FX7	DS/IS
32	16358304001	500789884	IST	DS	48735	735005	COMMONWEALTH OF KENTUCKY	22,142.01	DS	DS/IS
32	16506898001	500381832	GTO		48431	735002	KENTUCKY INDUSTRIAL COATINGS LLC	5,141.89	GTO	GS-OTHER
32	16642002002	500021827	IST	DS	48623	494305	KENTUCKY HEAT TREATING CO	22,647.84	DS	DS/IS
32	16733087001	100469076	IST	DS	45244	674805	ATS ASPHALT TERMINAL LLC	12,519.73	DS	DS/IS
32	16803786001	500946178	IST	DS	48770	173715	KENTUCKY SMELTING TECHNOLOGIES	51,312.32	DS	DS/IS
32	17054287001	800800000	GSO		5060	895125	PROGRESS RAIL RACELAND CORPO	12,399.71	GSO	GS-OTHER
32	17250210001	500980083	IST	DS	48834	494302	SEKISUI S-LEC AMERICA LLC	18,699.93	DS	DS/IS
32	17265688001	100425477	IST	DS	5809	674805	UK HEALTHCARE GOOD SAMARITAN HOSP	4,238.55	DS	DS/IS
32	17398015001	500206091	IST	DS	47691	494305	CATALENT PHARMA SOLUTIONS	12,028.09	DS	DS/IS
32	18573449001	100466658	GSO		5682	1155502	BEN TIRE DISTRIBUTERS	5,936.32	GSO	GS-OTHER
32	18759655002	100463597	IST	DS	14673	494305	ALLTECH INC.	26,962.17	DS	DS/IS
32	18759655004	500076425	GSO		47840	494305	ALLTECH INC.	128,686.57	GSO	GS-OTHER
32	19062553002	501101909	IST	DS	49268	173702	HINKLE CONTRACTING COMPANY LLC	72,274.39	DS	DS/IS
32	19183325001	501089232	IST	DS	49278	173702	COLOR POINT LLC	45,352.22	DS	DS/IS
32	19301302001	500584936	IST	DS	49281	2098002	HINKLE CONTRACTING COMPANY LLC	16,492.01	DS	DS/IS
32	19773521001	501165742	GSO		49330	674805	UPS FUEL SERVICES	76,736.39	GSO	GS-OTHER

	<u>Total Cost</u>	<u>Percent</u>
GS-RES	0	0.000%
GS-OTHER	577,607	25.977%
DS/IS	1,645,313	73.995%
IUS	638	0.029%
N/A	0	0.000%
N/A	0	0.000%
N/A	0	0.000%
N/A	0	0.000%
TOTAL BEFORE DS-ML/SC	2,223,557	100.000%
DS-ML	677,829	
TOTAL	2,901,386	

Plant <u>Accounting</u>	Rate <u>Case</u>
BLANK	UNDER 3"
2" & UNDER	UNDER 3"
1"	UNDER 3"
2"	UNDER 3"
3"	3"
1/2"	UNDER 3"
5/8"	UNDER 3"
3/4"	UNDER 3"
7/8"	UNDER 3"
1"	UNDER 3"
1-1/4"	UNDER 3"
1-3/8"	UNDER 3"
1-1/2"	UNDER 3"
1-5/8"	UNDER 3"
1-3/4"	UNDER 3"
2"	UNDER 3"
2-3/8"	UNDER 3"
2-1/2"	UNDER 3"
3"	3"
3-1/8"	3-1/8"
3-1/2"	3-1/2"
4"	4"
4-1/4"	4-1/4"
4-1/2"	4-1/2"
4-5/8"	4-5/8"
5"	5"
5-3/16"	5-3/16"
6"	6"
6-5/8"	6-5/8"
7"	7"
7-1/2"	7-1/2"
8"	8"
8-5/8"	8-5/8"
10"	10"
10-1/8"	10-1/8"
10-1/4"	10-1/4"
11"	11"
11-1/8"	11-1/8"
11-1/4"	11-1/4"
12"	12"
12-1/2"	12-1/2"
14"	14"
15-3/8"	15-3/8"
16"	16"
18"	18"
20"	20"
20-1/2"	20-1/2"
22"	22"

24"

24"

Columbia Gas of Kentucky, Inc.
 Account 380 - Services
 As of February 29, 2016

<u>PUN</u>	<u>Desc</u>	<u>Size</u>	<u>Qty</u>	<u>Amt</u>
464516	SERV MAINS	2"	0	5
892126	VALVES	4"	1	2,747
655115	SERV MAIN/CURB	1-1/2"	2	121
655118	SERV MAIN/CURB	2-1/2"	8	1,515
655121	SERV MAIN/METER	3"	209	93,359
655126	SERV MAIN/METER	4"	140	180,358
655136	SERV MAIN/METER	6"	4	50,723
655140	SERV MAIN/METER	8"	2	20,041
655150	SERV MAIN/METER	12"	1	6,628
655196	SERV MAIN/METER	2" & UNDER	29,915	2,846,171
655221	SERV MAIN/CURB	3"	407	473,557
655226	SERV MAIN/CURB	4"	94	739,703
655236	SERV MAIN/CURB	6"	6	100,672
655240	SERV MAIN/CURB	8"	4	25,196
655296	SERV MAIN/CURB	2" & UNDER	88,792	54,387,433
655421	SERV CURB/METER	3"	2	10,250
655426	SERV CURB/METER	4"	3	3,217
655436	SERV CURB/METER	5"	1	7,112
655496	SERV CURB/METER	2" & UNDER	64	82,695
655521	SERV CURB/METER	3"	36	74,384
655526	SERV CURB/METER	4"	10	36,237
655596	SERV CURB/METER	2" & UNDER	66,253	46,868,050
655821	SERV MAIN/METER	3"	1	6,574
655826	SERV MAIN/METER	4"	1	4,745
655896	SERV MAIN/METER	2" & UNDER	16,472	10,336,206
655996	SERV MAIN/METER	2" & UNDER	<u>72</u>	<u>45,259</u>
			202,500	116,402,958

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 380 - SERVICES
SOURCE - LISTING OF SERVICES BY SIZE AND KIND
As of February 29, 2016

<u>PU#</u>	<u>DESCRIPTION</u>	<u>SIZE</u>	<u>QUANTITY</u>	<u>BOOK COST</u>	<u>AVG UNIT COST</u>
464516	SERV MAINS	OTHER	0	5	
892126	VALVES	OTHER	1	2,747	
655115	SERV MAIN/CURB	UNDER 3"	2	121	
655118	SERV MAIN/CURB	UNDER 3"	8	1,515	
655121	SERV MAIN/METER	3"	209	93,359	
655126	SERV MAIN/METER	4"	140	180,358	
655136	SERV MAIN/METER	6"	4	50,723	
655140	SERV MAIN/METER	8"	2	20,041	
655150	SERV MAIN/METER	12"	1	6,628	
655196	SERV MAIN/METER	UNDER 3"	29,915	2,846,171	
655221	SERV MAIN/CURB	3"	407	473,557	
655226	SERV MAIN/CURB	4"	94	739,703	
655236	SERV MAIN/CURB	6"	6	100,672	
655240	SERV MAIN/CURB	8"	4	25,196	
655296	SERV MAIN/CURB	UNDER 3"	88,792	54,387,433	
655421	SERV CURB/METER	3"	2	10,250	
655426	SERV CURB/METER	4"	3	3,217	
655436	SERV CURB/METER	5"	1	7,112	
655496	SERV CURB/METER	UNDER 3"	64	82,695	
655521	SERV CURB/METER	3"	36	74,384	
655526	SERV CURB/METER	4"	10	36,237	
655596	SERV CURB/METER	UNDER 3"	66,253	46,868,050	
655821	SERV MAIN/METER	3"	1	6,574	
655826	SERV MAIN/METER	4"	1	4,745	
655896	SERV MAIN/METER	UNDER 3"	16,472	10,336,206	
655996	SERV MAIN/METER	UNDER 3"	<u>72</u>	<u>45,259</u>	
TOTAL ACCOUNT 380			202,500	116,402,958	

COLUMBIA GAS OF KENTUCKY, INC.
ACCOUNT 380 - SERVICES
SOURCE - LISTING OF SERVICES BY SIZE AND KIND
As of February 29, 2016

<u>PU#</u>	<u>DESCRIPTION</u>	<u>SIZE</u>	<u>QUANTITY</u>	<u>BOOK COST</u>	<u>AVG UNIT COST</u>
SUMMARY BY SIZE					
	OTHER		1	2,752	N/A
	UNDER 3"		201,578	114,567,451	568.35
	3"		655	658,124	1,004.77
	3-1/8"		0	0	0.00
	3-1/2"		0	0	0.00
	4"		248	964,259	3,888.14
	4-1/2"		0	0	0.00
	5"		1	7,112	7,112.22
	6"		10	151,395	15,139.47
	6-5/8"		0	0	0.00
	8"		6	45,237	7,539.47
	8-5/8"		0	0	0.00
	10"		0	0	0.00
	12"		1	6,628	6,627.73
	20"		<u>0</u>	<u>0</u>	0.00
TOTAL ACCOUNT 380			202,500	116,402,958	

Columbia Gas of Kentucky, Inc.
 Master Code Summation Statistics
 As of February 29, 2016

Master Tap Codes

<u>NAME</u>	<u>RATE</u> <u>SCHEDULE</u>	<u>PIPE</u> <u>SIZE</u>	Pipe Size <u>Description</u>	<u>Classification</u>	<u>BLANK</u>	<u>P</u>	<u>S</u>	<u>*</u>	<u>±</u>
RESIDENTIAL	GSO	000	UNCLASSIFIED	UNDER 3"	1	0	0	0	1
RESIDENTIAL	GSO	010	1"	UNDER 3"	1	0	0	0	1

<u>INVALID</u>	<u>TOTAL</u>
0	2
0	2

COLUMBIA GAS OF KENTUCKY, INC.
2" MINIMUM SYSTEM CALCULATION
FEBRUARY 29, 2016

2" Pipe

	Qty		Amount
Total 2 " Pipe	4,906,346	\$	45,155,907

All Pipe

Total All Pipe	14,119,350	\$	200,461,723
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Cost - 2" Pipe	45,155,907
Quantity - 2" Pipe	4,906,346
Unit Cost - 2" Pipe	\$ 9.2036
Quantity - All Pipe	x <u>14,119,350</u>
Cost Minimum System	\$ 129,948,850
Cost - All Pipe	\$ 200,461,723

Customer Component	0.64825
Demand Component	0.35175

1.0000

COLUMBIA GAS OF KENTUCKY, INC.
DEVELOPMENT OF CUSTOMER/DEMAND ALLOCATION -FACTOR 3
FOR TME DECEMBER 31, 2017

Ln. No.	Rate Class (1)	Customers (2)	Ratio (3)	Customer Component Factor (4) = (3) * 64.825%	Design Day Volume (5)	Ratio (6)	Demand Component Factor (7) = (6) * 35.175%	Total (8) = (4) + (7)
1	GS-Residential	121,915	89.661%	58.123%	137,300	44.549%	15.670%	73.793%
2	GS-Other	13,977	10.279%	6.663%	88,300	28.650%	10.078%	16.741%
3	IUS	2	0.001%	0.001%	200	0.065%	0.023%	0.024%
4	DS/IS	79	0.058%	0.038%	82,400	26.736%	9.404%	9.442%
5	Total Excl. DS-ML	135,973	100.000%	64.825%	308,200	100.000%	35.175%	100.000%

COLUMBIA GAS OF KENTUCKY, INC.
Development of Factor 21 - Uncollectibles
For TME February 28, 2016

<u>Ln.</u>	<u>Customer Class</u>	<u>Net Charge-Offs</u>							
1	Residential	\$	1,022,789						
2	Commercial	\$	155,603						
3	Industrial	\$	248						
4	Total	\$	1,178,640						
			<u>Total Company</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>			
5	Residential Customers		121,915	121,915					
6	Commercial & Industrial Customers		14,064		13,977	2			
7	% Residential		100.000%	100.000%					
8	% Commercial & Industrial		100.000%		99.381%	0.014%			
9	Net Charge-Offs	\$	1,178,639	\$	1,022,789	\$	154,887	\$	22
10	Factor 21		100.000%	86.777%	13.141%	0.002%			

DS-ML DS/IS

6 79

0.043% 0.562%

\$ 66 \$ 875

0.006% **0.074%**

Classification Allocations

<u>Factor</u>	<u>Classification Basis</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>	<u>Total</u>
1	DEMAND DESIGN DAY	0.000%	0.000%	100.000%	100.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	0.000%	0.000%	100.000%	100.000%
3	MINIMUM SYSTEM MAINS	64.825%	0.000%	35.175%	100.000%
4	COMMODITY THROUGHPUT	0.000%	100.000%	0.000%	100.000%
5	COMPOSITE OF 1 & 4 - DEMAND/COMMODITY	0.000%	50.000%	50.000%	100.000%
6	CUSTOMER	100.000%	0.000%	0.000%	100.000%
7CD	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - C/D	79.545%	0.000%	20.455%	100.000%
7DC	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - D/C	41.847%	29.076%	29.076%	100.000%
7AVG	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - AVG	60.696%	14.538%	24.766%	100.000%
8	TOTAL PLANT ACCOUNT 385	100.000%	0.000%	0.000%	100.000%
9	GAS PURCHASE EXPENSE EX OFF SYST	0.000%	100.000%	0.000%	100.000%
10CD	OTHER DIST. EXP - LABOR - C/D	85.976%	1.091%	12.933%	100.000%
10DC	OTHER DIST. EXP - LABOR - D/C	62.142%	19.475%	18.383%	100.000%
10AVG	OTHER DIST. EXP - LABOR - AVG	74.059%	10.283%	15.658%	100.000%
11CD	OTHER DIST. EXP EXCL - M & E - C/D	78.028%	0.192%	21.780%	100.000%
11DC	OTHER DIST. EXP EXCL - M & E - D/C	37.888%	31.152%	30.960%	100.000%
11AVG	OTHER DIST. EXP EXCL - M & E - AVG	57.958%	15.672%	26.370%	100.000%
12CD	O & M EXCL A & G - LABOR - C/D	87.551%	0.969%	11.481%	100.000%
12DC	O & M EXCL A & G - LABOR - D/C	66.393%	17.288%	16.319%	100.000%
12AVG	O & M EXCL A & G - LABOR - AVG	76.972%	9.128%	13.900%	100.000%
13CD	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - C/D	83.292%	0.129%	16.579%	100.000%
13DC	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - D/C	56.402%	20.869%	22.728%	100.000%
13AVG	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - AVG	69.847%	10.499%	19.654%	100.000%
14CD	ACCT 376/380 - MAINS/SERVICES - C/D	77.680%	0.000%	22.320%	100.000%
14DC	ACCT 376/380 - MAINS/SERVICES - D/C	36.547%	31.727%	31.727%	100.000%
14AVG	ACCT 376/380 - MAINS/SERVICES - AVG	57.113%	15.863%	27.023%	100.000%
15	DIRECT PLANT ACCT 380	100.000%	0.000%	0.000%	100.000%
16	DIRECT PLANT ACCTS 381	100.000%	0.000%	0.000%	100.000%
17	DIRECT PLANT ACCT 385	100.000%	0.000%	0.000%	100.000%
18CD	ACCOUNT 376 MAINS - COMPOSITE/PLANT - C/D	64.825%	0.000%	35.175%	100.000%
18DC	ACCOUNT 376 MAINS - COMPOSITE/PLANT - D/C	0.000%	50.000%	50.000%	100.000%
18AVG	ACCOUNT 376 MAINS - COMPOSITE/PLANT - AVG	32.413%	25.000%	42.588%	100.000%
19CD	TOTAL PLANT - C/D	79.545%	0.000%	20.455%	100.000%
19DC	TOTAL PLANT - D/C	41.847%	29.076%	29.076%	100.000%
19AVG	TOTAL PLANT - AVG	60.696%	14.538%	24.766%	100.000%
20	AVERAGE C/D & D/C	32.413%	25.000%	42.588%	100.000%
21	UNCOLLECTIBLES	100.000%	0.000%	0.000%	100.000%

CUSTOMER ALLOCATION FACTOR TABLE

ALLOC. NO.	DESCRIPTION	GS-RESIDENTIAL AMT.	GS-OTHER AMT.	IUS AMT.	DS-ML AMT.	DS/IS AMT.	NOT USED AMT.	NOT USED AMT.
1	DESIGN DAY EXCL. DS-ML	137,300	88,300	200	0	82,400	0	0
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200	0	3,900	0	0
3	MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024	0.00000	0.09442	0.00000	0.00000
4	THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321	0	10,094,426	0	0
5	COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057	0.00000	0.34560	0.00000	0.00000
6	AVERAGE NO. OF CUSTOMERS	121,915	13,977	2	6	79	0	0
7	CUST DIST. PLANT EXCL. ACCTS 375.70,375.71,387	184,891,491	42,998,449	38,887	696,593	19,574,029	0	0
8	TOTAL PLANT ACCOUNT 385	0	700,742	782	677,829	1,996,050	0	0
9	GAS PURCHASE EXPENSE EX OFF SYST	0	0	0	0	0	0	0
10	CUST OTHER DIST. EXP - LABOR	3,250,112	1,050,308	680	11,717	209,935	0	0
11	CUST OTHER DIST. EXP EXCL - M & E	3,886,281	1,016,806	958	16,461	472,167	0	0
12	CUST O & M EXCL A & G - LABOR	4,445,102	1,273,674	776	13,246	237,196	0	0
13	CUST O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	9,647,266	1,817,216	1,250	20,706	590,944	0	0
14	CUST ACCT 376/380 - MAINS/SERVICES	152,908,514	30,026,196	30,684	3,786	16,231,088	0	0
15	DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001	0.00000	0.00353	0.00000	0.00000
16	DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013	0.00000	0.00433	0.00000	0.00000
17	DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029	0.00000	0.73995	0.00000	0.00000
18	CUST ACCOUNT 376 MAINS - COMPOSITE/PLANT	40,446,627	15,471,975	29,409	3,786	15,781,128	0	0
19	CUST TOTAL PLANT	197,988,638	46,044,307	41,698	745,998	20,960,523	0	0
20	AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041	0.00000	0.22001	0.00000	0.00000
21	UNCOLLECTIBLES	1,022,789	154,887	22	66	875	0	0

TOTAL	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
AMT.	PCT.	PCT.	PCT.	PCT.	PCT.	PCT.	PCT.
308,200	44.549%	28.650%	0.065%	0.000%	26.736%	0.000%	0.000%
225,300	60.941%	37.239%	0.089%	0.000%	1.731%	0.000%	0.000%
1	73.793%	16.741%	0.024%	0.000%	9.442%	0.000%	0.000%
23,816,711	33.421%	24.147%	0.048%	0.000%	42.384%	0.000%	0.000%
1	38.984%	26.399%	0.057%	0.000%	34.560%	0.000%	0.000%
135,979	89.658%	10.279%	0.001%	0.004%	0.058%	0.000%	0.000%
248,199,449	74.493%	17.324%	0.016%	0.281%	7.886%	0.000%	0.000%
3,375,403	0.000%	20.761%	0.023%	20.081%	59.135%	0.000%	0.000%
0	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
4,522,752	71.861%	23.223%	0.015%	0.259%	4.642%	0.000%	0.000%
5,392,673	72.066%	18.855%	0.018%	0.305%	8.756%	0.000%	0.000%
5,969,994	74.457%	21.335%	0.013%	0.222%	3.973%	0.000%	0.000%
12,077,382	79.880%	15.046%	0.010%	0.171%	4.893%	0.000%	0.000%
199,200,268	76.762%	15.073%	0.015%	0.002%	8.148%	0.000%	0.000%
1	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
1	71.942%	27.612%	0.013%	0.000%	0.433%	0.000%	0.000%
1	0.000%	25.977%	0.029%	0.000%	73.995%	0.000%	0.000%
71,732,925	56.385%	21.569%	0.041%	0.005%	22.000%	0.000%	0.000%
265,781,164	74.493%	17.324%	0.016%	0.281%	7.886%	0.000%	0.000%
1	56.388%	21.570%	0.041%	0.000%	22.001%	0.000%	0.000%
1,178,639	86.777%	13.141%	0.002%	0.006%	0.074%	0.000%	0.000%

DEMAND ALLOCATION FACTOR TABLE

ALLOC.		GS-RESIDENTIAL	GS-OTHER	IUS
NO.	DESCRIPTION	AMT.	AMT.	AMT.
1	1 DESIGN DAY EXCL. DS-ML	137,300	88,300	200
2	2 DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200
3	3 MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024
4	4 THROUGHPUT EXCL. MLS	7,960,000	5,750,963	11,321
5	5 COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057
6	6 AVERAGE NO. OF CUSTOMERS	121,915	13,977	2
7	7DEM DIST. PLANT EXCL. ACCTS 375.70,375.71,387	57,092,100	21,839,337	41,512
8	8 TOTAL PLANT ACCOUNT 385	0	0	0
9	9 GAS PURCHASE EXPENSE EX OFF SYST	0	0	0
10	10DEM OTHER DIST. EXP - LABOR	539,175	206,252	391
11	11DEM OTHER DIST. EXP EXCL - M & E	1,383,460	529,216	1,007
12	12DEM O & M EXCL A & G - LABOR	607,887	232,537	441
13	13DEM O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	1,723,661	659,651	1,256
14	14DEM ACCT 376/380 - MAINS/SERVICES	53,143,717	20,328,970	38,641
15	15 DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001
16	16 DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013
17	17 DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029
18	18DEM ACCOUNT 376 MAINS - COMPOSITE/PLANT	53,143,717	20,328,970	38,641
19	19DEM TOTAL PLANT	61,136,314	23,386,389	44,456
20	20 AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041
21	21 UNCOLLECTIBLES	1,022,789	154,887	22

DS-ML	DS/IS	NOT USED	NOT USED	TOTAL	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML
AMT.	AMT.	AMT.	AMT.	AMT.	PCT.	PCT.	PCT.	PCT.
0	82,400	0	0	308,200	44.549%	28.650%	0.065%	0.000%
0	3,900	0	0	225,300	60.941%	37.239%	0.089%	0.000%
0.00000	0.09442	0.00000	0.00000	1	73.793%	16.741%	0.024%	0.000%
0	10,094,426	0	0	23,816,711	33.421%	24.147%	0.048%	0.000%
0.00000	0.34560	0.00000	0.00000	1	38.984%	26.399%	0.057%	0.000%
6	79	0	0	135,979	89.658%	10.279%	0.001%	0.004%
24,656	22,275,719	0	0	101,273,324	56.374%	21.565%	0.041%	0.024%
0	0	0	0	0	0.000%	100.000%	0.000%	0.000%
0	0	0	0	0	100.000%	0.000%	0.000%	0.000%
48	210,372	0	0	956,238	56.385%	21.569%	0.041%	0.005%
123	539,791	0	0	2,453,597	56.385%	21.569%	0.041%	0.005%
54	237,181	0	0	1,078,100	56.385%	21.569%	0.041%	0.005%
153	672,056	0	0	3,056,777	56.388%	21.580%	0.041%	0.005%
4,976	20,735,173	0	0	94,251,477	56.385%	21.569%	0.041%	0.005%
0.00000	0.00353	0.00000	0.00000	1	88.228%	11.418%	0.001%	0.000%
0.00000	0.00433	0.00000	0.00000	1	71.942%	27.612%	0.013%	0.000%
0.00000	0.73995	0.00000	0.00000	1	0.000%	25.977%	0.029%	0.000%
4,976	20,735,173	0	0	94,251,477	56.385%	21.569%	0.041%	0.005%
26,378	23,853,691	0	0	108,447,228	56.374%	21.565%	0.041%	0.024%
0.00000	0.22001	0.00000	0.00000	1	56.388%	21.570%	0.041%	0.000%
66	875	0	0	1,178,639	86.777%	13.141%	0.002%	0.006%

DS/IS	NOT USED	NOT USED
PCT.	PCT.	PCT.
26.736%	0.000%	0.000%
1.731%	0.000%	0.000%
9.442%	0.000%	0.000%
42.384%	0.000%	0.000%
34.560%	0.000%	0.000%
0.058%	0.000%	0.000%
21.996%	0.000%	0.000%
0.000%	0.000%	0.000%
0.000%	0.000%	0.000%
22.000%	0.000%	0.000%
22.000%	0.000%	0.000%
22.000%	0.000%	0.000%
21.986%	0.000%	0.000%
22.000%	0.000%	0.000%
0.353%	0.000%	0.000%
0.433%	0.000%	0.000%
73.995%	0.000%	0.000%
22.000%	0.000%	0.000%
21.996%	0.000%	0.000%
22.001%	0.000%	0.000%
0.074%	0.000%	0.000%

COMMODITY ALLOCATION FACTOR TABLE

ALLOC.		GS-RESIDENTIAL	GS-OTHER	IUS
NO.	DESCRIPTION	AMT.	AMT.	AMT.
1	1 DESIGN DAY EXCL. DS-ML	137,300	88,300	200
2	2 DESIGN DAY EXCL. INTERR DEMAND (MCF)	137,300	83,900	200
3	3 MINIMUM SYSTEM MAINS	0.73793	0.16741	0.00024
4	4 THROUGHPUT EXCL MLS	7,960,000	5,750,963	11,321
5	5 COMPOSIT OF ALLOC #1 & #4	0.38985	0.26399	0.00057
6	6 AVERAGE NO. OF CUSTOMERS	121,915	13,977	2
7	7COMM DIST. PLANT EXCL. ACCTS 375.70,375.71,387	33,514,590	12,820,276	24,368
8	8 TOTAL PLANT ACCOUNT 385	0	0	0
9	9 GAS PURCHASE EXPENSE EX OFF SYST	13,807,095	7,643,847	25,009
10	10COMM OTHER DIST. EXP - LABOR	338,784	137,166	261
11	11COMM OTHER DIST. EXP EXCL - M & E	818,105	314,983	600
12	12COMM O & M EXCL A & G - LABOR	381,959	154,646	294
13	13COMM O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	1,238,100	513,713	1,142
14	14COMM ACCT 376/380 - MAINS/SERVICES	31,196,782	11,933,649	22,683
15	15 DIRECT PLANT ACCT 380	0.88228	0.11418	0.00001
16	16 DIRECT PLANT ACCTS 381	0.71942	0.27612	0.00013
17	17 DIRECT PLANT ACCT 385	0.00000	0.25977	0.00029
18	18COMM ACCOUNT 376 MAINS - COMPOSITE/PLANT	31,196,782	11,933,649	22,683
19	19COMM TOTAL PLANT	35,888,655	13,728,435	26,093
20	20 AVG DEM/COM #5 & CUS/DEM #3	0.56389	0.21570	0.00041
21	21 UNCOLLECTIBLES	1,022,789	154,887	22

DS-ML	DS/IS	NOT USED	NOT USED	TOTAL	GS-RESIDE	GS-OTHER	IUS
AMT.	AMT.	AMT.	AMT.	AMT.	PCT.	PCT.	PCT.
0	82,400	0	0	308,200	44.549%	28.650%	0.065%
0	3,900	0	0	225,300	60.941%	37.239%	0.089%
0.00000	0.09442	0.00000	0.00000	1	73.793%	16.741%	0.024%
0	10,094,426	0	0	23,816,711	33.421%	24.147%	0.048%
0.00000	0.34560	0.00000	0.00000	1	38.984%	26.399%	0.057%
6	79	0	0	135,979	89.658%	10.279%	0.001%
14,473	13,076,443	0	0	59,450,150	56.374%	21.565%	0.041%
0	0	0	0	0	0.000%	100.000%	0.000%
0	0	0	0	21,475,950	64.291%	35.593%	0.116%
29	151,741	0	0	627,981	53.948%	21.842%	0.042%
72	324,451	0	0	1,458,211	56.103%	21.601%	0.041%
34	171,078	0	0	708,011	53.948%	21.842%	0.042%
90	403,930	0	0	2,156,975	57.400%	23.816%	0.053%
2,920	12,172,100	0	0	55,328,134	56.385%	21.569%	0.041%
0.00000	0.00353	0.00000	0.00000	1	88.228%	11.418%	0.001%
0.00000	0.00433	0.00000	0.00000	1	71.942%	27.612%	0.013%
0.00000	0.73995	0.00000	0.00000	1	0.000%	25.977%	0.029%
2,920	12,172,100	0	0	55,328,134	56.385%	21.569%	0.041%
15,486	14,002,756	0	0	63,661,425	56.374%	21.565%	0.041%
0.00000	0.22001	0.00000	0.00000	1	56.388%	21.570%	0.041%
66	875	0	0	1,178,639	86.777%	13.141%	0.002%

DS-ML	DS/IS	NOT USED	NOT USED
PCT.	PCT.	PCT.	PCT.
0.000%	26.736%	0.000%	0.000%
0.000%	1.731%	0.000%	0.000%
0.000%	9.442%	0.000%	0.000%
0.000%	42.384%	0.000%	0.000%
0.000%	34.560%	0.000%	0.000%
0.004%	0.058%	0.000%	0.000%
0.024%	21.996%	0.000%	0.000%
0.000%	0.000%	0.000%	0.000%
0.000%	0.000%	0.000%	0.000%
0.005%	24.163%	0.000%	0.000%
0.005%	22.250%	0.000%	0.000%
0.005%	24.163%	0.000%	0.000%
0.004%	18.727%	0.000%	0.000%
0.005%	22.000%	0.000%	0.000%
0.000%	0.353%	0.000%	0.000%
0.000%	0.433%	0.000%	0.000%
0.000%	73.995%	0.000%	0.000%
0.005%	22.000%	0.000%	0.000%
0.024%	21.996%	0.000%	0.000%
0.000%	22.001%	0.000%	0.000%
0.006%	0.074%	0.000%	0.000%

Columbia Gas of Kentucky, Inc.
 Calculation of Revenue Requirement Allocation Factor - Classification
 For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>Total Company</u>	<u>Customer</u>	<u>Commodity</u>	<u>Demand</u>
1 PRODUCTION	343,696	0	341,557	2,139
2 DISTRIBUTION - O&M OPERATION	13,521,662	9,462,768	1,561,565	2,497,330
3 DISTRIBUTION - O&M MAINT.	4,947,314	2,350,040	961,866	1,635,407
4 CUSTOMER ACCOUNTS	5,539,212	5,539,212	0	0
5 CUSTOMER SERVICE & INFOR.	1,546,761	1,546,761	0	0
6 SALES	176,183	176,183	0	0
7 ADMINISTRATIVE & GENERAL 1/	18,844,012	13,276,201	1,956,492	3,611,322
8 DEPRECIATION & AMORTIZATION	15,939,787	11,354,490	1,696,059	2,889,238
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 EXPENSES AND OTHER TAXES	65,649,508	46,719,983	7,178,662	11,750,865
11 RATE BASE	253,360,781	117,450,953	34,838,908	101,070,924
12 INCOME TAX @ 0.0360350126	9,129,859	4,232,347	1,255,420	3,642,092
13 RETURN @ 0.0824	20,876,928	9,677,959	2,870,726	8,328,244
14 REVENUE REQUIREMENT	95,656,295	60,630,289	11,304,808	23,721,201
15 ALLOCATION FACTOR 22	100.000%	63.384%	11.818%	24.798%

1/ Excluding Regulatory Commission Expense PSC Fees

Columbia Gas of Kentucky, Inc.
 Calculation of Revenue Requirement Allocation Factor - Customer Only
 For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>CUSTOMER ONLY</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
1 PRODUCTION	0	0	0	0	0	0	0	0
2 DISTRIBUTION - O&M OPERATION	9,462,768	6,929,128	2,010,618	1,400	18,711	502,911	0	0
3 DISTRIBUTION - O&M MAINT.	2,350,040	1,573,449	439,422	563	14,990	321,612	0	0
4 CUSTOMER ACCOUNTS	5,539,212	4,936,742	598,785	67	243	3,378	0	0
5 CUSTOMER SERVICE & INFOR.	1,546,761	1,386,794	158,990	16	63	897	0	0
6 SALES	176,183	157,962	18,110	1	7	102	0	0
7 ADMINISTRATIVE & GENERAL 1/	13,276,201	10,371,644	2,268,193	1,457	24,898	610,012	0	0
8 DEPRECIATION & AMORTIZATION	11,354,490	8,858,023	1,833,698	1,260	17,038	644,474	0	0
9 TAXES OTHER THAN INCOME	<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>
10 EXPENSES AND OTHER TAXES	46,719,983	36,459,024	7,870,213	5,231	84,124	2,301,395	0	0
11 RATE BASE	117,450,953	84,142,977	21,548,139	22,004	459,994	11,277,857	0	0
12 INCOME TAX @ 0.0360350126	4,232,347	3,032,093	776,487	793	16,576	406,398	0	0
13 RETURN @ 0.0824	9,677,959	6,933,381	1,775,567	1,813	37,904	929,295	0	0
14 REVENUE REQUIREMENT	60,630,289	46,424,498	10,422,267	7,837	138,604	3,637,088	0	0
15 ALLOCATION FACTOR 22CUST	100.000%	76.569%	17.190%	0.013%	0.229%	5.999%	0.000%	0.000%

1/ Excluding Regulatory Commission Expense PSC Fees

Columbia Gas of Kentucky, Inc.
 Calculation of Revenue Requirement Allocation Factor - Commodity
 For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>COMMODITY ONLY</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>	
1	PRODUCTION	341,557	219,590	121,570	396	0	0	0	0
2	DISTRIBUTION - O&M OPERATION	1,561,565	858,543	339,278	646	74	363,023	0	0
3	DISTRIBUTION - O&M MAINT.	961,866	541,926	207,511	394	50	211,985	0	0
4	CUSTOMER ACCOUNTS	0	0	0	0	0	0	0	0
5	CUSTOMER SERVICE & INFOR.	0	0	0	0	0	0	0	0
6	SALES	0	0	0	0	0	0	0	0
7	ADMINISTRATIVE & GENERAL 1/	1,956,492	1,102,046	453,960	971	84	399,432	0	0
8	DEPRECIATION & AMORTIZATION	1,696,059	956,201	365,777	694	298	373,084	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	EXPENSES AND OTHER TAXES	7,178,662	4,049,559	1,630,833	3,373	653	1,494,238	0	0
11	RATE BASE	34,838,908	19,640,679	7,524,167	14,337	9,381	7,650,344	0	0
12	INCOME TAX @ 0.0360350126	1,255,420	707,752	271,133	517	338	275,680	0	0
13	RETURN @ 0.0824	2,870,726	1,618,392	619,991	1,181	773	630,388	0	0
14	REVENUE REQUIREMENT	11,304,808	6,375,703	2,521,957	5,071	1,764	2,400,306	0	0
15	ALLOCATION FACTOR 22COMM	100.000%	56.397%	22.309%	0.045%	0.016%	21.233%	0.000%	0.000%

1/ Excluding Regulatory Commission Expense PSC Fees

Columbia Gas of Kentucky, Inc.
 Calculation of Revenue Requirement Allocation Factor - Demand Only
 For the 12 Months Ending December 31, 2017

<u>Line</u>	<u>DEMAND ONLY</u>	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>	<u>NOT USED</u>	<u>NOT USED</u>
1 PRODUCTION	2,139	1,304	797	2	0	37	0	0
2 DISTRIBUTION - O&M OPERATION	2,497,330	1,408,119	538,650	1,024	125	549,411	0	0
3 DISTRIBUTION - O&M MAINT.	1,635,407	922,125	352,741	671	82	359,789	0	0
4 CUSTOMER ACCOUNTS	0	0	0	0	0	0	0	0
5 CUSTOMER SERVICE & INFOR.	0	0	0	0	0	0	0	0
6 SALES	0	0	0	0	0	0	0	0
7 ADMINISTRATIVE & GENERAL 1/	3,611,322	2,036,316	779,203	1,481	180	794,137	0	0
8 DEPRECIATION & AMORTIZATION	2,889,238	1,628,893	623,100	1,183	509	635,551	0	0
9 TAXES OTHER THAN INCOME	<u>1,115,429</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 EXPENSES AND OTHER TAXES	11,750,865	6,625,579	2,535,038	4,818	1,147	2,584,278	0	0
11 RATE BASE	101,070,924	58,884,855	28,342,951	61,483	15,985	13,765,644	0	0
12 INCOME TAX @ 0.0360350126	3,642,092	2,121,916	1,021,339	2,216	576	496,045	0	0
13 RETURN @ 0.0824	8,328,244	4,852,112	2,335,459	5,066	1,317	1,134,289	0	0
14 REVENUE REQUIREMENT	23,721,201	13,599,607	5,891,836	12,100	3,040	4,214,612	0	0
15 ALLOCATION FACTOR 22DEM	100.000%	57.331%	24.838%	0.051%	0.013%	17.767%	0.000%	0.000%

Columbia Gas of Kentucky, Inc.
 Computation of Pre-Tax Rate of Return Rate
 As of December 31, 2017

<u>Line No.</u>	<u>Description</u>	<u>Total</u>
1	Weighted Cost of Debt	2.58%
2	Weighted Cost of Equity	5.66%
4	Gross Conversion Factor	1.636661
5	Federal and State Income Tax ((Line 2 X Line 3) - Line 2)	3.60%
6	Total Return & Tax (Line 1 + Line 2 + Line 4)	11.84%

7	Proof:	
8	Return (Line 5)	11.84%
9	Interest (Line 2)	2.58%
11	State Income Tax Base (Line 7 - Line 8)	9.26%
12	State Tax Rate	6.0%
13	State Income Tax (Line 9 X Line 10)	0.56%
14	Federal Income Tax Base Line 9 - (Line 9 - Line 11)	8.71%
15	Federal Tax Rate	35.0%
16	Federal Income Tax (Line 12 X Line 13)	3.05%
17	Equity Return (Line 9 - Line 11 - Line 14)	5.66%

COLUMBIA GAS OF KENTUCKY, INC.
CAPITAL STRUCTURE
AS OF DECEMBER 31, 2017

LINE NO.	CLASS OF CAPITAL (A)	WORKPAPER REFERENCE (B)	AMOUNT (C) \$	PERCENT OF TOTAL (D) (%)	COST RATE (E) (%)
1	SHORT-TERM DEBT		13,000,895	4.95%	2.50%
2	LONG-TERM DEBT		<u>114,375,000</u>	<u>43.58%</u>	5.64%
3	TOTAL DEBT		127,375,895	48.53%	
4	PREFERRED STOCK		0	0.00%	0.00%
5	COMMON EQUITY		<u>135,083,000</u>	<u>51.47%</u>	11.00%
7	TOTAL CAPITAL		262,458,895	100.00%	

WEIGHTED
COST

(F=D*E)
(%)

0.12%

2.46%

2.58%

0.00%

5.66%

8.24%

COLUMBIA GAS OF KENTUCKY, INC.
COMPUTATION OF GROSS REVENUE CONVERSION FACTOR
AS OF DECEMBER 31, 2017

LINE NO.	DESCRIPTION	
1	OPERATING REVENUE	
2	LESS: UNCOLLECTIBLE ACCOUNTS EXPENSE	
3	LESS: PSC FEES	
4	NET REVENUES	
5	STATE INCOME TAX	6%
6	INCOME BEFORE FEDERAL INCOME TAX	
7	FEDERAL INCOME TAX	35%
8	OPERATING INCOME PERCENTAGE	
9	GROSS REVENUE CONVERSION FACTOR	
10	(100 % DIVIDED BY INCOME AFTER INCOME TAX)	

PERCENTAGE OF
INCREMENTAL
GROSS REVENUE

100.000000%

0.000000%

0.000000%

100.000000%

6.000000%

94.000000%

32.900000%

61.100000%

1.636661

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

30. Provide the following expense account data:

a. A schedule showing a comparison of the balance in Columbia's operating expense accounts for each month of the most recent 12 months for which information is available at the time the application is filed to the same month of the preceding 12-month period for each account or subaccount included in Columbia's chart of accounts. See Schedule 30.

b. A schedule, in comparative form, showing the operating expense account balance for the base period and each of the three most recent calendar years for each account or subaccount included in Columbia's annual report. Show the percentage of increase or decrease of each year over the prior year.

c. A listing, with descriptions, of all activities, initiatives or programs undertaken or continued by Columbia since its last general rate case for the purpose of minimizing costs or improving the efficiency of its operations or maintenance activities.

Response:

- a. Please refer to Attachment A of this response.
- b. Please refer to Attachment B of this response.
- c. Columbia has undertaken a number of activities to help minimize costs and improve efficiency since its last rate case. Please refer to the direct testimony of Columbia witnesses Miller, Cole, Noel and others for examples of such activities. Specific examples of improved efficiencies and cost reduction include creating a General Manager, VP of Operations role for Columbia Gas of Kentucky who can support the needs of Kentucky operations specifically and efficiently, including: assured timely execution of required work; dedicated resource for strategic operational and compliance objectives; and advocate for Kentucky Operations with centralized business partners.

Columbia has also placed increasing emphasis on damage prevention as we have worked closely to educate and partner with the local authorities to enforce the new penalty language in the Underground Facility Damage Prevention Act, KRS 367.4901. Our increased emphasis and partnership has resulted in fewer damages which are not only a safety improvement for our communities and employees, but also an improvement in the efficiency of our daily work. Our focus on protecting our facilities is further evidenced through the creation of Damage Prevention Coordinator positions, who have helped to educate excavation partners, increasing the number of 811 tickets received by the 811 Call Center, and reducing the amount of third party dig-ins and damages to Columbia facilities. Reducing these damages saves not just costs, but also potentially lives.

Columbia's AMR program has generated significant cost savings related to reduced meter reading expense. Columbia can now read meters remotely every month. This technological advancement also provides customers with accurate monthly readings in lieu of estimated reading, ensuring we provide the most up-to-date billing possible. Additionally, Columbia's efforts to improve its Global Information System ("GIS") with mapping corrections, improving the accuracy of records, improving the speed for modified record availability and producing faster response time for line locating.

Columbia has also made improvements in its automated dispatching system. These improvement have allowed Columbia to safely respond more rapidly to emergency calls by taking into account the GPS coordinates of our workforce in relation to the emergency locating to prioritize the employee that is dispatched. This has resulted in a saving critical minutes when arriving to a situation in order to make it safe.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016-00162
COMPARISON OF OPERATING EXPENSE ACCOUNTS
CURRENT PERIOD: FOR THE TWELVE MONTHS ENDED APRIL 30, 2016
PRECEDING PERIOD: FOR THE TWELVE MONTHS ENDED APRIL 30, 2015

LINE NO.	ACCT NO.	ACCOUNT DESCRIPTION	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	403 - 405	DEPRECIATION AND AMORTIZATION EXPENSE													
2		CURRENT PERIOD	683,830	692,388	703,775	705,463	702,565	714,409	718,954	728,298	736,008	741,208	745,713	749,193	8,621,802
3		PRECEDING PERIOD	630,013	634,392	638,117	641,495	645,629	649,543	654,851	661,770	671,277	677,490	681,463	681,131	7,867,170
4		DIFFERENCE	53,817	57,997	65,657	63,968	56,936	64,866	64,103	66,528	64,731	63,718	64,249	68,062	754,632
5	406	AMORTIZATION-GAS PLANT ACQUISITION ADJUSTMENTS													
6		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
7		PRECEDING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
8		DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
9	408	TAXES OTHER THAN INCOME TAXES - PROPERTY													
10		CURRENT PERIOD	261,421	261,421	261,421	261,421	261,421	262,133	262,133	272,552	288,568	299,734	255,683	327,439	3,275,346
11		PRECEDING PERIOD	230,124	230,124	229,736	230,124	230,124	319,258	230,124	228,480	269,881	254,601	265,678	261,421	2,979,677
12		DIFFERENCE	31,297	31,297	31,685	31,297	31,297	(57,125)	32,008	44,071	18,686	45,133	(9,995)	66,018	295,669
13	408	TAXES OTHER THAN INCOME TAXES - PAYROLL													
14		CURRENT PERIOD	62,051	47,358	46,176	42,298	40,728	57,296	46,948	48,269	57,715	53,332	49,861	65,763	617,794
15		PRECEDING PERIOD	49,595	35,954	38,089	40,262	45,577	62,313	55,044	48,193	53,664	47,319	55,062	46,022	577,093
16		DIFFERENCE	12,456	11,404	8,087	2,035	(4,849)	(5,016)	(8,096)	76	4,051	6,013	(5,201)	19,741	40,701
17	408	TAXES OTHER THAN INCOME TAXES - OTHER													
18		CURRENT PERIOD	404	1,513	(0)	0	30	2,023	7,913	109	(7,913)	(0)	0	0	4,080
19		PRECEDING PERIOD	0	(0)	(44)	1,576	0	(31)	42	1,155	(0)	0	326	0	3,024
20		DIFFERENCE	404	1,513	44	(1,576)	30	2,054	7,871	(1,046)	(7,913)	(0)	(326)	(0)	1,056
21	717	LIQUEFIED PETROLEUM GAS EXPENSES													
22		CURRENT PERIOD	51	38	0	438	0	35	0	37	35	0	0	0	634
23		PRECEDING PERIOD	43	43	0	89	46	43	130	249	287	0	251	955	2,137
24		DIFFERENCE	8	(6)	0	349	(46)	(8)	(130)	(213)	(252)	0	(251)	(955)	(1,503)
25	723	FUEL FOR LIQUEFIED PETROLEUM GAS PROCESS													
26		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
27		PRECEDING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
28		DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
29	728	LIQUEFIED PETROLEUM GAS													
30		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
31		PRECEDING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
32		DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
33	741	STRUCTURES & IMPROVEMENTS													
34		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
35		PRECEDING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
36		DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
37	742	PRODUCTION EQUIPMENT													
38		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
39		PRECEDING PERIOD	0	(2)	0	0	0	0	0	0	0	0	0	0	(2)
40		DIFFERENCE	0	2	0	0	0	0	0	0	0	0	0	0	2
41	801 - 803	NATURAL GAS FIELD & TRANSMISSION LINE PURCHASES													
42		CURRENT PERIOD	6,897,216	4,282,560	2,184,220	2,435,899	4,890,051	3,259,077	2,473,259	1,932,637	3,065,345	3,240,408	2,446,693	3,363,837	40,471,202
43		PRECEDING PERIOD	13,663,518	9,413,661	9,512,988	1,723,034	8,807,815	7,346,802	10,427,361	10,526,109	4,799,256	5,932,516	4,452,726	5,088,447	91,694,234
44		DIFFERENCE	(6,766,302)	(5,131,101)	(7,328,768)	712,865	(3,917,764)	(4,087,726)	(7,954,102)	(8,593,471)	(1,733,911)	(2,692,107)	(2,006,033)	(1,724,610)	(51,223,033)

COLUMBIA GAS OF KENTUCKY, INC.
 CASE NO. 2016-00162
 COMPARISON OF OPERATING EXPENSE ACCOUNTS
 CURRENT PERIOD: FOR THE TWELVE MONTHS ENDED APRIL 30, 2016
 PRECEDING PERIOD: FOR THE TWELVE MONTHS ENDED APRIL 30, 2015

LINE NO.	ACCT NO.	ACCOUNT DESCRIPTION	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	804	NATURAL GAS CITY GATE PURCHASES													
2		CURRENT PERIOD	44,593	19,910	14,551	56,834	15,198	(13,268)	70,555	114,812	133,269	111,697	85,968	30,400	684,517
3		PRECEDING PERIOD	55,336	23,389	27,000	41,540	27,107	88,255	124,984	115,052	358,258	203,221	139,553	64,726	1,268,422
4		DIFFERENCE	(10,744)	(3,479)	(12,449)	15,294	(11,910)	(101,523)	(54,429)	(240)	(224,989)	(91,524)	(53,585)	(34,327)	(583,905)
5	805	OTHER GAS PURCHASES													
6		CURRENT PERIOD	124,799	(499,234)	(1,180,366)	(431,331)	(893,611)	(1,209,609)	(2,006,840)	(4,016,635)	(2,212,601)	(23,137)	1,024,203	(1,938,636)	(13,262,998)
7		PRECEDING PERIOD	(1,452,262)	1,103,236	(136,007)	(776,016)	742,786	(750,738)	(79,010)	1,695,128	5,382,448	11,372,553	2,687,810	4,221,419	24,011,347
8		DIFFERENCE	1,577,061	(1,602,470)	(1,044,359)	344,685	(1,636,397)	(458,871)	(1,927,831)	(5,711,763)	(7,595,049)	(11,395,689)	(1,663,607)	(6,160,055)	(37,274,345)
9	806	EXCHANGE GAS													
10		CURRENT PERIOD	1,240,828	(1,175,573)	3,821,924	4,046,820	730,145	341,201	644,435	(878,852)	(797,219)	(1,501,359)	(1,371,504)	1,385,535	6,486,382
11		PRECEDING PERIOD	(497,766)	(324,327)	440,469	4,622,867	(300,326)	33,829	427,559	385,607	(6,677,190)	(3,143,946)	(1,761,754)	(2,220,655)	(9,015,632)
12		DIFFERENCE	1,738,593	(851,246)	3,381,455	(576,047)	1,030,471	307,372	216,876	(1,264,459)	5,879,970	1,642,587	390,251	3,606,190	15,502,014
13	807	PURCHASED GAS EXPENSE - BROKERAGE FEE													
14		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
15		PRECEDING PERIOD	(155)	(4)	222	351	233	444	414	487	721	353	0	0	3,065
16		DIFFERENCE	155	4	(222)	(351)	(233)	(444)	(414)	(487)	(721)	(353)	0	0	(3,065)
17	807	PURCHASED GAS EXPENSE													
18		CURRENT PERIOD	26,988	26,547	25,511	26,899	27,356	25,807	28,950	27,195	27,505	28,379	28,526	26,199	325,863
19		PRECEDING PERIOD	17,349	18,344	18,189	19,725	19,200	21,997	24,150	19,636	15,988	13,589	15,077	25,036	228,281
20		DIFFERENCE	9,640	8,203	7,322	7,174	8,155	3,810	4,800	7,559	11,517	14,790	13,449	1,163	97,582
21	808	GAS WITHDRAWN FROM STORAGE													
22		CURRENT PERIOD	(5,497,196)	(1,714,802)	(3,844,028)	(4,663,551)	(3,654,867)	(693,063)	1,766,087	5,994,223	7,431,394	4,454,385	535,712	(19,437)	94,857
23		PRECEDING PERIOD	(9,452,658)	(8,505,314)	(8,472,016)	(3,163,258)	(7,014,515)	(3,280,153)	2,170,803	4,594,709	12,473,504	3,246,248	4,704,541	(3,513,100)	(16,211,209)
24		DIFFERENCE	3,955,462	6,790,512	4,627,989	(1,500,293)	3,359,647	2,587,091	(404,716)	1,399,513	(5,042,110)	1,208,137	(4,168,829)	3,493,663	16,306,066
25	812	TOTAL GAS USED IN OPERATIONS													
26		CURRENT PERIOD	(2,563)	(1,837)	(1,002)	(918)	(1,757)	(2,807)	(3,687)	(8,088)	(13,824)	(12,808)	(6,139)	(4,543)	(59,972)
27		PRECEDING PERIOD	(5,568)	(2,191)	(1,287)	(1,292)	(1,116)	(2,346)	(4,568)	(10,713)	(15,708)	(11,105)	(9,834)	(4,005)	(69,732)
28		DIFFERENCE	3,005	354	285	373	(641)	(460)	880	2,625	1,884	(1,703)	3,695	(538)	9,760
29	813	EXCHANGE FEES													
30		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
31		PRECEDING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
32		DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
33	870	SUPERVISION AND ENGINEERING													
34		CURRENT PERIOD	81,988	6,042	106,560	(25,821)	77,061	80,947	(6,823)	123,554	44,357	(45,150)	107,703	66,271	616,689
35		PRECEDING PERIOD	99,920	(33)	114,575	118,678	18,128	108,683	57,452	48,168	112,543	57,169	14,167	103,931	853,382
36		DIFFERENCE	(17,933)	6,074	(8,015)	(144,499)	58,934	(27,736)	(64,275)	75,386	(68,186)	(102,319)	93,536	(37,660)	(236,693)
37	871	DISTRIBUTION LOAD DISPATCHING													
38		CURRENT PERIOD	2,686	2,936	1,310	1,190	2,979	2,433	1,190	1,273	19,542	613	2,218	996	39,366
39		PRECEDING PERIOD	260	1,009	1,472	434	676	52	3,908	3,831	14,296	31,603	6,892	1,087	65,520
40		DIFFERENCE	2,426	1,927	(162)	757	2,303	2,382	(2,718)	(2,558)	5,246	(30,990)	(4,675)	(92)	(26,154)
41	874	MAINS AND SERVICES EXPENSES													
42		CURRENT PERIOD	415,121	337,547	247,276	291,387	258,887	395,717	416,916	622,931	301,161	343,724	425,790	465,267	4,521,724
43		PRECEDING PERIOD	286,450	378,939	223,592	385,259	273,117	373,753	250,729	705,126	355,203	215,069	289,482	457,697	4,194,415
44		DIFFERENCE	128,670	(41,392)	23,684	(93,872)	(14,231)	21,964	166,187	(82,195)	(54,041)	128,655	136,308	7,570	327,308

COLUMBIA GAS OF KENTUCKY, INC.
 CASE NO. 2016-00162
 COMPARISON OF OPERATING EXPENSE ACCOUNTS
 CURRENT PERIOD: FOR THE TWELVE MONTHS ENDED APRIL 30, 2016
 PRECEDING PERIOD: FOR THE TWELVE MONTHS ENDED APRIL 30, 2015

LINE NO.	ACCT NO.	ACCOUNT DESCRIPTION	MAY \$	JUN \$	JUL \$	AUG \$	SEP \$	OCT \$	NOV \$	DEC \$	JAN \$	FEB \$	MAR \$	APR \$	TOTAL \$
1	875	MEASURING AND REGULATION STA. EXPENSE - GEN.													
2		CURRENT PERIOD	14,415	20,782	10,953	23,648	7,460	10,741	15,428	11,083	11,393	9,452	10,298	8,048	153,702
3		PRECEDING PERIOD	9,418	41,869	43,217	7,124	12,458	42,419	28,542	23,342	9,518	10,599	10,936	10,915	250,355
4		DIFFERENCE	4,997	(21,087)	(32,264)	16,524	(4,998)	(31,678)	(13,114)	(12,260)	1,876	(1,147)	(638)	(2,867)	(96,653)
5	876	MEASURING AND REGULATION STA. EXPENSE - IND.													
6		CURRENT PERIOD	2,761	4,797	3,238	3,309	4,722	5,064	9,234	9,014	4,348	2,762	3,773	4,281	57,302
7		PRECEDING PERIOD	3,321	4,151	4,352	4,197	2,825	7,374	6,681	10,656	2,452	3,930	3,620	3,780	57,337
8		DIFFERENCE	(560)	646	(1,114)	(888)	1,897	(2,310)	2,553	(1,641)	1,896	(1,168)	153	501	(35)
9	878	METERS AND HOUSE REGULATOR EXPENSE													
10		CURRENT PERIOD	96,969	128,438	110,437	144,436	92,944	107,139	169,979	138,962	105,594	123,498	122,188	98,125	1,438,709
11		PRECEDING PERIOD	73,593	89,519	80,944	92,090	97,566	110,563	150,981	119,701	104,292	92,323	121,728	102,491	1,235,791
12		DIFFERENCE	23,376	38,918	29,493	52,347	(4,622)	(3,424)	18,998	19,261	1,302	31,175	460	(4,366)	202,917
13	879	CUSTOMER INSTALLATIONS EXPENSE													
14		CURRENT PERIOD	140,251	142,861	116,090	146,143	122,617	133,666	155,248	146,283	143,996	168,549	124,352	146,175	1,686,232
15		PRECEDING PERIOD	122,275	148,283	113,751	136,984	159,672	131,145	160,391	184,225	137,274	160,120	203,595	136,900	1,794,616
16		DIFFERENCE	17,976	(5,422)	2,339	9,159	(37,054)	2,521	(5,143)	(37,941)	6,722	8,429	(79,243)	9,274	(108,383)
17	880	OTHER EXPENSE													
18		CURRENT PERIOD	131,304	209,263	72,357	118,353	156,391	68,183	124,098	118,553	121,435	124,798	124,887	100,324	1,469,946
19		PRECEDING PERIOD	128,421	108,197	161,251	121,023	299,262	118,305	69,353	131,555	103,647	115,330	190,522	74,571	1,621,437
20		DIFFERENCE	2,883	101,066	(88,894)	(2,670)	(142,871)	(50,122)	54,745	(13,002)	17,788	9,468	(65,635)	25,753	(151,491)
21	881	RENTS													
22		CURRENT PERIOD	5,104	7,507	6,050	8,225	6,584	6,229	10,208	8,257	6,334	6,598	5,773	9,422	86,292
23		PRECEDING PERIOD	8,654	5,910	5,283	5,422	5,781	8,650	13,358	2,370	5,451	6,090	7,075	5,729	79,773
24		DIFFERENCE	(3,549)	1,597	767	2,803	803	(2,420)	(3,151)	5,887	883	508	(1,302)	3,693	6,519
25	885	SUPERVISION AND ENGINEERING													
26		CURRENT PERIOD	627	824	722	786	827	848	726	771	724	902	892	731	9,378
27		PRECEDING PERIOD	1,246	1,332	1,269	1,314	1,107	1,342	1,003	1,023	713	751	708	663	12,471
28		DIFFERENCE	(619)	(508)	(546)	(528)	(280)	(494)	(277)	(253)	11	151	184	68	(3,093)
29	886	STRUCTURES AND IMPROVEMENTS													
30		CURRENT PERIOD	4,536	16,025	16,945	22,582	19,581	22,463	11,890	36,215	12,728	30,270	36,000	6,083	235,319
31		PRECEDING PERIOD	13,158	11,021	22,294	(3,999)	8,989	18,176	14,428	16,826	4,692	1,349	8,788	15,068	130,790
32		DIFFERENCE	(8,622)	5,004	(5,348)	26,581	10,592	4,288	(2,538)	19,389	8,035	28,921	27,212	(8,985)	104,528
33	887	MAINS													
34		CURRENT PERIOD	179,751	278,099	178,470	136,941	220,108	198,341	197,266	261,001	178,551	266,887	154,858	203,822	2,454,094
35		PRECEDING PERIOD	117,837	134,928	132,104	178,432	145,135	104,240	133,641	223,244	147,668	157,929	187,647	118,425	1,781,228
36		DIFFERENCE	61,914	143,171	46,366	(41,490)	74,973	94,101	63,625	37,757	30,883	108,958	(32,789)	85,397	672,866
37	889	MEASURING AND REGULATION STA. EXPENSE - GEN.													
38		CURRENT PERIOD	14,503	31,989	17,460	24,766	23,338	15,302	8,275	52,450	21,023	18,238	14,606	17,084	259,032
39		PRECEDING PERIOD	22,042	36,693	20,455	16,744	24,368	16,262	13,968	9,281	3,997	9,454	11,890	24,272	209,427
40		DIFFERENCE	(7,539)	(4,704)	(2,996)	8,022	(1,030)	(961)	(5,694)	43,169	17,025	8,784	2,716	(7,188)	49,605
41	890	MEASURING AND REGULATION STA. EXPENSE - IND.													
42		CURRENT PERIOD	4,069	4,859	4,588	3,811	4,740	6,049	5,166	5,356	3,474	2,869	8,461	8,594	62,036
43		PRECEDING PERIOD	5,434	6,644	5,848	4,946	5,061	4,752	5,789	4,511	2,192	6,405	6,701	5,414	63,696
44		DIFFERENCE	(1,365)	(1,785)	(1,260)	(1,135)	(321)	1,297	(622)	845	1,282	(3,536)	1,760	3,180	(1,660)

COLUMBIA GAS OF KENTUCKY, INC.
 CASE NO. 2016-00162
 COMPARISON OF OPERATING EXPENSE ACCOUNTS
 CURRENT PERIOD: FOR THE TWELVE MONTHS ENDED APRIL 30, 2016
 PRECEDING PERIOD: FOR THE TWELVE MONTHS ENDED APRIL 30, 2015

LINE NO.	ACCT NO.	ACCOUNT DESCRIPTION	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	892	SERVICES													
2		CURRENT PERIOD	78,078	45,576	42,245	27,783	22,576	11,537	33,846	19,273	50,206	42,955	43,510	46,173	463,758
3		PRECEDING PERIOD	24,572	43,254	24,187	62,662	27,599	43,622	21,674	35,067	38,209	13,666	62,123	28,764	425,400
4		DIFFERENCE	53,506	2,322	18,058	(34,879)	(5,023)	(32,086)	12,172	(15,794)	11,998	29,289	(18,613)	17,409	38,357
5	893	METERS AND HOUSE REGULATORS													
6		CURRENT PERIOD	8,320	19,787	12,258	12,511	16,544	15,627	9,818	6,331	2,358	31,984	10,477	25,207	171,221
7		PRECEDING PERIOD	17,336	12,214	12,887	9,977	11,966	5,083	7,934	14,012	3,252	6,065	10,234	5,074	116,034
8		DIFFERENCE	(9,016)	7,573	(629)	2,534	4,578	10,543	1,885	(7,681)	(894)	25,919	243	20,133	55,187
9	894	OTHER EQUIPMENT													
10		CURRENT PERIOD	51,694	(15,965)	24,306	32,536	18,901	16,974	17,047	31,625	16,251	44,124	32,379	20,131	290,003
11		PRECEDING PERIOD	21,610	28,511	13,581	16,323	20,004	21,225	20,410	32,339	17,765	23,886	34,070	19,245	268,969
12		DIFFERENCE	30,084	(44,476)	10,725	16,213	(1,102)	(4,252)	(3,363)	(714)	(1,514)	20,238	(1,691)	886	21,034
13	901	SUPERVISION													
14		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
15		PRECEDING PERIOD	682	665	691	587	440	745	458	450	0	0	0	0	4,718
16		DIFFERENCE	(682)	(665)	(691)	(587)	(440)	(745)	(458)	(450)	0	0	0	0	(4,718)
17	902	METER READING EXPENSES													
18		CURRENT PERIOD	44,769	43,186	20,773	26,310	21,034	(4,898)	25,565	14,532	15,623	32,334	23,735	27,426	290,389
19		PRECEDING PERIOD	134,999	130,102	129,403	125,511	120,431	88,126	78,141	91,793	12,933	47,341	79,024	71,291	1,109,097
20		DIFFERENCE	(90,231)	(86,916)	(108,630)	(99,201)	(99,397)	(93,024)	(52,576)	(77,260)	2,690	(15,007)	(55,289)	(43,865)	(818,708)
21	903	CUSTOMER RECORDS & COLLECTIONS - UTILITY SERVICES													
22		CURRENT PERIOD	246,286	282,501	197,581	259,686	248,615	241,850	282,040	280,953	241,414	241,009	242,905	243,050	3,007,890
23		PRECEDING PERIOD	261,387	266,705	237,481	242,007	240,045	261,530	297,363	300,640	254,200	272,008	276,257	245,201	3,154,823
24		DIFFERENCE	(15,101)	15,795	(39,900)	17,679	8,570	(19,680)	(15,323)	(19,687)	(12,785)	(30,998)	(33,352)	(2,150)	(146,932)
25	904	UNCOLLECTIBLE ACCOUNTS													
26		CURRENT PERIOD	73,178	58,927	58,728	36,798	26,620	53,741	(49,937)	(138,960)	224,849	169,473	123,954	70,301	707,671
27		PRECEDING PERIOD	88,460	74,946	79,522	80,426	151,442	66,772	158,626	79,650	292,322	316,338	189,458	113,836	1,691,798
28		DIFFERENCE	(15,282)	(16,019)	(20,794)	(43,628)	(124,822)	(13,031)	(208,562)	(218,610)	(67,473)	(146,865)	(65,505)	(43,536)	(984,126)
29	905	MISCELLANEOUS CUSTOMER ACCOUNT EXPENSES													
30		CURRENT PERIOD	86	62	89	72	76	130	78	173	33	163	47	108	1,119
31		PRECEDING PERIOD	135	83	158	122	124	221	227	185	89	143	59	70	1,614
32		DIFFERENCE	(48)	(21)	(69)	(49)	(48)	(90)	(149)	(11)	(55)	20	(12)	38	(495)
33	907	SUPERVISION													
34		CURRENT PERIOD	5	20,023	0	0	0	0	0	(6)	6,115	0	1,250	0	27,387
35		PRECEDING PERIOD	1,115	1,085	21,127	(19,042)	718	4,025	591	996	6,915	0	0	42	17,571
36		DIFFERENCE	(1,110)	18,938	(21,127)	19,042	(718)	(4,025)	(591)	(1,003)	(800)	0	1,250	(42)	9,815
37	908	CUSTOMER ASSISTANCE EXPENSES													
38		CURRENT PERIOD	136,709	51,882	75,265	67,161	54,871	62,178	45,622	127,548	108,710	111,279	75,052	63,439	979,716
39		PRECEDING PERIOD	100,417	83,496	66,919	90,825	82,437	93,406	77,080	127,206	36,753	58,895	26,822	65,690	909,947
40		DIFFERENCE	36,292	(31,614)	8,345	(23,664)	(27,566)	(31,228)	(31,458)	342	71,957	52,384	48,229	(2,251)	69,769
41	909	INFORMATIONAL AND INSTR. ADVERT. EXPENSES													
42		CURRENT PERIOD	61	444	250	1,338	635	1,908	41,475	4,806	807	459	7,914	270	60,368
43		PRECEDING PERIOD	0	12,029	13,277	8,507	668	1,944	951	21,065	36	14	0	2,687	61,177
44		DIFFERENCE	61	(11,584)	(13,027)	(7,169)	(33)	(35)	40,524	(16,259)	771	445	7,914	(2,417)	(809)

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016-00162
COMPARISON OF OPERATING EXPENSE ACCOUNTS
CURRENT PERIOD: FOR THE TWELVE MONTHS ENDED APRIL 30, 2016
PRECEDING PERIOD: FOR THE TWELVE MONTHS ENDED APRIL 30, 2015

LINE NO.	ACCT NO.	ACCOUNT DESCRIPTION	MAY \$	JUN \$	JUL \$	AUG \$	SEP \$	OCT \$	NOV \$	DEC \$	JAN \$	FEB \$	MAR \$	APR \$	TOTAL \$
1	910	MISCELLANEOUS CUSTOMER ACCOUNT EXPENSE													
2		CURRENT PERIOD	15,594	17,398	16,051	16,775	21,767	17,278	17,054	14,087	17,135	17,502	21,113	20,006	211,761
3		PRECEDING PERIOD	26,039	23,556	25,629	28,241	30,007	25,523	25,758	23,986	22,957	21,203	22,861	16,630	292,390
4		DIFFERENCE	(10,444)	(6,158)	(9,578)	(11,466)	(8,240)	(8,245)	(8,704)	(9,898)	(5,822)	(3,701)	(1,748)	3,376	(80,629)
5	911	SUPERVISION													
6		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
7		PRECEDING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
8		DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
9	912	DEMONSTRATING AND SELLING EXPENSES													
10		CURRENT PERIOD	8,492	4,046	657	4,080	6,741	(484)	8,382	(7,380)	9,535	1,945	2,366	1,489	39,868
11		PRECEDING PERIOD	4,129	3,850	4,870	7,093	5,728	4,469	4,531	4,958	4,221	5,202	6,400	4,782	60,234
12		DIFFERENCE	4,363	195	(4,213)	(3,014)	1,014	(4,953)	3,850	(12,339)	5,314	(3,257)	(4,035)	(3,293)	(20,366)
13	913	ADVERTISING EXPENSE													
14		CURRENT PERIOD	407	1,083	154	4,664	1	0	673	48,144	0	4,501	2,411	5,192	67,231
15		PRECEDING PERIOD	0	0	5,510	3	53	8,243	547	14,847	3	2	0	20,574	49,780
16		DIFFERENCE	407	1,083	(5,356)	4,661	(51)	(8,243)	126	33,297	(3)	4,500	2,411	(15,382)	17,450
17	920	ADMINISTRATIVE AND GENERAL SALARIES													
18		CURRENT PERIOD	332,129	357,675	403,239	366,881	436,089	418,663	455,280	400,757	405,788	394,799	631,868	497,963	5,101,132
19		PRECEDING PERIOD	95,738	77,935	84,150	76,691	239,849	99,975	107,678	161,260	91,918	109,066	108,455	243,180	1,495,894
20		DIFFERENCE	236,391	279,740	319,089	290,191	196,240	318,688	347,602	239,497	313,870	285,733	523,414	254,784	3,605,237
21	921	OFFICE SUPPLIES ADMINISTRATIVE & GENERAL													
22		CURRENT PERIOD	62,533	82,850	45,577	62,199	63,212	66,590	76,333	178,181	62,379	59,302	99,989	56,812	915,955
23		PRECEDING PERIOD	45,918	42,111	43,176	29,478	55,804	35,122	32,205	50,722	39,621	31,047	38,470	43,552	487,228
24		DIFFERENCE	16,615	40,739	2,401	32,722	7,408	31,468	44,127	127,459	22,758	28,255	61,518	13,260	428,727
25	921	OFFICE SUPPLIES CUSTOMER ACCOUNTS													
26		CURRENT PERIOD	10	7	4	4	5	5	8	19	43	42	17	11	176
27		PRECEDING PERIOD	23	9	5	5	4	10	19	42	62	43	38	15	274
28		DIFFERENCE	(13)	(1)	(1)	(1)	0	(4)	(10)	(23)	(19)	(1)	(21)	(5)	(99)
29	921	OFFICE SUPPLIES CUSTOMER SERVICE													
30		CURRENT PERIOD	138	781	54	49	63	71	117	8,601	586	578	2,807	179	14,025
31		PRECEDING PERIOD	316	119	71	66	58	132	255	584	846	587	521	212	3,768
32		DIFFERENCE	(178)	662	(17)	(17)	5	(60)	(139)	8,017	(260)	(9)	2,286	(33)	10,257
33	923	OUTSIDE SERVICES EMPLOYED													
34		CURRENT PERIOD	463,980	572,783	310,406	447,210	433,883	439,103	496,559	586,491	428,534	386,630	462,087	450,732	5,478,399
35		PRECEDING PERIOD	848,205	910,472	847,990	730,670	1,182,234	922,432	857,142	1,101,675	772,602	840,493	950,338	384,204	10,348,457
36		DIFFERENCE	(384,225)	(337,689)	(537,584)	(283,460)	(748,350)	(483,329)	(360,583)	(515,185)	(344,068)	(453,863)	(488,252)	66,528	(4,870,059)
37	924	PROPERTY INSURANCE PREMIUMS													
38		CURRENT PERIOD	6,789	6,993	3,092	3,171	3,618	3,292	2,558	3,292	3,134	3,292	(1,830)	4,845	42,246
39		PRECEDING PERIOD	7,598	7,529	6,504	7,061	6,559	6,783	6,783	6,783	6,783	6,783	6,783	6,831	82,780
40		DIFFERENCE	(809)	(536)	(3,412)	(3,890)	(2,941)	(3,491)	(4,225)	(3,491)	(3,649)	(3,491)	(8,613)	(1,986)	(40,534)
41	925	INJURIES AND DAMAGES													
42		CURRENT PERIOD	69,720	59,033	75,527	75,190	63,829	76,542	77,193	68,394	76,403	107,136	80,874	79,405	909,245
43		PRECEDING PERIOD	65,715	101,729	52,636	74,603	100,815	52,222	79,484	78,345	78,605	73,449	58,646	70,122	886,370
44		DIFFERENCE	4,005	(42,696)	22,891	587	(36,986)	24,320	(2,292)	(9,951)	(2,202)	33,687	22,229	9,282	22,875

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016-00162
COMPARISON OF OPERATING EXPENSE ACCOUNTS
CURRENT PERIOD: FOR THE TWELVE MONTHS ENDED APRIL 30, 2016
PRECEDING PERIOD: FOR THE TWELVE MONTHS ENDED APRIL 30, 2015

LINE NO.	ACCT NO.	ACCOUNT DESCRIPTION	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	TOTAL
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	926	EMPLOYEE PENSIONS AND BENEFITS													
2		CURRENT PERIOD	227,534	309,590	326,334	255,903	230,764	265,857	326,929	253,873	287,093	439,722	118,447	245,759	3,287,805
3		PRECEDING PERIOD	65,114	118,975	93,105	114,866	146,372	113,489	35,944	120,846	177,524	145,475	101,742	231,200	1,464,652
4		DIFFERENCE	162,420	190,615	233,229	141,037	84,392	152,368	290,985	133,028	109,569	294,247	16,705	14,559	1,823,153
5	927	FRANCHISE REQUIREMENTS													
6		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
7		PRECEDING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
8		DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
9	928	REGULATORY COMMISSION EXPENSE													
10		CURRENT PERIOD	36,526	36,526	40,211	42,424	41,317	41,317	41,317	41,317	41,317	41,317	41,317	41,317	486,222
11		PRECEDING PERIOD	32,171	58,493	36,526	36,526	36,526	36,526	36,526	36,526	36,526	36,526	36,526	36,526	455,919
12		DIFFERENCE	4,355	(21,967)	3,685	5,898	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	30,303
13	929	DUPLICATE CHARGES													
14		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
15		PRECEDING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
16		DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
17	930	MISCELLANEOUS GENERAL													
18		CURRENT PERIOD	(1,059)	10,641	(1,419)	2,685	(3,165)	6,168	(5,840)	(31,063)	(7,638)	1,437	10,711	(6,827)	(25,370)
19		PRECEDING PERIOD	(5,066)	(12,566)	(5,069)	(12,566)	(14,066)	(2,694)	(14,066)	(776)	(13,666)	(4,072)	(11,546)	(8,928)	(105,082)
20		DIFFERENCE	4,007	23,207	3,650	15,251	10,901	8,862	8,226	(30,287)	6,028	5,509	22,257	2,101	79,712
21	931	RENTS													
22		CURRENT PERIOD	56,270	57,154	64,877	70,868	63,869	66,171	67,568	32,903	65,324	65,399	67,820	66,996	745,220
23		PRECEDING PERIOD	2,039	864	866	823	831	1,002	1,295	1,058	1,142	1,001	851	54,650	66,422
24		DIFFERENCE	54,231	56,290	64,011	70,045	63,038	65,169	66,273	31,845	64,182	64,398	66,969	12,346	678,798
25	932	MAINTENANCE OF GENERAL PLANT - ADMINISTRATIVE & GENERAL													
26		CURRENT PERIOD	26,891	35,533	19,070	17,652	18,468	17,466	20,090	34,161	22,451	20,924	16,269	14,063	263,039
27		PRECEDING PERIOD	0	0	0	0	0	0	0	0	0	0	0	16,189	16,189
28		DIFFERENCE	26,891	35,533	19,070	17,652	18,468	17,466	20,090	34,161	22,451	20,924	16,269	(2,126)	246,850
29	935	MAINTENANCE OF GENERAL PLANT - ADMINISTRATIVE & GENERAL													
30		CURRENT PERIOD	0	0	0	0	0	0	0	80	0	0	0	0	80
31		PRECEDING PERIOD	0	0	0	0	0	80	0	0	0	0	0	0	80
32		DIFFERENCE	0	0	0	0	0	(80)	0	80	0	0	0	0	0
33	935	GENERAL PLANT - CUSTOMER SERVICE & INFORMATION													
34		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
35		PRECEDING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
36		DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
37	935	MAINTENANCE OF GENERAL PLANT - CUSTOMER ACCOUNTS													
38		CURRENT PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
39		PRECEDING PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
40		DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
41		TOTAL OPERATING EXPENSE VARIANCE													
42		CURRENT PERIOD	6,881,647	5,190,774	4,659,967	5,213,979	4,905,829	5,613,443	7,117,282	7,728,392	11,761,391	10,664,154	7,054,005	7,095,019	83,885,882
43		PRECEDING PERIOD	5,968,250	5,581,932	5,021,065	6,160,612	6,703,354	7,424,942	16,779,664	22,053,982	20,217,940	21,466,119	14,292,782	7,383,979	139,054,619
44		DIFFERENCE	913,397	(391,158)	(361,098)	(946,632)	(1,797,524)	(1,811,499)	(9,662,382)	(14,325,589)	(8,456,549)	(10,801,965)	(7,238,777)	(288,960)	(55,168,737)

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Comparison of Operating Expense Account Balance
With Those of Each Three Preceding Calendar Years and the Base Period

Line No.	FERC Acct	Description	2013	% Change	2014	% Change	2015	% Change	Base Period TME 08/31/2016
1		<u>Depreciation</u>							
2	403 - 404	Depreciation and Amortization	7,011,750	1.14%	7,091,679	17.90%	8,361,042	5.34%	8,807,151
3		<u>Other Taxes</u>							
4	408	Taxes Other Than Income - Property	2,478,190	14.95%	2,848,593	10.77%	3,155,503	7.70%	3,398,540
5	408	Taxes Other Than Income - Payroll	564,964	-2.87%	548,777	8.09%	593,190	2.88%	610,287
6	408	Taxes Other Than Income - Other	3,665	-20.90%	2,899	324.94%	12,319	-82.44%	2,163
7		Total Other Taxes	3,046,819	11.60%	3,400,269	10.61%	3,761,012	6.65%	4,010,989
8		<u>Liquefied Petroleum Gas - Operation</u>							
9	717	Liquefied Petroleum Gas Expense	1,811	-32.63%	1,220	71.48%	2,092	-43.02%	1,192
10	723	Fuel for Liquefied Petroleum Gas Process	0	0.00%	0	0.00%	0	0.00%	0
11	728	Liquefied Petroleum Gas	0	0.00%	0	0.00%	0	0.00%	0
12	736	Rents	0	0.00%	0	0.00%	0	0.00%	0
13		Total Liquefied Petroleum Gas - Operation	1,811	-32.63%	1,220	71.48%	2,092	-43.02%	1,192
14		<u>Liquefied Petroleum Gas - Maintenance</u>							
15	741	Structures and Improvements	0	0.00%	0	0.00%	0	0.00%	0
16	742	Production Equipment	0	0.00%	0	0.00%	0	0.00%	0
17		Total Liquefied Petroleum Gas - Maintenance	0	0.00%	0	0.00%	0	0.00%	0
18		<u>Other Gas Supply Expenses</u>							
19	801	Natural Gas Field Line Purchases	555,321	20.98%	671,837	-41.94%	390,052	-42.18%	225,510
20	803	Natural Gas Transmission Line Purchases	78,318,234	45.50%	113,953,438	-57.67%	48,237,811	-49.77%	24,230,950
21	804	Natural Gas City Gate Purchases	1,441,197	7.11%	1,543,737	-29.46%	1,088,942	-47.13%	575,741
22	805	Other Gas Purchases	(11,218,556)	-102.94%	329,840	4008.48%	13,551,403	-164.82%	(8,784,163)
23	806	Exchange Gas	4,068,025	-349.53%	(10,151,121)	-50.42%	(5,032,617)	-59.55%	(2,035,565)
24	807	Other Purchased Gas Expense	411,016	-33.23%	274,448	4.22%	286,018	13.53%	324,707
25	808.1	Gas Withdrawn from Storage	44,420,712	-16.07%	37,283,646	-87.65%	4,603,996	-217.89%	(5,427,610)
26	808.2	Less: Gas Delivered to Storage	(42,565,570)	8.09%	(46,010,738)	-100.00%	0	0.00%	21,227,945
27	812	Gas used for Other Utility Operations	(79,427)	18.06%	(93,775)	-32.49%	(63,310)	81.19%	(114,710)
28	813	Exchange Fees	0	0.00%	4,331	-100.00%	0	0.00%	0
29		Total Other Gas Supply Expenses	75,350,952	29.80%	97,805,643	-35.52%	63,062,295	-52.07%	30,222,806
30		<u>Distribution Expenses - Operation</u>							
31	870	Operation Supervision and Engineering	698,831	16.29%	812,656	-10.01%	731,319	-6.69%	682,370
32	871	Distribution Load Dispatching	35,167	84.62%	64,925	7.63%	69,876	156.57%	179,279
33	874	Mains and Services Expenses	3,117,258	28.37%	4,001,630	7.54%	4,303,231	16.87%	5,029,245
34	875	Meas. and Reg. Station Expenses - General	186,556	51.01%	281,718	-44.46%	156,478	1.24%	158,414
35	876	Meas. and Reg. Station Expenses - Industrial	63,025	-8.98%	57,363	-2.52%	55,920	18.23%	66,115
36	878	Meter and House Regulator Expenses	1,484,128	-22.33%	1,152,714	22.33%	1,410,138	8.41%	1,528,787
37	879	Customer Installations Expenses	1,703,017	3.80%	1,767,648	-1.50%	1,741,050	5.73%	1,840,760
38	880	Other Expenses	1,322,868	21.71%	1,610,122	-7.92%	1,482,572	4.49%	1,549,137
39	881	Rents	74,786	9.32%	81,758	0.92%	82,510	4.89%	86,542
40		Total Distribution Expenses - Operation	8,685,637	13.18%	9,830,533	2.06%	10,033,095	10.84%	11,120,649
41		<u>Distribution Expenses - Maintenance</u>							
42	885	Maintenance Supervision and Engineering	14,270	0.83%	14,388	-37.69%	8,965	9.25%	9,795
43	886	Maintenance of Structures and Improvements	208,525	-32.26%	141,258	27.52%	180,135	42.07%	255,922
44	887	Maintenance of Mains	1,319,262	25.64%	1,657,536	36.45%	2,261,646	23.21%	2,786,673
45	889	Meas. and Reg. Station Expenses - General	231,208	-3.68%	222,702	6.73%	237,695	13.35%	269,428
46	890	Meas. and Reg. Station Expenses - Industrial	62,054	2.21%	63,427	-6.43%	59,350	2.07%	60,576
47	892	Maintenance of Services	211,810	92.82%	408,403	3.74%	423,676	21.80%	516,033
48	893	Maintenance of Meters and House Regulators	165,910	-20.94%	131,164	-4.07%	125,820	20.51%	151,628
49	894	Maintenance of Other Equipment	285,487	0.20%	286,064	-4.89%	272,084	8.52%	295,269
50		Total Distribution Expenses - Maintenance	2,498,527	17.07%	2,924,941	22.03%	3,569,371	21.74%	4,345,324

Columbia Gas of Kentucky, Inc.
 Case No. 2016-00162
 Comparison of Operating Expense Account Balance
 With Those of Each Three Preceding Calendar Years and the Base Period

Line No.	FERC Acct	Description	2013	% Change	2014	% Change	2015	% Change	Base Period TME 08/31/2016
1		<u>Customer Accounts Expenses - Operation</u>							
2	901	Supervision	6,884	3.95%	7,156	-100.00%	0	0.00%	0
3	902	Meter Reading Expense	1,499,857	-7.18%	1,392,196	-71.13%	401,861	-8.44%	367,942
4	903	Customer Records and Collection Expenses	3,048,881	3.08%	3,142,884	-1.77%	3,087,176	7.42%	3,316,269
5	904	Uncollectible Accounts	875,474	79.07%	1,567,725	-34.23%	1,031,049	-21.25%	811,974
6	905	Miscellaneous Customer Accounts Expenses	1,440	47.51%	2,125	-46.91%	1,128	6.44%	1,201
7	921	Office Supplies and Expenses	322	15.72%	372	-40.80%	220	-3.59%	212
8		Total Customer Accounts Expenses - Operation	5,432,858	12.51%	6,112,459	-26.03%	4,521,434	-0.53%	4,497,598
9		<u>Customer Accounts Expenses - Maintenance</u>							
10	935	Maintenance of General Plant	0	0.00%	0	0.00%	0	0.00%	0
11		Total Customer Accounts Expenses - Maintenance	0	0.00%	0	0.00%	0	0.00%	0
12		<u>Customer Service & Information - Operation</u>							
13	907	Supervision	41,255	-49.93%	20,656	30.61%	26,979	-41.37%	15,817
14	908	Customer Assistance Expenses	1,372,622	-14.30%	1,176,316	-31.19%	809,396	9.61%	887,207
15	909	Informational and Instructional Expenses	26,123	123.71%	58,440	-8.19%	53,655	49.00%	79,943
16	910	Miscellaneous Cust. Service and Inf. Expenses	343,782	-6.26%	322,262	-31.84%	219,656	3.70%	227,786
17	921	Office Supplies and Expenses	4,420	15.74%	5,116	135.37%	12,041	24.21%	14,957
18		Total Customer Service & Information - Operation	1,788,202	-11.49%	1,582,790	-29.13%	1,121,727	9.27%	1,225,708
19		<u>Customer Service & Information - Maintenance</u>							
20	935	Maintenance of General Plant	0	0.00%	0	0.00%	0	0.00%	0
21		Total Customer Service & Information - Maintenance	0	0.00%	0	0.00%	0	0.00%	0
22		<u>Sales Expenses</u>							
23	911	Supervision	0	0.00%	0	0.00%	0	0.00%	0
24	912	Demonstration and Selling Expenses	78,869	-27.48%	57,199	-21.08%	45,139	-2.51%	44,004
25	913	Advertising Expenses	158,330	-76.70%	36,887	105.23%	75,705	13.15%	85,656
26	916	Miscellaneous Sales Expenses	0	0.00%	0	0.00%	0	0.00%	0
27		Total Sales Expenses	237,199	-60.33%	94,086	28.44%	120,844	7.30%	129,660
28		<u>Administrative and General Salaries - Operation</u>							
29	920	Administrative and General Salaries	1,313,335	-1.04%	1,299,693	186.48%	3,723,331	23.30%	4,590,986
30	921	Office Supplies and Expenses	516,352	-1.59%	508,120	55.51%	790,165	5.08%	830,267
31	922	Less: Administrative Expenses Transferred	0	0.00%	0	0.00%	0	0.00%	0
32	923	Outside Service Employed	10,484,884	3.66%	10,868,149	-38.37%	6,698,052	-4.64%	6,386,972
33	924	Property Insurance	88,578	-3.23%	85,716	-30.02%	59,985	9.64%	65,766
34	925	Injuries and Damages	731,197	11.11%	812,440	4.16%	846,250	12.23%	949,737
35	926	Employee Pensions and Benefits	2,197,468	-46.95%	1,165,841	144.69%	2,852,726	17.73%	3,358,562
36	927	Franchise Requirements	0	0.00%	0	0.00%	0	0.00%	0
37	928	Regulatory Commission Expenses	174,781	150.82%	438,394	6.54%	467,056	-13.80%	402,591
38	929	Less: Duplicate Charges	0	0.00%	0	0.00%	0	0.00%	0
39	930.1	General Advertising Expenses	0	0.00%	0	0.00%	0	0.00%	0
40	930.2	Miscellaneous General Expenses	(128,215)	-11.43%	(113,562)	-46.05%	(61,266)	20.88%	(74,061)
41	931	Rents	10,992	7.91%	11,862	4429.79%	537,324	23.10%	661,435
42		Total Administrative and General Salaries - Operation	15,389,370	-2.03%	15,076,653	5.55%	15,913,622	7.91%	17,172,255
43		<u>Administrative and General Salaries - Maintenance</u>							
44	932	Maintenance of General Plant	0	0.00%	0	0.00%	205,521	21.27%	249,237
45	935	Maintenance of General Plant	0	0.00%	80	0.00%	80	73.75%	139
45		Total Administrative and General Salaries - Maintenance	0	0.00%	80	256901.25%	205,601	21.29%	249,376
46		Total Operation Expenses	119,443,125	20.49%	143,920,354	-23.10%	110,672,134	-26.10%	81,782,710

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

31. Provide a schedule of gas operations net income, per Mcf sold, per company books for the base period and the three calendar years preceding the base period. This data should be provided as shown in Schedule 31.

Response:

Please refer to Attachment A of this response.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Net Income per MCF Sold
For Calendar Years 2013, 2014, 2015 and the Base Period

Line No.	Description	2013 \$	2014 \$	2015 \$	Base Period TME 08/31/2016 \$
1	<u>Operating Income</u>				
2	Total Operating Revenues	137,501,307	168,058,852	131,959,956	102,043,184
3	<u>Operating Income Deductions</u>				
4	Purchased Gas Cost	74,953,073	97,533,300	62,777,351	30,222,805
5	Liquefied Petroleum Gas Production Expenses	1,800	1,220	2,092	1,192
6	Distribution Expenses	11,582,045	13,027,819	14,093,010	15,465,973
7	Customer Accounts Expenses	5,432,856	6,112,459	4,521,214	4,497,598
8	Customer Service & Informational Expenses	1,788,204	1,582,790	1,109,685	1,225,708
9	Sales Expenses	237,200	94,086	120,844	129,660
10	Administrative & General Expenses	15,389,375	15,076,733	15,925,883	17,421,631
11	Total O&M Expenses	109,384,552	133,428,406	98,550,079	68,964,567
12	Depreciation Expenses	7,011,749	7,598,514	8,361,042	8,807,151
13	Amortization of Utility Plant Acquisition Adjustment	-	-	-	-
14	Taxes Other Than Income Taxes	3,046,818	3,400,269	3,761,012	4,010,990
15	Income Taxes - Federal	4,711,707	5,889,122	7,134,733	4,968,076
16	Income Taxes - State	281,900	1,407,245	877,517	1,070,502
17	Total Operating Expenses	124,436,726	151,723,556	118,684,383	87,821,286
18	Operating Income (Loss)	13,064,581	16,335,296	13,275,572	14,221,898
19	<u>Other Income (Deductions)</u>				
20	Non-utility Revenue	494,087	533,953	447,088	372,000
21	Interest and Dividend Income	584,522	475,496	319,354	238,000
22	Miscellaneous Non-operating Income	1,617,183	1,200,995	3,041,921	3,278,000
23	Other Miscellaneous Deductions	(355,263)	(1,112,683)	(347,403)	(1,560,000)
24	Total Other Income	2,340,529	1,097,760	3,460,960	2,328,000
25	<u>Interest Expense</u>				
26	Long-Term Interest Expense	5,041,507	5,510,994	5,723,520	5,362,000
27	Short-Term Interest Expense	25,743	1,961	(2,455)	77,000
28	AFUDC	(98,723)	(151,872)	(106,184)	(124,000)
29	Total Interest Expense	4,968,527	5,361,083	5,614,881	5,315,000
30	Total Other Income (Deductions)	(2,627,998)	(4,263,323)	(2,153,921)	(2,987,000)
31	Net Income (Loss)	10,436,583	12,071,973	11,121,651	11,234,898
32	Mcf Sold	10,637,643	11,325,552	10,069,953	8,831,061

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

32. Provide the comparative operating statistics for gas operations as shown in Schedule 32.

Response:

Please refer to Attachment A of the response.

Columbia Gas of Kentucky, Inc.

Case No. 2016-00162

Comparative Operating Statistics
For the Calendar Years 2013 through 2015
(Total Company)

Line No.	Item	Three Most Recent Calendar Years					
		2013		2014		2015	
		Cost	% Inc.	Cost	% Inc.	Cost	% Inc.
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1.	Cost per Mcf of Purchased Gas	\$3.83	26.40%	\$4.69	22.45%	\$2.75	-41.36%
2.	Cost of Propane Gas per Mcf Equivalent for Peak Shaving	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
3.	Cost per Mcf of Gas Sold	\$6.07	100.33%	\$8.87	46.13%	\$3.30	-62.80%
4.	Maintenance Cost per Distribution Mile	\$974.46	-33.56%	\$1,138.14	16.80%	\$1,466.58	28.86%
5.	Sales Promotion Expense per Customer	\$1.78	229.63%	\$0.71	-60.11%	\$0.90	26.76%
6.	Administration and General Expense per Customer	\$115.23	4.82%	\$113.21	-1.75%	\$119.05	5.16%
7.	Wages and Salaries - Charged Expense: per Average Employee	\$63,321.79	1.77%	\$57,407.33	-9.34%	\$57,748.89	0.59%
8.	Depreciation Expense: per \$100 of Average Depreciable Plant in Service	\$2.15	-0.37%	\$2.18	1.28%	\$2.21	1.52%

Columbia Gas of Kentucky, Inc.

Case No. 2016-00162

Comparative Operating Statistics
 For the Calendar Years 2013 through 2015
 (Total Company)

Line No.	Item (a)	Three Most Recent Calendar Years					
		2013		2014		2015	
		Cost (b)	% Inc. (c)	Cost (d)	% Inc. (e)	Cost (f)	% Inc. (g)
9.	Rent: per \$100 of Average Gross Plant in Service	\$0.08	-16.78%	\$0.03	-62.50%	\$0.03	0.00%
10.	Property Taxes: per \$100 of Average Net Plant in Service	\$1.27	-2.01%	\$1.32	3.94%	\$1.31	-0.62%
11.	Payroll Taxes: per Average Employee Whose Salary is Charged to Expense	\$4,630.93	-2.12%	\$4,221.36	-8.84%	\$4,237.07	0.37%
12.	Interest Expense:						
13.	Per \$100 of Average Debt Outstanding	\$6.78	-2.71%	\$5.68	-16.22%	\$6.14	8.10%
14.	Per \$100 of Average Plant Investment	\$1.50	-0.41%	\$1.51	0.67%	\$1.46	-3.31%
15.	Per Mcf Sold	\$0.47	-16.95%	\$0.47	0.00%	\$0.56	19.15%
16.	Meter Reading Expense per Meter	\$9.26	-0.54%	\$9.30	0.43%	\$9.05	-2.69%

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

33. List separately the budgeted and actual numbers of full- and part-time employees by employee group, by month and by year, for the three most recent calendar years, the base period, and the forecasted test period.

Response:

Please refer to Attachment A for this response.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

34. Provide the information requested in Schedule 34 for budgeted and actual regular wages, overtime wages and total wages by employee group, by month for the five most recent calendar years. Explain in detail any variance exceeding 5 percent in any one month.

Response:

Please refer to Attachment A of the response for a schedule showing regular, overtime and total wages for salaried (exempt) and hourly (non-exempt) employees by month for the years 2011 through 2015.

The overtime budget is primarily based on historic trends and further adjusted for planned employee levels and the use of outside contractors. As shown on Attachment A, individual months can vary materially from budgeted levels as the result of variances in these factors as well as conditions outside of Columbia's control such as weather. Labor variances including overtime are monitored and managed in combination with all other cost categories as part of

each department's O&M cost management activities with the focus being on overall O&M expense targets.

Explanations for other monthly variances exceeding 5 percent are as follows:

2011 Salaried Regular – The February variance is due to long-term incentive plan payouts. June through December variances reflect a decrease of 2 in the number of employees in each month.

2011 Hourly Regular – The February through September variances reflect a decrease of 9 in the average monthly number of employees during that period.

2012 Salaried Regular – The February variance is due to long-term incentive plan payouts. April and May variances reflect a decrease of 1 employee in each month. October variance reflects an increase of 1 employee and December variance reflects an increase of 2 employees.

2012 Hourly Regular – The July through December variances reflect a decrease of 8 in the average monthly number of employees during that period.

2013 Salaried Regular – The January through August variances reflect an increase of 2 employees per month. The September through December variances reflect an increase of 3 employees per month.

2013 Hourly Regular – The March through October variances reflect a decrease of 9 in the average monthly number of employees during that period.

2014 Salaried Regular – The February variance reflects a decrease of 2 employees. May through August variance reflects an increase of 2 employees each month. September variance reflects an increase of 1 employee.

2014 Hourly Regular – The July through December variances reflect a decrease of 10 in the average monthly number of employees during that period.

2015 Salaried Regular – The April through June and August through December variance reflects an increase of 1 employee.

2015 Hourly Regular – The January through April variances reflect a decrease of 4 in the average monthly number of employees during that period.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Monthly Payroll Variance Analysis
For the Most Five Recent Calendar Years

Line No.	Description	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011	Total 2011
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Monthly Actual													
2	Salaried - Regular	143,592	174,230	143,936	143,936	143,936	136,640	136,640	136,640	136,640	136,640	136,640	136,640	1,706,110
3	Salaried - Overtime	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Hourly - Regular	473,734	363,205	511,557	450,562	467,588	472,811	456,231	485,851	474,053	481,330	519,470	521,901	5,678,293
5	Hourly - Overtime	71,285	59,547	67,614	77,887	70,943	61,178	69,338	65,833	77,701	99,729	85,371	85,981	892,407
6	Total	688,611	596,982	723,107	672,385	682,467	670,629	662,209	688,324	688,394	717,699	741,481	744,522	8,276,810
7	Monthly Budget													
8	Salaried - Regular	143,935	143,935	143,935	143,935	143,935	148,971	148,971	148,971	148,971	148,971	148,971	148,971	1,762,472
9	Salaried - Overtime	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Hourly - Regular	491,100	451,377	536,130	487,575	510,830	519,766	501,721	540,008	516,986	493,549	523,908	525,307	6,098,257
11	Hourly - Overtime	89,025	57,016	57,397	50,631	63,756	50,497	58,648	60,661	72,860	133,256	63,056	85,525	842,328
12	Total	724,060	652,328	737,462	682,141	718,521	719,234	709,340	749,640	738,817	775,776	735,935	759,803	8,703,057
13	Variance Percentage													
14	Salaried - Regular	0%	21%	0%	0%	0%	-8%	-8%	-8%	-8%	-8%	-8%	-8%	-3%
15	Salaried - Overtime	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Hourly - Regular	-4%	-20%	-5%	-8%	-8%	-9%	-9%	-10%	-8%	-2%	-1%	-1%	-7%
17	Hourly - Overtime	-20%	4%	18%	54%	11%	21%	18%	9%	7%	-25%	35%	1%	6%
18	Total	-5%	-8%	-2%	-1%	-5%	-7%	-7%	-8%	-7%	-7%	1%	-2%	-5%
		January 2012	February 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	September 2012	October 2012	November 2012	December 2012	Total 2012
19	Monthly Actual													
20	Salaried - Regular	136,952	175,793	136,952	127,410	127,410	133,489	140,759	142,129	146,303	150,792	147,476	149,877	1,715,342
21	Salaried - Overtime	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Hourly - Regular	521,818	497,799	522,433	485,036	530,140	488,462	493,908	494,013	461,934	542,530	527,463	499,455	6,064,991
23	Hourly - Overtime	76,881	75,549	82,385	68,238	65,456	74,451	86,718	78,495	89,901	103,308	129,104	109,447	1,039,933
24	Total	735,651	749,141	741,770	680,684	723,006	696,402	721,385	714,637	698,138	796,630	804,043	758,779	8,820,266
25	Monthly Budget													
26	Salaried - Regular	136,640	136,640	136,640	136,640	136,640	141,148	141,148	141,148	141,148	141,148	141,148	141,148	1,671,236
27	Salaried - Overtime	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Hourly - Regular	536,693	509,073	547,679	508,090	557,046	513,242	549,383	573,142	499,731	574,710	549,284	541,040	6,459,113
29	Hourly - Overtime	80,175	80,382	72,894	86,895	83,355	65,434	82,777	76,302	82,062	116,339	89,674	144,518	1,060,807
30	Total	753,508	726,095	757,213	731,625	777,041	719,824	773,308	790,592	722,941	832,197	780,106	826,706	9,191,156
31	Variance Percentage													
32	Salaried - Regular	0%	29%	0%	-7%	-7%	-5%	0%	1%	4%	7%	4%	6%	3%
33	Salaried - Overtime	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
34	Hourly - Regular	-3%	-2%	-5%	-5%	-5%	-5%	-10%	-14%	-8%	-6%	-4%	-8%	-6%
35	Hourly - Overtime	-4%	-6%	13%	-21%	-21%	14%	5%	3%	10%	-11%	44%	-24%	-2%
36	Total	-2%	3%	-2%	-7%	-7%	-3%	-7%	-10%	-3%	-4%	3%	-8%	-4%

Columbia Gas of Kentucky, Inc.
 Case No. 2016-00162
 Monthly Payroll Variance Analysis
 For the Most Five Recent Calendar Years

Line No.	Description	January 2013	February 2013	March 2013	April 2013	May 2013	June 2013	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	Total 2013
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Monthly Actual													
2	Salaried - Regular	152,059	152,059	152,059	152,079	157,748	161,430	160,379	155,066	156,569	160,884	160,899	160,899	1,882,130
3	Salaried - Overtime													-
4	Hourly - Regular	520,988	495,889	491,966	516,564	463,182	487,133	547,947	528,926	503,909	551,609	531,734	567,261	6,207,108
5	Hourly - Overtime	92,256	90,381	99,624	100,481	93,787	98,524	88,394	125,747	122,768	150,013	172,197	129,267	1,363,440
6	Total	<u>765,303</u>	<u>738,329</u>	<u>743,649</u>	<u>769,124</u>	<u>714,717</u>	<u>747,087</u>	<u>796,720</u>	<u>809,739</u>	<u>783,246</u>	<u>862,506</u>	<u>864,830</u>	<u>857,427</u>	<u>9,452,678</u>
7	Monthly Budget													
8	Salaried - Regular	142,871	142,871	142,871	142,871	142,871	147,157	147,157	147,157	147,157	147,157	147,157	147,157	1,744,454
9	Salaried - Overtime													-
10	Hourly - Regular	546,661	503,410	531,464	558,944	609,186	529,564	589,027	564,065	541,115	588,941	531,854	570,652	6,664,883
11	Hourly - Overtime	80,552	77,227	84,925	79,776	77,059	82,620	102,597	88,830	102,668	109,428	88,311	93,710	1,067,703
12	Total	<u>770,084</u>	<u>723,508</u>	<u>759,260</u>	<u>781,591</u>	<u>829,116</u>	<u>759,341</u>	<u>838,781</u>	<u>800,052</u>	<u>790,940</u>	<u>845,526</u>	<u>767,322</u>	<u>811,519</u>	<u>9,477,040</u>
13	Variance Percentage													
14	Salaried - Regular	6%	6%	6%	6%	10%	10%	9%	5%	6%	9%	9%	9%	8%
15	Salaried - Overtime	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Hourly - Regular	-5%	-1%	-7%	-8%	-24%	-8%	-7%	-6%	-7%	-6%	0%	-1%	-7%
17	Hourly - Overtime	15%	17%	17%	26%	22%	19%	-14%	42%	20%	37%	95%	38%	28%
18	Total	-1%	2%	-2%	-2%	-14%	-2%	-5%	1%	-1%	2%	13%	6%	0%
		January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	Total 2014
19	Monthly Actual													
20	Salaried - Regular	160,899	160,900	176,042	177,424	187,239	189,621	189,621	195,310	190,290	182,493	178,394	186,842	2,175,075
21	Salaried - Overtime													-
22	Hourly - Regular	592,965	561,626	555,441	581,593	573,486	550,120	597,830	541,586	567,216	591,984	505,924	592,115	6,811,886
23	Hourly - Overtime	201,626	138,905	100,651	87,646	92,208	103,786	102,407	125,573	136,470	110,221	144,599	134,477	1,478,568
24	Total	<u>955,490</u>	<u>861,431</u>	<u>832,134</u>	<u>846,663</u>	<u>852,933</u>	<u>843,527</u>	<u>889,858</u>	<u>862,469</u>	<u>893,976</u>	<u>884,698</u>	<u>828,917</u>	<u>913,434</u>	<u>10,465,529</u>
25	Monthly Budget													
26	Salaried - Regular	160,899	172,732	172,732	172,732	172,732	177,527	177,527	177,527	177,527	177,527	177,527	177,527	2,094,516
27	Salaried - Overtime	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Hourly - Regular	609,715	541,967	567,775	596,135	601,512	580,887	633,073	579,482	609,583	636,575	553,014	646,024	7,155,742
29	Hourly - Overtime	92,532	92,712	102,773	103,485	97,319	103,788	91,746	132,557	131,688	152,034	131,208	116,378	1,348,220
30	Total	<u>863,146</u>	<u>807,411</u>	<u>843,280</u>	<u>872,352</u>	<u>871,563</u>	<u>862,202</u>	<u>902,346</u>	<u>889,566</u>	<u>918,798</u>	<u>966,136</u>	<u>861,749</u>	<u>939,929</u>	<u>10,598,478</u>
31	Variance Percentage													
32	Salaried - Regular	0%	-7%	2%	3%	8%	7%	7%	10%	7%	3%	0%	5%	4%
33	Salaried - Overtime	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
34	Hourly - Regular	-3%	4%	-2%	-2%	-5%	-5%	-6%	-7%	-7%	-7%	-9%	-8%	-5%
35	Hourly - Overtime	118%	50%	-2%	-15%	-5%	0%	12%	-5%	4%	-28%	10%	16%	10%
36	Total	11%	7%	-1%	-3%	-2%	-2%	-1%	-3%	-3%	-8%	-4%	-3%	-1%

Columbia Gas of Kentucky, Inc.
 Case No. 2016-00162
 Monthly Payroll Variance Analysis
 For the Most Five Recent Calendar Years

Line No.	Description	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	Total 2015
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Monthly Actual													
2	Salaried - Regular	183,695	185,549	190,186	193,060	193,060	199,650	199,073	211,810	205,848	211,954	211,955	211,660	2,397,502
3	Salaried - Overtime													-
4	Hourly - Regular	566,644	526,072	579,481	578,572	596,364	621,016	659,128	615,929	633,750	639,821	614,208	688,477	7,319,461
5	Hourly - Overtime	100,196	124,173	136,291	98,783	82,485	107,836	103,035	128,140	87,543	123,024	167,709	129,255	1,388,469
6	Total	<u>850,534</u>	<u>835,794</u>	<u>905,959</u>	<u>870,415</u>	<u>871,910</u>	<u>928,501</u>	<u>961,236</u>	<u>955,879</u>	<u>927,141</u>	<u>974,799</u>	<u>993,871</u>	<u>1,029,392</u>	<u>11,105,431</u>
7	Monthly Budget													
8	Salaried - Regular	182,492	182,492	182,492	182,492	182,492	187,967	194,633	194,633	194,633	194,633	194,633	194,633	2,268,225
9	Salaried - Overtime													-
10	Hourly - Regular	615,744	562,206	649,714	650,792	630,182	656,302	680,366	625,453	659,131	664,997	631,785	693,170	7,719,842
11	Hourly - Overtime	93,208	90,732	83,522	88,986	90,895	83,173	102,330	107,310	108,709	119,014	136,618	124,699	1,229,196
12	Total	<u>891,444</u>	<u>835,430</u>	<u>915,728</u>	<u>922,270</u>	<u>903,569</u>	<u>927,442</u>	<u>977,329</u>	<u>927,396</u>	<u>962,473</u>	<u>978,644</u>	<u>963,036</u>	<u>1,012,502</u>	<u>11,217,263</u>
13	Variance Percentage													
14	Salaried - Regular	1%	2%	4%	6%	6%	6%	2%	9%	6%	9%	9%	9%	6%
15	Salaried - Overtime	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Hourly - Regular	-8%	-6%	-11%	-11%	-5%	-5%	-3%	-2%	-4%	-4%	-3%	-1%	-5%
17	Hourly - Overtime	7%	37%	63%	11%	-9%	30%	1%	19%	-19%	3%	23%	4%	13%
18	Total	-5%	0%	-1%	-6%	-4%	0%	-2%	3%	-4%	0%	3%	2%	-1%

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

35. Provide all wage, compensation, and employee benefits studies, analyses, or surveys conducted since Columbia's last rate case or that are currently utilized by Columbia.

Response:

Please refer to Attachment PSC-1-35(A) [CONFIDENTIAL] for a copy of the March 2015 General Industry Benefit Index report and Attachment PSC-1-35(B) [CONFIDENTIAL] for a copy of the March 2015 Energy Industry Benefit Index that were completed by Aon Hewitt on behalf of NiSource. These studies were completed for all of NiSource to assess the overall value of employee benefits.

Please refer to Attachment PSC-1-35(C) [CONFIDENTIAL] for a copy of the 2015-2016 US Compensation Planning Survey Report by Mercer Human Resource Consulting. Please also see Attachment PSC-1-35(D) [CONFIDENTIAL] for a copy of the 2015-2016 Salary Budget Survey by World at Work. These sur-

veys are used as a factor to determine appropriate market-based merit increase levels.

On a biennial basis, NiSource is provided information from Mercer establishing the applicable salary range for applicable jobs within NiSource, incorporating data from energy and non-energy sectors. This information is provided to NiSource through an application called ePRISM. Using the ePRISM interface, NiSource downloads the applicable market salary ranges directly into the NiSource PeopleSoft system, which is the human resource information systems used to track employee compensation data. As a result, the records maintained within the PeopleSoft system for applicable jobs include a specific, market based salary range, which is referenced in setting an employee's compensation from year to year.

Also see PSC-1-35(E) [CONFIDENTIAL] for the Aon Hewitt Variable Compensation Measurement Survey: Highlights and Trends Report.

Attachment (A) to PSC Staff DR Set 1 No. 35

[CONFIDENTIAL]

March 2015 General Industry Benefit Index Report

FILED UNDER SEAL PURSUANT TO MOTION FOR
PROTECTIVE TREATMENT FILED ON JUNE 10, 2016

Attachment (B) to PSC Staff DR Set 1 No. 35

[CONFIDENTIAL]

March 2015 Energy Industry Benefit Index

FILED UNDER SEAL PURSUANT TO MOTION FOR
PROTECTIVE TREATMENT FILED ON JUNE 10, 2016

Attachment (C) to PSC Staff DR Set 1 No. 35

[CONFIDENTIAL]

2015-2016 US Compensation Planning Survey Report

FILED UNDER SEAL PURSUANT TO MOTION FOR
PROTECTIVE TREATMENT FILED ON JUNE 10, 2016

Attachment (D) to PSC Staff DR Set 1 No. 35

[CONFIDENTIAL]

2015-2016 Salary Budget Survey

FILED UNDER SEAL PURSUANT TO MOTION FOR
PROTECTIVE TREATMENT FILED ON JUNE 10, 2016

Attachment (E) to PSC Staff DR Set 1 No. 35

[CONFIDENTIAL]

Variable Compensation Measurement Survey: Highlights and Trends Report

FILED UNDER SEAL PURSUANT TO MOTION FOR
PROTECTIVE TREATMENT FILED ON JUNE 10, 2016

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

36. For each employee group, state the amount, percentage increase, and effective dates for general wage increases and, separately, for merit increases granted or to be granted in 2014, 2015, the base period, and the forecasted test period.

Response:

Below are the merit and general wage increases including annualized amount, percentage increase, and effective dates for each employee group for the years 2014, 2015, the base period, and forecasted test period.

2014

	Exempt	Nonexempt (nonunion)	Union
Annualized Amount	\$64,682	\$28,184	\$109,034
Percent Increase	3.0%	3.0%	2.0%
Effective Date	June 1, 2014	June 1, 2014	December 1, 2014

2015

	Exempt	Nonexempt (nonunion)	Union
Annualized Amount	\$66,362	\$23,461	\$121,804
Percent Increase	3.0%	2.5%	2.0%
Effective Date	June 1, 2015	June 1, 2015	December 1, 2015

Base Period (Sept 2015 to Aug 2016)

	Exempt	Nonexempt (nonunion)	Union*
Annualized Amount	\$79,341	\$32,995	
Percent Increase	3.0%	3.0%	
Effective Date	June 1, 2016	June 1, 2016	

Forecasted Test Period (calendar year 2017)

	Exempt	Nonexempt (nonunion)	Union*
Annualized Amount	\$81,828	\$37,484	
Percent Increase	3.00%	3.00%	
Effective Date	June 1, 2017	June 1, 2017	

* The union contract expires on November 30, 2016, therefore 2016 and 2017 amounts have not yet been negotiated.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

37. Provide a schedule reflecting the salaries and other compensation of each executive officer for the base period and three most recent calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each officer, and to whom each officer reports. For employees elected to executive officer status since the test year in Columbia's most recent rate case, provide the salaries for the persons they replaced.

Response:

Please refer to Attachment A of the response.

Columbia Gas of Kentucky, Inc.
 Executive Officer Compensation

Employee	2014				2015				2016				Base Period			
	Base	% Increase	Effective Date	Other Comp	Base	% Increase	Effective Date	Other Comp	Base	% Increase	Effective Date	Other Comp	Base	% Increase	Effective Date	Other Comp
Herbert Miller	207,223	2.75%	6/1/2014	238,117	212,721	2.65%	6/1/2015	232,265	218,746	2.83%	6/1/2016	222,855	216,594	N/A	6/1/2016	223,092
Title: President																
Reports to:																
Chief Regulatory Officer																
No. of Employees: 13																
Kimra Cole	N/A	N/A	N/A	N/A	114,282	N/A	N/A	101,619	140,852	23.25%	6/1/2016	142,526	139,467	N/A	6/1/2016	142,266
Title: General Manager, VP of Operations																
Reports to:																
SR. VP of Operations																
No. of Employees: 92																
Notes:																
(1) The President and General Manager are employees of Columbia Gas of Kentucky; the remaining executive officers are employees of NiSource Corporate Services Company with responsibilities for several operating companies. This schedule reflects amounts allocated to Columbia Gas of Kentucky only.																

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

38. Describe in detail how the base period capitalization rate was determined. If different rates were used for specific expenses (i.e., payroll, clearing accounts, depreciation, etc.), indicate the rate and how it was determined. Indicate all proposed changes to the capitalization rate and how the changes were determined.

Response:

Columbia did not use a capitalization rate during the base period. Costs are charged directly to expense or capital accounts as appropriate.

Additionally, employee benefits and payroll tax expenses can be classified to capital accounts by means of applying labor overheads to capital accounts to which labor is charged. Vehicle costs can also be classified to capital accounts using a similar methodology that follows labor.

The forecasted portion of the base period is based on capital and operating budgets that mainly focus on where the costs will ultimately reside, not the underlying accounting transactions that occur in actual months.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED MAY 11, 2016

39. Provide all current labor contracts and the most recent labor contracts previously in effect.

Response:

Please refer to Attachment A of the response for the current labor contract. Please refer to Attachment B of the response for the preceding labor contract.

AGREEMENT

BETWEEN

COLUMBIA GAS TRANSMISSION LLC

COLUMBIA GAS OF KENTUCKY, INCORPORATED
COLUMBIA GAS OF OHIO, INCORPORATED

AND

UNITED STEEL, PAPER AND FORESTRY, RUBBER,
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND
SERVICE WORKERS INTERNATIONAL UNION
LOCALS 372 AND 628

CHARLESTON, WEST VIRGINIA
DECEMBER 1, 2011

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THIS AGREEMENT, made and entered into this 1st day of December 2011, by and between COLUMBIA GAS TRANSMISSION LLC, COLUMBIA GAS OF KENTUCKY, INC., and COLUMBIA GAS OF OHIO, INC., all corporations for their employees as represented in the bargaining unit, established by the NLRB elections (and see the determination in NLRB Cases 9-UC-91, 9-UC-92, and 9-RC-12428), their successors and assigns, hereinafter referred to as the "Company," party of the first part, United Steel, PAPER, and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, LOCALS NOS. 372 and 628, its successors and assigns, hereinafter referred to as the "Union," party of the second part, and UNITED STEEL PAPER and FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL, and SERVICE WORKERS INTERNATIONAL UNION, its successors and assigns, hereinafter referred to as the party of the third part:

WITNESSETH

WHEREAS, the Company is engaged in furnishing essential public services which vitally affect the health, safety, comfort, and well-being of a large majority of the population in the territory covered by its operations, and its very existence is dependent upon the faithful carrying out of its obligations and responsibility to the public; which responsibility is recognized by the parties hereto as being imposed upon the Management and employees of the Company mutually, and that properly to fulfill the same requires that any disputes arising between them be adjusted and settled in an orderly manner without interruption of the Company's services to the public:

WHEREAS, the parties have, through collective bargaining in accordance with the law, agreed upon the incidents of the employment relationship on a contractual basis; and,

WHEREAS, it is the desire of the Company and the Union to continue the policy and practice of nondiscrimination because of race, color, religion, age, sex, disability, veteran and Vietnam era veteran, or national origin; and

WHEREAS, while certain job classifications and pronoun references are in the male gender, it is understood that they do not refer exclusively to males and corresponding feminine gender usages will be substituted when appropriate.

NOW, THEREFORE, it is agreed by the parties hereto as follows:

ARTICLE I Obligations

Section 1. It is recognized that the Company is engaged in rendering a public service and is under the duty to the public of operating and maintaining its public utility service without interruption, and therefore nothing contained in this Agreement shall be construed to conflict or to be incompatible with such duty.

Section 2. It is agreed that during the term of this contract, or during any period of time while negotiations are in progress between the parties hereto for the continuance or renewal of this contract, that there shall be no lockouts, strikes, stoppage of work, or interruption of service to the public.

Section 3. It is agreed that the Company will not discriminate, coerce, or intimidate any member of the Union on account of his membership in the Union. The Union agrees that its officers and members will not solicit membership in the Union among employees of the Company when said employees are on duty or Company property, and will not interfere with or restrain or

coerce employees of the Company in attempting to influence them to be members of the Union.

ARTICLE II Recognition

Section 1. The Company recognizes the Union as the exclusive representative of all the employees, as such term is defined and delimited in Section 3 of this Article, for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment: Provided, that any individual employee or a group of employees shall have the right at any time to present grievances to the Company and to have such grievances adjusted, without the intervention of the Union, as long as the adjustment is not inconsistent with the terms of this Agreement: Provided, further, that the Union has been given opportunity to be present at such adjustment.

Section 2. It is agreed that there shall be no hindrance or interference with the Management of the Company in its several departments, including the determination of the Company policy, which does not interfere with the conditions of this Agreement as affecting wages, hours of work, and working conditions. All rights of Management, except insofar as the same are expressly modified in the terms of this Agreement, are hereby reserved to the Company, and the Company specifically has the power and the right to manage the business and direct the working forces, including but not limited to, the right to hire, suspend, or discharge for proper cause, promote, demote, to transfer employees from one job to another (provided, however, that no employee may be permanently transferred from one basic seniority unit to another, without his permission), to lay off employees in accordance with seniority, as specified herein, to reduce working hours, to move or to close any departments or other segments of the business because of lack of work, or to otherwise generally manage the Company's business.

Nothing in this Section shall be construed to supersede or nullify any of the provisions contained in other Articles.

Section 3. (a) The term "employee," as used in this Agreement, shall include all production and maintenance employees of the Company in the said bargaining unit, but shall exclude all clerical, supervisory, executive, administrative, professional, temporary employees, and all others excluded by law. "Temporary employees" are hereby defined to mean those employees hired for a specific project or for a specified length of time.

(b) In accordance with the requirement of Section 1, hereunder, an employee will be classified as a Regular employee following any six-months' period. Provided, that he meets the Company's requirements as to ability and efficiency, integrity, and physical fitness: Provided, further, that he has submitted record of birth which is satisfactory to the Company. The Company will provide the Union President an assessment/evaluation of the probationary employee's progression after three (3) months. If requested, an update will be presented to the Union President in the fourth and fifth month of the probationary period.

(c) An employee shall lose his classification as a Regular employee under the following conditions:

- (1) Resignation.
- (2) Discharge for cause.
- (3) Acceptance of other employment except as provided in Article V hereof.

- (4) Refusal to accept reemployment within 72 hours after receipt of notification by the Company that employment is available in the basic seniority unit from which the employee was laid off because of lack of work. Such notice may be given by letter at the employee's last known address, by telephone, or by personal contact.
- (5) Layoffs of more than one year duration, except in the case of employees with fifteen (15) or more years of accredited service, in which case it shall be layoffs of more than four-years' duration.

(d) The Company agrees to notify the Union of an offer of reemployment made by the Company to an employee. Such notice will be either a copy of the notice sent to the employee or will be a notice stating in which other manner the employee was notified.

(e) The performance of non-bargaining unit work by bargaining unit employees will be on a voluntary basis.

ARTICLE III Supervisors Performing Production and Maintenance Work

Under normal operating conditions, supervisors are not assigned duties that are usually performed by production and maintenance employees.

Supervisors are expected to devote full time to their supervisory duties under normal operating conditions. This policy does not, however, prevent supervisors from performing such necessary functions as job instruction or training of employees; inspecting work, either in progress or completed; operating equipment and facilities in experimental or initial testing operations; and operating in emergency situations or where the safety of people or facilities is in jeopardy.

ARTICLE IV Check Off

It is agreed that all employees, including current employees as of the effective or execution date of this Agreement and all employees who thereafter have become or may hereafter become members of the Union, shall remain members of the Union in good standing for the duration of this Agreement as a condition of continued employment by the Company; and further that all new employees covered by this Agreement hired after the date of this Agreement, shall, after thirty (30) days of employment, become members of the Union and remain members in good standing for the duration of this Agreement as a condition of continued employment. Good standing shall mean only the payment of the initiation fee and periodic dues.

The International Union and Locals No. 372 and 628 agree to protect the Company under this section and to refund to the Company money that may be involved in the event a member from whose earnings, dues, and initiation fees shall have been deducted by the Company should resort to or cause legal action to be taken against the Company because of such deductions.

ARTICLE V Leave of Absence for Union Activity

Upon written request fifteen (15) days in advance by the Local Union, the Company shall grant a leave of absence to not more than two employees for Union activities. An employee

elected to a Union position or selected by the Union to do work which takes him from his employment with the Company shall, upon the written request of the Union, receive a temporary leave of absence for the period of his services for the Union. Upon his return, providing his seniority qualifies him, such employee shall be reemployed to his job or at work generally similar to that in which he was engaged last prior to his leave of absence, and his seniority shall accumulate throughout the period of his leave of absence. Such leave of absence shall be made and granted yearly, subject, however, to the provision of Article IX hereof.

ARTICLE VI Bulletin Boards

The Company will provide bulletin boards of at least 2' by 2' to be placed on its property where they may be seen by employees entering and leaving their places of employment. Such boards shall be used exclusively by the Union, such use to be confined exclusively to posting on said boards notices pertaining to dues, meetings, and other usual, regular and bonafide activities of the Union, it being the intention hereof that the Union will not use said boards for the direct solicitation of membership in the Union.

ARTICLE VII Seniority

Section 1. For seniority purposes, the Companies shall be divided into the following separate basic seniority units. However, employees laid off from one basic seniority unit will be given preference in case of hiring by another basic seniority unit, if the laid off employee(s) is qualified.

- I. Columbia Gas Transmission LLC
 - A. St. Albans Area Basic Seniority Units as follows:
 - 1. Pipelines Seniority Unit (includes Gas Measurement and Telecommunications) consisting of work locations at:
 - Alexandria, KY
 - Boldman, KY
 - Grant, WV
 - Huff Creek, WV
 - Inez, KY
 - Lockwood, KY
 - Mt. Olivet, KY
 - St. Albans, WV
 - Winchester, KY
 - 2. Compressor Seniority Units consisting of work locations at:
 - Boldman, KY
 - Ceredo, WV
 - Grant, WV
 - Hamlin, WV
 - Hubball, WV
 - Huff Creek, WV
 - Inez, KY

Kenova, WV

B. Clendenin Basic Seniority Units as follows:

1. Pipelines Seniority Unit (includes Gas Measurement and Telecommunications) consisting of work locations at:

Clendenin, WV
Cobb, WV
Coco, WV
Frametown, WV
Glenville, WV
Lanham, WV
Ripley, WV
Rockport, WV
St. Albans, WV (Building Services, Trucking, Gas Measurement, Warehouse & Yard)

2. Compressor Seniority Units consisting of work locations at:

Clendenin, WV
Cobb, WV
Coco, WV
Frametown, WV
Glenville, WV
Hunt, WV
Lanham, WV
Ripley, WV
Rockport, WV
Walgrove, WV

3. Charleston Building Services

C. Strasburg Basic Seniority Units as follows:

1. Pipelines Seniority Unit (includes Gas Measurement and Telecommunications) consisting of work locations at:

Cleveland, WV
Elkins, WV
Glady, WV
Pickaway, WV
Seneca, WV
Terra Alta, WV

2. Compressor Seniority Unit consisting of work locations at:

Cleveland Compressor Station
Files Creek Compressor Station
Glady Compressor Station
Hardy Compressor Station
Lost River Compressor Station
Seneca Compressor Station

Terra Alta Compressor Station

- II. Columbia Gas of Kentucky, Inc.
 - A. Lexington Distribution Seniority Unit consisting of the following work locations:
 - Frankfort, KY
 - Irvine, KY
 - Lexington, KY
 - Maysville, KY
 - Paris, KY
 - Winchester, KY
 - B. Ashland Distribution Seniority Unit consisting of the following work locations:
 - Ashland, KY
 - Inez, KY
 - East Point, KY

III. Columbia Gas of Ohio, Inc.

- A. Ironton Distribution Seniority Unit consisting of the following work location:
 - Ironton, OH

Section 2. Seniority shall be established upon the date the employee is classified as a Regular employee and shall relate back to the date six (6) months next preceding such classification.

Section 3. It is agreed, except as set out, that the Company will in all cases of promotion, demotion, transfer, and decrease or increase of personnel, consider the following factors, and where factors (a) and (b) are, in the opinion of the Company, relatively equal, seniority shall govern.

- (a) Training, ability, skill and efficiency
- (b) Physical fitness
- (c) Seniority shall govern in the following order:
 - (1) In the basic seniority unit
 - (2) In the respective Company (that is, TCO, CKY or COH)
 - (3) Within the Bargaining Unit

In making transfers, the Company will give special consideration to any employee who has previously submitted a request for transfer and will attempt to avoid transferring any employees who prefer not to be transferred.

Nothing in this Section shall be construed to supersede or nullify any of the provisions contained in other Articles.

Section 4. In the event of a “reduction in force,” layoff, or closing of a facility, which results in a net decrease of personnel within the respective Company (that is, TCO, CKY, or COH), the following process shall apply:

- (a) When an employee is displaced as described above, he may exercise his bargaining unit seniority over the most junior employee within his same classification either within his basic seniority unit or within the respective Company (that is, TCO, CKY, or COH) or, if qualified, over the most junior employee in any classification at the work location or in his basic seniority unit. This process shall continue until the employee is deemed qualified over the next junior employee or is unable to exercise his seniority.
- (b) The displaced employee from (a) may then exercise his bargaining unit seniority over the most junior employee in his same classification within the respective Company (that is, TCO, CKY, or COH) or, if qualified, over the most junior employee in any classification in the respective Company. This process shall continue until the employee is deemed qualified over the next junior employee or is unable to exercise his seniority.
- (c) If an employee is displaced in (b) he, if qualified, may then exercise his bargaining unit seniority over the most junior employee in the respective company (that is, TCO, CKY, or COH). This process shall continue until the employee is deemed qualified over the next junior employee or is unable to exercise his seniority.
- (d) If in any of the preceding steps an employee elects not to or can no longer exercise his seniority, he will be the individual that is displaced.
- (e) In all other Section 3 situations, such as re-allocation of the workforce, Article II, Section 2 and Article VII, Section 3 will govern.
- (f) If the cause of the reduction in force is a direct result of contracting out, then the provisions of Article VIII will apply.

Section 5. Whenever an employee is permanently transferred from one basic seniority unit to another, he shall be considered a new employee insofar as his seniority in the new basic seniority unit so transferred to, is concerned. However, such employee shall retain his Company seniority and also the seniority he had accumulated in the basic seniority unit from which he was transferred. It is understood that the temporary transfer of an employee will in no way affect his seniority status, and the Company shall be required to notify the employee involved as to the temporary or permanent nature of the work.

Section 6. For seniority purposes, each employee shall be credited, except as otherwise provided, with all periods of actual service accruing after the commencement day of said seniority and, in addition thereto, shall be credited with time lost resulting from (a) jury service or serving as a witness under Court subpoena; (b) layoffs of not more than six-months' duration; (c) illness or injury regardless of duration; (d) service in the military forces of the United States or service upon being drafted in an essential war industry by the Government: Provided, however, that such accrued time shall not continue for a period more than that required by law after discharge or release from such service.

Section 7. An employee shall lose his seniority rights under the same terms that he loses his classification as a Regular employee, as provided in Article II, Section 3(c) of this Agreement.

Section 8. The Companies shall furnish the Secretaries of the Union with the seniority list for each Basic Seniority Unit on an annual basis. Said seniority list shall show the employee's Bargaining Unit Seniority Date, Company Seniority Date, and Basic Seniority Unit Date.

Section 9. The Company agrees, upon request, to review with employees or their representatives any cause of layoff, transfer, or rehire, or promotion affecting a worker's seniority status, or any training situation involving one or more employees in which an injustice is alleged and, in the event an injustice is done, will rectify such injustice, provided such request is made within thirty days from the date the injustice first occurred. If no agreement is reached, the matter will assume the status of a controversy subject to the grievance and arbitration procedure provided for in Articles XXVIII and XXVIX hereof, and the Arbitrators shall have the right to reverse a Company decision in matters relating to Section 3 hereof when there is proof of abuse of the Company's discretion.

ARTICLE VIII Contracting Out

Pursuant to Article II, Section 2 of this Agreement, the parties understand that the Company may elect to use independent contractors. However, it is further understood that the Company shall not so contract any work which is performed by its Regular employees which will directly result in one or more Regular employees being laid off. It is further understood that if any Regular employee is permanently transferred to a new work station as the direct result of such contracting out of work, the Company shall pay the employee's reasonable costs and expenses incurred incident to such transfer in an amount not less than those specified and provided for the applicable employees in the respective Company's current Transfer of Personnel Policy.

ARTICLE IX Physical Examinations

Section 1. The Company may, in cases of frequently recurring absences from duty, or in other exceptional cases, require an examination of any Regular employee by a physician of his own choosing as a condition of continued employment. If the Company is not satisfied with the report of the physician chosen by the employee, the Company may require a reexamination of such employee by a physician chosen by the Company. If the two examinations are not in accord, then the physician chosen by the employee and the one chosen by the Company may elect a third physician to make an examination of such employee, and the decision of the third shall be final.

ARTICLE X Employee Disability Plans

The Short-Term Disability Plan

The purpose of the Short-Term Disability Plan is to provide all employees, as defined in Article II, Section 3(a) of this Agreement, greater economic security by providing wage allowances during the periods when such employees may be absent from work by reason of a disability due to personal illness, injury, or serious illness or accident.

Eligibility Requirements

To be eligible for such allowances under this Plan, the employee must:

- A. Be classified as an employee, as defined in Article II, Section 3 (a), of this Agreement.
- B. Permit examination or inquiry by the Company, and furnish a physician's certificate upon request, and must have reported the cause of absence at or as soon after the beginning of the first scheduled working day of absence as the circumstances (including the nature of the disability or illness) reasonably permit.

Basis for Determining Pay

- A. Short-Term Disability payments will be computed on the basis prescribed by Article XII of this Agreement.
- B. Only absences of four hours or more will be charged against an employee's Short-Term Disability allowance.
- C. Short-Term Disability payments will not be allowed for disability incurred while an employee is on leave of absence, furlough, suspension from work, for an illness or injury which may obviously be the result of the employee's own misconduct, or, except as hereinafter provided, for disability which is compensatory under the Workers' Compensation Law of the State of employment or any State or Federal Disability Law.
- D. For the purpose of this plan, employees will be credited with one calendar year of service as of the December 31 following date of employment and shall be credited with an additional year on each subsequent December 31.
- E. When a period of continuous absence extends from one calendar year into the next, the Short-Term Disability allowance is continued until any unused portion of the maximum allowance based on the credited calendar years of service at the beginning of such continuous absence has been paid. On the expiration of benefits, the time allowable for the current calendar year will not commence until after the employee has returned to work.
- F. Payment by the Company to an employee absent for disability compensatory under the State Workers' Compensation Laws, or any State or Federal Disability Law, shall be limited to the difference between the amount of compensation receivable and the Short-Term Disability allowance under this plan.
- G. You may receive short-term disability benefits for up to eight (8) hours, twice per calendar year, if a sudden onset of a serious illness or injury to your immediate family prevents you from working, and the medical situation is such that it absolutely requires the employee be in attendance. This time allows the employee to make arrangements for care of the family member and/or be available to make treatment decisions for medical emergencies. Subject to supervisory approval the time necessarily absent from work shall not exceed a reasonable period.

Schedule of Payments

Post January 1, 2004, the "Schedule of Payments" is as follows:

Years of Service	Maximum Benefit		Weeks at Full Pay	Weeks at 60% Pay
	Period			
1 to 9	26		8	18
10 to 19	26		16	10
20 and above	26		26	0

The preceding "Schedule of Payments" represents the maximum allowance for absence permitted an employee on account of personal illness or for serious illness.

Prior to January 1, 2004, where an employee has 20 years or more of service, a special recommendation will be made by the supervisor and submitted to the Management for consideration for extension beyond the above disability schedule.

If an employee is absent due to personal illness, injury, or serious illness or accident, the time necessarily absent from work shall not exceed a reasonable period: Provided, however, that if an employee is absent from work due to death in his immediate family, such absence shall not be charged against the benefits to which such employee is entitled; however, such absence from work for any such death shall not exceed a reasonable period.

In all cases of excusable absence from work, the employee is expected to return as soon as reasonably possible, and failure to do so will give the Company the privilege of modifying the above schedule as to such employee in such manner as it shall deem advisable under the circumstances.

Employees With Less Than One Year's Service

When an employee with less than one credited calendar year of service is absent because of personal illness, injury, or serious illness or accident, a recommendation of time off with pay not to exceed a total of five (5) days will be considered.

The Long-Term Disability Plan

The purpose of the Long-Term Disability Plan is to provide all employees, as defined in Article II, Section 3(a) of this Agreement, additional economic security during periods of total disability.

Eligibility for Coverage

All employees are automatically covered by the Plan on a noncontributory basis beginning with the first day they are actively at work.

Commencement and Duration of Benefits

- A. An employee will be eligible for Long-Term Disability income, subject to the exceptions in this Section, if his disability prevents him from performing his own duties and engaging in any other reasonable occupation for 26 consecutive weeks: Provided, that separate periods of disability are considered as one continuous period if they arise from the same or related causes and are interrupted by no more than six months of active service. Once started, LTD benefits beginning before age 60 will continue to age 65 or until recovery, whichever occurs first. LTD benefits beginning at age 60 or after will continue for five (5) years after payments begin under the Plan, or to age 70, or until recovery, whichever occurs first. Proof of disability will be required before an employee can qualify for benefits, and the

insurance company may require proof, from time to time, that the disability still exists.

- B. No benefits are payable for a disability starting during the first twelve months of an employee's participation in the Long-Term Disability Plan if the disability is connected with an illness or injury for which the employee received medical treatment or services during the three-month period just before his participation began.
- C. During furloughs (but not layoffs) and approved leaves of absence (except for military service), an employee's Long-Term Disability Plan coverage will continue for the first two months of leave.
- D. No benefits will be payable for disabilities resulting from intentional self-inflicted injury, or insurrection, riots, war (declared or undeclared), etc., or commission of, or an attempt to commit, a crime.

Long-Term Disability Income

- A. Any employee who qualifies for Long-Term Disability will receive a monthly benefit equal to 50% of his base monthly pay. The monthly disability income benefit payable from these plans will be reduced by amounts received from any retirement, unemployment, Workers' Compensation, or disability benefits provided under any state or federal plan, except Social Security or if you receive other forms of compensation or disability benefits from Columbia. Any primary Social Security disability benefits which are payable or may become payable to the employee will not affect the Long-Term Disability benefit, except that total disability income from all above sources may not exceed 70% of the employee's base monthly salary.
- B. The full amount of Columbia's portion of an employee's Group Life Insurance continues in force as long as he is receiving Long-Term Disability benefits. An employee's Accidental Death and Dismemberment Insurance coverage will be suspended during his period of total disability.

Contributions by Employees

Long-Term Disability Plan coverage at the 50% level will be noncontributory and participants may elect to purchase additional coverage at the 60% level.

Miscellaneous Provisions

- A. An employee may continue coverage under Columbia's Comprehensive Medical Expense Plan for his eligible dependents by paying the normal employee monthly contribution rate.
- B. If the Long-Term Disability Group Insurance Contract is terminated, the employee's Long-Term Disability rights under this Plan will terminate: Provided, however, that an employee who is totally disabled when the Group Insurance Contract is terminated will continue to be covered by the Long-Term Disability Plan.

Further, termination of employment will terminate rights under this Plan.

- C. The preceding paragraphs set forth the basic features of the Long-Term Disability Plan and are subject to the provisions of the Long-Term Disability Group Insurance Contract with Aetna Life Insurance Company or a successor Insurer.

**ARTICLE XI
Vacations**

EMPLOYEES HIRED BEFORE JANUARY 1, 2000

Full Years of Service Completed	Vacation Eligibility granted January 1	Total Hours
At least 1 year, but less than 3 years at December 31	2 weeks granted the following vacation year	80
3 to 9 years at December 31	3 weeks granted the following vacation year	120
10 to 23 years at December 31	4 weeks granted the following vacation year	160
24 to 33 years at December 31	5 weeks granted the following vacation year	200
34+ years at December 31	6 weeks granted the following vacation year	240

**EMPLOYEES HIRED OR REHIRED
AFTER JANUARY 1, 2000 AND BEFORE JANUARY 1, 2013**

Full Years of Service Completed	Vacation Eligibility granted January 1	Total Hours
At least 1 year, but less than 3 years at December 31	2 weeks granted the following vacation year	80
3 to 9 years at December 31	3 weeks granted the following vacation year	120
10 or more years at December 31	4 weeks granted the following vacation year	160

**EMPLOYEES HIRED OR REHIRED
AFTER JANUARY 1, 2013**

Full Years of Service Completed	Vacation Eligibility granted January 1	Total Hours
At least 1 year, but less than 3 years at December 31	3 weeks granted the following vacation year	120
4 or more years at December 31	4 weeks granted the following vacation year	160

Vacation bonus of 5 days at every 5 year service intervals.

Employees hired any time during the month of December will, for vacation purposes only, be deemed to have been hired on the first day of December.

Retiring employees (either normal or early retirement) will receive payment for vacation time accrued during the year of retirement. The payment will be computed on the basis of 1/12 of the vacation eligibility for each full month of service in his final calendar year up to the date he enters retirement status. Vacation eligibility will be determined on the basis of total years of service as of the end of the final calendar year of employment. A vacation payment for employees who become deceased will be made for vacation time accrued during the year in which death occurs. The payment will be computed on the basis of 1/12 of the vacation eligibility for each full month of service in his final calendar year up to the date he becomes deceased. Vacation eligibility will be determined on the basis of total years of service as of the end of the calendar year of employment. Payment to the survivor(s) of the deceased employee will be made in accordance with the laws of the state in which he was a resident.

Eligibility Requirements

To be eligible for vacation, the employee must:

- A. Be classified as a Regular employee, and
- B. Be actively employed at the time the vacation is scheduled to commence.

General

- A. The vacation period will extend from January 1 through December 31 of each year. Upon reasonable notice, an employee may request that his vacation be scheduled for any period between these two dates.
In order that the service of the Company may be adequately and properly maintained, the Company reserves the right to fix the time at which a vacation may be taken, but will endeavor in all cases to arrange such vacation at a time desired by the employee. Upon approval of an employee's request the time set will be considered as the employee's scheduled vacation period.
However, the Company recognizes that from time to time employees are confronted with unusual situations that conflict with their scheduled vacation. When this occurs, employees may request a change in their scheduled vacation. This request must be submitted ten days in advance to the requested change. Vacation may be deferred within the calendar year if the employee is hospitalized prior to commencement of vacation, with proper prior notice to his supervisor. Upon receipt of the employee's request, the supervisor will grant the request, provided it does not interfere with either the operations of the Company or the previously scheduled vacation of other employee(s).
- B. Vacation will commence upon the first normal work day or shift from which the employee is absent on account of vacation, and will run consecutively for the vacation period to which he is entitled.
- C. An employee will be entitled to receive an additional day of vacation for a holiday observed by the Company which occurs within his scheduled vacation period, if such holiday occurs within his regularly scheduled work week.
- D. An employee with two (2) weeks or more vacation allowance may split one (1) week of said vacation allowance into one (1) or more full days. An employee with four (4) weeks or more vacation allowance may split two (2) weeks of said vacation allowance into one (1) or more full days. Employees should submit their request for split week vacation allowance as required under Paragraphs A and M herein; however, when unforeseen circumstances occur and reasonable notice thereof is afforded to the Company, an employee will be granted a change in his split vacation allowance if it does not interfere with the operations of the Company or the previously scheduled vacation of other employee(s).
- E. It shall not be permissible to postpone a vacation from one year to another, nor to draw vacation pay in lieu of a vacation, except as noted in Paragraphs F, G, H, I, and J, below.
- F. An employee whose retirement has been approved will be entitled to receive a vacation, or to draw vacation pay in lieu of such vacation, in the year in which the retirement takes place.

- G. An employee entitled to a vacation, who is laid off due to lack of work, will be entitled to receive vacation pay in lieu of such vacation. A furloughed employee who accepts temporary reemployment and who is entitled to a vacation will have the option to take vacation pay in lieu of such vacation or to have his vacation rescheduled to a time in the vacation period after he returns to his former job.
- H. An employee who resigns or is discharged will be entitled to receive vacation pay in lieu of such vacation, if otherwise eligible.
- I. Regular employees entitled to a vacation who enter Military Service will be entitled to vacation pay in lieu of vacation in the year in which they enter Military Service, and also in the year in which they return to the Company from Military Service: Provided, however, that they do not enter Military Service and return from Military Service in the same year.
- J. Eligible employees may exercise a vacation carryover option subject to the following requirements:
 - (1) Employees eligible for two (2) weeks vacation must take two weeks of vacation and will not be eligible for carry over. Up to 40 hours of carry over may be approved with management's discretion. Employees eligible for three (3) or more weeks of vacation may apply for a vacation carryover for only that portion of the vacation allowance in excess of two (2) weeks.
 - (2) Vacations will normally be taken in units of five (5) days, except that employees may be granted permission to split their vacation into lesser full day periods.
 - (3) The right to exercise the carryover option shall be subject to the approvals provided in Subparagraph A above.
 - (4) The request for carryover must be made in writing by the employee no later than December 1 of the vacation period preceding that in which the carryover is to be effective.
 - (5) Vacation weeks carried over must be taken during the immediately following vacation period.
- K. The survivor(s) of an employee, who is deceased prior to receiving a vacation to which he would have been entitled, shall receive pay in lieu of vacation. Payment will be made in accordance with the laws of the State in which he was a resident.
- L. Employees will be given an opportunity to signify, in writing, prior to the 15th day of March, upon a list to be furnished by the Company and posted in each Department, their choices of vacation dates: Provided, however, that any employee desiring his vacation between January 1 and April 1 must make arrangements with his supervisor. Seniority shall be given paramount consideration.

ARTICLE XII Off-Duty Pay

All authorized off-duty pay for such purposes as vacations, holidays, illness, jury service, or for any other reason provided herein shall be at the rate of pay of the employee's regular classification for the number of hours regularly scheduled to work. The foregoing provisions of this Article are, however, subject to the provisions of Article X hereof.

ARTICLE XIII Termination Pay

Nothing herein contained shall be construed to interfere with the right of the Company to suspend or discharge or lay off an employee for just cause: Provided, however, that when a reduction in the Regular personnel is necessary, the employees whose services are to be discontinued shall be given five days' advance notice thereof; and in the event such notice is not given, the Company will pay such employee the equivalent of five days' pay at his regular rate. The respective Company agrees that if there is a need to reduce its regular personnel during the term of the Agreement, due to a "reduction in force," layoff, or closing of a facility, which affects one or more employees, to meet with the Union to discuss the provisions of a special severance program which may be available.

ARTICLE XIV Leaves of Absence

Section 1. When its business permits, the Company may grant a leave of absence to an employee, upon request, for a period of not to exceed three months, for any reason other than for the purpose of seeking or accepting other employment. Such leave of absence may also be extended for a similar period, if mutually agreed upon between the Company and the employee.

Section 2. All leaves of absence in excess of thirty days shall be in writing, and a copy thereof furnished the employee and the Union.

Section 3. Before the expiration of any leave of absence in excess of thirty days, or an extension thereof, the employee shall apply for reinstatement and, if he is physically qualified to perform his former duties, shall be reinstated. The Company may require, as a condition precedent to reinstatement, a physical examination, as provided for in Section 2 of Article IX.

Section 4. If such employee does not apply for reinstatement before expiration of the period of the leave of absence, or if he accepts other employment during such leave of absence without the written consent of the Company, or if he is physically unqualified to perform his accustomed work his employment with the Company will cease and terminate.

Section 5. Upon reinstatement of the employee at the expiration of leave of absence, he shall resume his employment in the job classification which he left with the Company and shall receive his seniority and other benefits to which he was entitled at the time his leave was commenced.

ARTICLE XV Safety

The parties hereto agree that safety of employment is of vital importance both to the Company and the employee, and further agree that no employee shall be required to perform any work, unless reasonably proper safeguards are maintained. An inspection of any equipment may be secured at all reasonable times upon the recommendation of any employee working on or near such equipment. The local Worker's Committee may meet with the Operations Manager and if not satisfied, then with the Management, for the purpose of discussing the elimination of hazards in order to prevent accidents.

ARTICLE XVI Pay Days

Section 1. The Company shall pay its employees on a bi-weekly basis. Employees shall have the option to have direct deposit of their checks or to have their checks mailed directly to the residence or mailed to be in the hands of the supervisors for delivery by them to the employees on the mornings of alternate Friday pay days. Whenever a regular pay day falls on a recognized holiday, the Company shall endeavor to have the checks to the employees as elected above on the workday preceding the holiday.

Section 2. Employees' pay shall be made available at the work station closest to them during regular office hours or mailed directly to their residence. However, employees whose hours begin and end at other than regular office hours of the Company shall be paid at their job site. Employees who live and work at locations distant from their work stations shall have their pay checks mailed to them.

Section 3. There shall be a two week lag for the payment of exception pay by the Company. At the time the exception pay is paid, the Company will provide information to the employee identifying the period of time for which the employee is being paid exception pay.

ARTICLE XVII Lunch Period

Section 1. Each employee shall be entitled to a lunch period after the employee has been on duty for four hours. The length of time for said lunch period shall be reasonable and shall be fixed by agreement between the Worker's Committee and the Company, or a representative thereof.

Section 2. Whenever continuous overtime work of two hours or more is required and at intervals of four hours subsequent thereto, the Company shall, for each and every occurrence, furnish the employee a meal at its own expense and afford the employee an opportunity of eating same, or in lieu thereof such employee shall be paid \$17.00 for each occurrence.

Section 3. Whenever a call-out involves continuous work of five (5) or more hours, the Company shall, after four (4) hours, furnish the employee a meal at its expense and afford the employee an opportunity of eating same, or in lieu thereof such employee shall be paid \$17.00. The foregoing requirement shall not apply in the case of an employee who is called out to perform a scheduled shift.

ARTICLE XVIII Schedule of Hours

Section 1. Time and one-half shall be paid for all overtime in excess of eight hours on any work day, and for all overtime in excess of forty hours in any one work week: Provided, that no employee shall be paid both daily and weekly overtime on account of the same hours of overtime worked: Provided, further, that an employee shall not be laid off in order to avoid overtime payments.

Section 2. All work performed on Sunday by other than shift workers shall be paid for at the rate of double-time the employee's regular rate: Provided, however, that such premium payments for Sunday work shall be credited against any weekly overtime which may accrue.

Section 3. When an off-duty employee is called out to work outside of his regular hours, he shall receive:

- (a) overtime pay at the time and one-half rate for the hours actually worked on the call-out; plus
- (b) a call-out allowance at the straight-time rate for the difference between the hours actually worked and four hours.

If a call-out involves four or more hours of work, the call-out allowance shall not be payable, inasmuch as all hours are at the overtime rate: Provided, that for the purpose of determining call-out pay, the period of any call-out shall not extend past the commencement of the affected employee's next regular work period.

Section 4. CKY/COH (Ironton) Only: Callout Acceptance – The standard amount of individual callout overtime acceptance required shall be 33% for the first year of the program. All employees who achieve a 33% or higher rate during the first 12 month period shall revert to an annual callout acceptance of at least 25%. Any employee who does not achieve the 33% rate in the first year will remain at the 33% performance level. Individual performance levels will be evaluated for all employees on an annual basis. Failure to meet this requirement of callout overtime will be addressed by management on a case by case basis.

Performance expectations around callout acceptance will be evaluated by management on an ongoing basis and employees may be moved up or down between the 25% and 33% expectation rates based on their individual performance.

Special consideration will be given to the following, but not all inclusive of:

- (a) Emergency Response
- (b) Continuous Overtime
- (c) Volume of Calls

Employees would not be held accountable for the above percentage while on approved sick time or any scheduled approved vacation.

All employees will receive a quarterly update of their callout performance and the Union will receive a quarterly list of the entire local (subject to implementation of an automated call-out system).

Callout percentages will be discussed at union management meetings and reviewed quarterly on a case by case basis.

Section 5. When an employee reports for work as scheduled or as requested under other circumstances than those covered by Section 3 of this Article, he shall receive the greater of (a) his appropriate rate for the hours worked or (b) four hours' pay at straight-time: Provided, that such reporting pay shall not be payable if four hours prior to the time for reporting, the employee is notified by the Company not to report. If as much as five hours' work is done, he shall be compensated for a full day's work at straight-time.

Section 6. TCO ONLY: When an off-duty employee is called after his/her normal work schedule, regarding an operational problem and not required to report to work under the call-out procedures, they shall receive:

- (a) A minimum of 1 hour pay at the appropriate overtime rate for each call-up of 15 minutes or less.
- (b) Should the call-up occur after midnight, but before 5:00am, he/she shall receive 2 hours of straight pay for call-up of 15 minutes or less.

Section 7. Each employee shall be given at least one week's prior notice of any change in his regular day off or any change in his scheduled shift. Upon failure of the Company to give such notice, such employee shall receive premium pay at the rate of time and one-half his regular rate

for the first eight hours worked on his first previously scheduled day off, or on his changed shift: Provided, that an employee shall not receive any premium pay under this Section when such employee's own schedule is changed:

- (a) at his request,
- (b) as the result of his filling a job under the posting procedure, or
- (c) as a result of his placement because of his physical disability.

Section 8. Any employee who works a double shift at the request of the Company shall receive premium pay at the rate of time and one-half his regular rate for the second shift: Provided, however, that any such premium pay shall be credited against any daily or weekly overtime which may have accrued.

Section 9. Overtime at the rate of time and one-half shall be paid for hours worked in excess of eight in the case of continuous work, even though two different work days are involved. In addition, whenever an employee is required to work more than sixteen (16) consecutive hours, he shall be paid for all consecutive hours worked in excess of sixteen (16) at two (2) times his straight-time rate until released from duty by the Company: Provided, however, that any such premium pay shall be credited against any daily or weekly overtime which may have accrued.

Section 10. When a call-out or prescheduled overtime is required, it shall be apportioned as reasonably practicable among qualified employees, who are either permanently or temporarily assigned to the work location. Consideration will then be given to the available employee in the classification that normally performs the work including those temporarily assigned employees who have been assigned or upgraded into a "fill-in" position for normal operations for 30 or more consecutive work days. A record of the overtime hours worked by each employee will be posted monthly by Columbia Gas Transmission LLC, Columbia Gas of Kentucky, Inc., and by Columbia Gas of Ohio, Inc. If an employee is excused from an overtime assignment which he has been requested to perform, his overtime record shall be charged with the same number of hours as that of the employee who actually performed the overtime work.

When continuous overtime is required by the Company, the employee(s) who is working on the job will be allowed to work the overtime. The Company will not be required to pay for time not worked under this section; however, the Company will endeavor to equalize the overtime as reasonably as practicable.

Section 11. Whenever an employee has worked in excess of sixteen (16) hours, whether continuous or non-continuous, within a twenty-four (24) hour period (start of shift to start of shift makes up the 24 hour period) and has been released from duty by the Company, the employee, when possible, should be entitled to an eight (8) hour rest period before their return to work.

Whenever an employee has worked more than 13 hours but less than 16 actual hours continuous or non-continuous, within a twenty-four (24) hour period (start of shift to start of shift makes up the 24 hour period) and has been released from duty by the company, the employee, when possible, should be entitled to a five (5) hour rest period before returning to work.

If the rest period extends into the employee's regular scheduled shift, they shall be excused with pay at their straight time rate for that part of their regular scheduled shift necessary to make up the eight (8) or five (5) hour rest period. In the event that an employee is required to work during such rest period, they shall receive straight time pay for the hours worked in addition to rest-period pay.

Whenever an employee is required to work more than sixteen (16) consecutive actual hours, they shall be paid for all hours worked in excess of sixteen (16) at two (2) times straight

time rate until released from duty by the Company.

Employees on call-out/standby will be required to complete on call period into their next shift.

Section 12. Paid vacation time, jury duty, short term disability, and military leave shall be considered as time worked for the purpose of computing overtime.

ARTICLE XIX Classifications

Section 1. An employee entering a classification shall receive the rate of pay shown in Addendum A. An employee required to work temporarily in a lower job classification shall, nevertheless, receive his achieved classified rate set forth in Addendum A. Further, an employee permanently reclassified to, or required to work temporarily in another job in the same job grade, shall retain his achieved classified rate set forth in Addendum A.

Section 2. Except as provided in the following paragraphs in this section, an employee required to work temporarily in a higher job classification shall receive the Replacement Rate therefore set forth in Addendum A.

An employee who has attained a higher regular job classification and who was demoted shall receive the highest rate which he had attained whenever he is required to work in such higher job classification.

An employee who works temporarily in a higher job classification shall receive credit toward the higher rates for all hours worked in such higher job classification. When an employee has amassed 1,040 work hours in such capacity, he shall thereafter receive the Six-Month Rate for work in the higher classification. When he has amassed an additional 1,040 work hours in such capacity, he shall receive the Twelve-Month Rate for work in the higher classification. An employee who has attained a higher regular job classification, and who was demoted, shall have the number of actual work hours in such higher regular job classification credited toward the aggregate 1,040 work hour periods set out in this paragraph.

Notwithstanding the preceding provisions, when upgrading is used to fill a position on a daily basis for a period of 130 work days in any calendar year, and, if the Company thereafter determines a permanent vacancy exists, this vacancy will be posted in accordance with provisions of Article XXV hereof.

Section 3. An employee is considered to be promoted when he is permanently reclassified to a job in a higher job grade. At the same time, except as provided in the following paragraphs of this section, his rate shall be increased to the Beginning Rate set forth in Addendum A, and in due course to the Six-Month Rate and to the Twelve-Month Rate.

An employee who has attained such regular job classification, and who was demoted, shall receive the highest rate which he had attained when he is again promoted to that classification.

In addition, the proper rate for an employee who has been promoted will be determined as follows:

- (a) Employees who have amassed between 520 and 1040 hours in the classification to which they were promoted will receive the Six-Month Rate.
Employees who have amassed between **1,040 and 2080** hours in such classification to which they were promoted, will be credited with the Twelve-Month Rate.
Employees with less than 520 hours will be awarded the beginning rate and progression will be time based.

Section 4. An employee is considered to be demoted when he is permanently reclassified

to a job in a lower job grade. At the same time, his wage shall be reduced to the Twelve Month Rate set forth in Addendum A for such lower job.

Section 5. A Regular employee who is furloughed for lack of work and who is offered temporary reemployment by the Company shall be entitled to receive his regular classified rate of pay while performing temporary work during the period of his furlough, even though he is employed on work of a lower classified rate of pay.

For the purpose of this Section 5, a furloughed employee shall be construed to mean one laid off for lack of work, but whom the Company intends to recall upon the resumption of operations at his regular place of employment.

ARTICLE XX Wearing Apparel

Section 1. In conformity with the present practice of the Company, employees required to work under extreme weather conditions shall, if possible, be furnished with rain coats and rubber boots, which shall remain the property of the Company. Upon failure of any employee to return such apparel, he shall be charged for same, and said charge may be deducted from any sum due such employee by the Company: Provided, however, that where the Company requires its employees to wear a particular kind of apparel, the Company agrees to furnish same in the first instance, the cost of replacement, however, to be borne 75% by the Company and 25% by the employee.

Section 2. The Distribution Company agrees to furnish the first two (2) pairs of coveralls or the option of one (1) pair of coveralls and one (1) two-piece set of work clothing (Carhartt) and the first two (2) T-shirts to outside Distribution Plant employees, excluding employees who are required to wear a uniform. Distribution employees may substitute a one-piece set of work clothing (Carhartt) for the aforementioned two-piece set of work clothing (Carhartt).

Section 3. The Distribution Company will provide annually \$400 allotment for purchase of wearing apparel through approved Company vendor. Allotment will be loaded annually at the same time as any applicable increases. The purchase of boots will be included in the above defined allotment and may be reimbursed through the aforementioned allotment. An employee must purchase boots that meet all safety requirements. Such clothing will be provided to new hires on the following basis: (a) The Distribution Company will provide the first two (2) pairs of coveralls or one (1) pair of coveralls and one (1) two-piece set of work clothing and the first two (2) T-shirts without cost.

Section 4. Columbia Gas Transmission employees will be provided annually \$275 allotment for purchase of wearing apparel through approved Company vendor. Allotment will be loaded annually at the same time as any applicable increases. In addition, up to \$135 reimbursement of boots will be provided on an annual basis or as needed at supervisor's discretion.

ARTICLE XXI Holidays

Holidays shall be:

- New Year's Day
- Memorial Day (last Monday in May)
- Independence Day
- Labor Day

Thanksgiving
The Day After Thanksgiving
Christmas
Five (5) Personal (Floating) Days*

*Only the Personal (Floating) Days may be taken in increments of four hours.

In the year of hire, new employees will be granted floating holidays as follows:

- Employees hired between January 1 and March 31 will be granted 4 floating holidays.
- Employees hired between April 1 and June 30 will be granted 3 floating holidays.
- Employees hired between July 1 and September 30 will be granted 2 floating holidays.
- Employees hired between October 1 and December 1 will be granted 1 floating holiday.

In order that the service of the Company may be adequately and properly maintained, the Personal (Floating) Days are established with the understanding that the Company reserves the right to fix the time at which the Holidays may be taken, but will endeavor to arrange the day, if possible, at a time desired by the employee. If any of the above holidays fall on Sunday, the following Monday shall be observed as the holiday, except when such Sunday falls on a regularly scheduled work day of an employee; and if any of the above holidays fall on Saturday, the preceding Friday shall be observed as the holiday, except when such Saturday falls on a regularly scheduled work day of an employee. Employees required to work on any of the above holidays shall be compensated for hours worked at the rate of two and one-half times their regular rate of pay for the first eight hours worked, and at the rate of time and one-half their regular rate of pay for any hours in excess of the first eight hours worked. Regular employees not working on any of the above holidays shall receive eight hours' pay at their regular rate; and further, if any observed holiday falls on one of their regularly scheduled work days, such holiday shall be considered as time worked for the purpose of computing overtime.

ARTICLE XXII Jury Duty

In the event a Regular employee is called for jury service, said employee shall request time off from his supervisor. The Company will pay the employee his regular base pay while serving such duty.

Shift workers who are selected to serve on a jury (Federal or State), and are scheduled to work an evening or morning shift, may request a schedule change as provided by Article XVIII, Section 5. The Company will endeavor to accommodate the employee's request as reasonably as practicable.

ARTICLE XXIII Travel and Expenses

Section 1. An employee temporarily assigned from his home work station to another work station for a specific project anticipated to require one or more days of work, or for a specified length of time of one or more days, shall be (a) allowed to travel from his residence on Company time when first reporting to work at the temporary work station and when returning to his residence when the Company decides that his services at the temporary station are no longer required; (b) afforded the opportunity to travel to his residence and back to his temporary station

every other weekend on Company time; (c) when the nearest suitable temporary lodging is more than ten miles away from the temporary work station, allowed to travel on Company time for the distance over ten miles both in reporting to the temporary station each morning and in returning to the place of temporary lodging each night; and (d) reimbursed for his reasonable and actual cost of temporary lodging and meals while away from home and lawful travel expenses and other reasonable and actual expenses incurred while away from home: Provided, that in lieu of the foregoing travel time allowances and expense reimbursements, the Company will reimburse the employee for the actual cost of his mid-day meal and his actual daily travel expenses between his residence and the temporary station and back if the distance between his residence and the temporary station is reasonably close, and if such alternative does not impair or disrupt the work continuity, or create added expense, or adversely affect the employee's performance of his temporary assignment. An employee in a daily travel situation under the "proviso" portion of Section 1, under normal driving conditions, will travel the first thirty (30) minutes going to and returning from the temporary assignment each day on his own time. Any travel time required beyond thirty (30) minutes will be considered as time worked.

Section 2. For the purpose of CKY/COH an employee assigned to work outside the jurisdictional area of his home work station at the time of his mid-day meal will be eligible for lunch money allowance of \$5.30.

Section 3. For the purpose of mid-day meals at TCO an employee assigned to work outside the jurisdictional area of his home work station at the time of his mid-day meal will be eligible for a lunch money allowance of \$6.00. The respective Operations Manager's area of responsibility is defined as the jurisdictional area.

Section 4. During the term of this Agreement, the personal vehicle mileage reimbursement rate shall be the Internal Revenue Service rate applicable to that period.

ARTICLE XXIV Benefit Plans

The Company agrees to continue during the life of this agreement, the current Retirement Income Plan (through 12/31/2012), the Account Balance Pension Plan, Long Term Disability, Group Life Insurance and PPO Medical Plan, unless modified by mutual agreement between the Company and the Union. The Company reserves the right to change plan administrators and vendors, eliminate any other medical plans, and modify savings plan options, and modify plans to be compliant with all government regulations.

ARTICLE XXV Job Posting and Bidding

Section 1. When a permanent vacancy which is to be filled occurs within any of the job classifications set out in Addendum A, except Utility or Janitor, the Company will post notice thereof, including the intended date the vacancy is to be filled, in the particular basic seniority unit involved (as set forth by Article VII, Section 3(c)(1)) for a period of not less than ten (10) days prior to the time such vacancy is to be filled, during which time any eligible employee in such basic seniority unit may apply therefor; provided, however, that if any employee accepts a job that does not involve a change in his job classification, he shall be ineligible to exercise his rights to apply for another job that does not involve a change in his job classification for a period of twelve months following the effective date of job acceptance (provided further that an employee may exercise his rights to apply for another job that does not involve a change in his job classification if his work location is closed). In the event a permanent vacancy which is to be filled occurs within either the

Utility or Janitor job classifications, the Company shall forthwith proceed to consider those employees within the same basic seniority unit who had applicable Requests for Transfer on file at the time the vacancy occurred. Any such vacancy will be filled in accordance with the terms of this Agreement, and the Company will post the name of the employee awarded any such vacancy, within two weeks after the expiration of the ten-day posting period, at all such work locations within the same basic seniority unit.

Section 2. In the case of a permanent vacancy posted under Section 1 of this Article but not filled by a bidder and in the case of a permanent vacancy within either the Utility or Janitor job classifications, the Company shall forthwith proceed to consider the following Regular employee groups in the order listed:

- (a) employees working elsewhere but with seniority rights in the basic seniority unit in which the permanent vacancy exists, who had applicable Requests for Transfer on file when the original vacancy was posted; in the instance of a three (3) day Utility notice, the job will be awarded based on an employee's seniority in the bargaining unit.
- (b) laid off employees who still retain their classifications as Regular employees under Article II, Section 3(c) hereof;
- (c) surplus employees;
- (d) pre-surplus employees;
- (e) furloughed employees; and
- (f) other employees who had applicable Requests for Transfer on file when the original vacancy was posted.

Employees who have Requests for Transfer on file and refuse to accept an offered transfer shall be ineligible to exercise their rights to (a) and (f) above for a period of twelve (12) months following the effective date of the offered transfer.

Irrespective of the employee group from which the vacancy may be filled, such vacancy will be filled in accordance with the terms of this Agreement; and within twenty (20) days, the Company will notify the Union and the involved employees of the results of such review: Provided, that nothing in this Article or other Articles of this Agreement shall be construed as requiring the Company to offer to the involved employees the same job classification under this Section 2 that was not filled by posting under Section 1.

Section 3. In the case of a permanent vacancy posted under Section 1 but not filled under preceding sections of this Article, before filling said permanent vacancy with a person who is not a Regular employee, as defined in Section 3 of Article II of this Agreement, the Company shall post notice of said permanent vacancy at all other work locations within the bargaining unit which is covered by this Agreement.

Such posting shall be for a period of not less than ten (10) days, during which time any eligible employee (except those in the basic seniority unit involved) may apply therefor.

Any such vacancy will be filled in accordance with the terms of this Agreement; and the Company will post the name of the employee awarded any such vacancy, within two weeks after the expiration of the ten-day posting period, at all such work locations: Provided, that nothing in this Article or other Articles of this Agreement shall be construed as requiring the Company to post the same job classification under Section 3 that was not filled under the preceding Sections of this Article.

Section 4. The Union and the Company, being appreciative of the fact that the prompt filling of vacancies is to their mutual advantage, agree that if the filling of a vacancy by the Job Posting and Bidding Procedure results in one or more additional, permanent vacancies (secondary vacancies) to be filled, the Company will endeavor to post such secondary vacancies

at the time of the posting of the primary vacancy. The Company will process the filling of all vacancies with all reasonable dispatch.

Section 5. Newly hired employees shall be ineligible to bid on or transfer to another job for a period of twelve (12) months following the effective day of job acceptance, except where such bid would involve a promotion to a higher job classification. Nothing in this Section 5 shall be construed as limiting the Company's right to transfer or to reassign employees.

ARTICLE XXVI

Emergency Response

Emergency response is the highest priority type of work or activity. To improve and ensure maximum emergency response in accordance with Gas Standards 6100.010(CG), an "Emergency Responder" rotation process shall be established to respond to all "PR and EI" orders.

All qualified employees, *with the minimum training of Customer Service B*, including but not limited to, plant, service, and construction shall be required to participate in the Emergency Responder rotation process.

PROCESS

1. A rotation process shall be established for designating "Emergency Responders" *and discussed with the Union.*
2. Emergency responders shall be determined by qualification and closest geographic proximity to an emergency regardless of work location *in the Bargaining Unit first. If an Emergency Responder responds to an emergency outside of the CKY/Ironton Operating Center area the response shall count toward the employee's callout acceptance percentage. If an Emergency Responder declines or does not respond to an emergency outside of his/her designated area, the non-response shall not count toward that employee's acceptance percentage.*
3. Emergency shall be defined as any "PR" or "EI" order.
4. Emergency responder rotation will be determined on a daily (24 hr.) or weekly basis as determined by management *and discussed with the Union to determine what would be best for that location and seniority shall prevail.*
5. The Gas Integration Center (IC) will be provided with one (1) contact number for each Emergency Responder that the employee will be available at for emergency response.
6. Each Emergency Responder is required to work the number of emergency response rotations assigned each year. However, with management approval, employees have the option to exchange/swap rotations provided they find a qualified replacement and make appropriate notifications to the IC and Front Line Leader. If no replacement is found, the assigned employee will be obligated to take the assigned "Emergency Responder" rotation.
 - A. In the case of a personal emergency, it is the employee's responsibility to directly contact their Front Line Leader.
 - B. Non- emergency replacements for special situations are the obligation of the employee and notification to the IC must be made at least 24 hours prior to the "Emergency Responder" rotation.
7. The order in which Emergency Responders are called shall be determined by management.
8. Emergency Responders shall be required to take a company vehicle home and if their community does not allow parking on the street, the Company will make arrangements to park the vehicle at an alternate location.

9. Emergency Responders will be determined by management.
10. Emergency Responder will be an agenda item at all Labor/Management meetings.

COMPENSATION

Emergency Responders on rotation will be paid \$25.00 for Monday thru Friday and \$35.00 Saturday, Sunday and Holidays.

Emergency Responders on rotation shall be entitled to Emergency Responder pay in addition to callout pay, if called.

ARTICLE XXVII Worker's Committee

Section 1. The Union shall elect not more than eight (8) members from Local 372 (to consist of at least one employee of Columbia Gas Transmission LLC, one employee of Columbia Gas of Kentucky, Inc., and one employee of Columbia Gas of Ohio, Inc.) and six (6) members from Local 628 to represent it in negotiations with the Company, those representatives to be the group herein referred to as the "Worker's Committee."

The foregoing shall have no effect upon the number of Worker's Committee members authorized under Article XXVIII to participate in the Grievance Procedure, except that at least one of the authorized Committee members so participating shall be an employee of the particular company involved in the grievance or controversy.

Section 2. The Committee above mentioned shall be selected from among and by the employees subject to this Agreement; and in order to be eligible for membership on such Committee, an employee must be a Regular employee of one of the Companies party to this Agreement, a member of the Union, and an American citizen.

Section 3. It is agreed that the Union will furnish the Company with a certified list of the members of said Committee and advise the Company, in writing, of any changes made therein from time to time, and only such members as have been duly certified by the Union shall be entitled to attend the meetings of said Committee and shall suffer no loss of pay therefor.

ARTICLE XXVIII Grievances

Section 1. Any employee may discuss with his immediate supervisor any complaint or other matter which he feels requires adjustment. The employee may be accompanied by his committeeman or his steward if he so desires.

Section 2. If a settlement is not obtained in Section 1 the employee or group of employees may seek redress as follows:

Step I. The aggrieved employee or group of employees shall present the grievance in writing, on forms to be supplied by the Company, to the appropriate immediate supervisor within thirty (30) calendar days after the occurrence giving rise to the grievance. The Operations Center Manager or the appropriate Operations Manager, as the case may be, and/or such other Company representative as he may designate shall within ten (10) days (excluding Saturday, Sunday and Holidays) investigate and meet with the aggrieved employee, or one member of a group of aggrieved employees, and not more than three (3) members of the Worker's Committee at a mutually agreed upon location. Within ten (10) days (excluding Saturday, Sunday and Holidays) after such meeting, the Company's decision shall be communicated in writing to the employee or employees concerned, the Worker's Committee, and the Secretary of the Local.

Step II. If results satisfactory to the employee or employees are not obtained in Step I, the case may then be submitted, in writing, within 30 days after the issuance of the Company's Step I answer for final determination by the Company to the designated Human Resources representative. The Company shall within thirty (30) days (excluding Saturday, Sunday and Holidays) or by mutual agreement, meet with the aggrieved employee, or one member of a group of aggrieved employees, and not more than three (3) members of the Worker's Committee. Within ten (10) days (excluding Saturday, Sunday and Holidays) after such meeting, the Company will communicate its decision in writing to the Union.

Section 3. It is agreed that if a grievance is not referred or appealed to the next Step within the specified time limits, as set out in Steps I and II above, it shall be considered settled without prejudice. The Management agrees that it will meet with the Worker's Committee at such times as may be agreeable, and those members of the Committee who are caused to lose time from their regular schedules because of such meetings shall suffer no loss of pay.

ARTICLE XXIX

Arbitration

Section 1. If there arises any controversy between the employee or a group of employees and the Company, with respect to the interpretation of the provisions of this Agreement, or wherein there is alleged a violation of the terms of this Agreement, such controversy shall first be treated as an ordinary grievance and processed through the Steps, as provided for in Article XXVIII.

An earnest effort shall be made by the Company and the Union to reach an amicable adjustment of all grievances.

Section 2. In the event an amicable adjustment of a grievance, as defined in Section 1 of this Article, cannot be reached by the grievance procedure as set out in Article XXVIII of this Agreement, the matter shall be submitted to Arbitration as provided in Section 3 hereof, after notice is given in writing within thirty (30) days after the completion of the grievance procedure. Unless notice is given within thirty (30) days as set forth above, the grievance shall be considered settled without prejudice.

Section 3. (a) If any controversy or grievance arising under the terms of this Agreement cannot be adjusted and settled in the manner above provided, the same shall be promptly submitted to a Board of Arbitration, to be selected as follows: One to be chosen without delay by the Company and one to be chosen without delay by the Union. These two shall meet within ten (10) calendar days; and if they cannot reach agreement, the Union arbitrator shall, within thirty (30) calendar days, notify the Company arbitrator of the Union's desire to select a third member to complete the Board of Arbitration. In the event such notice is not timely given, the matter shall be considered to have been settled. If these two cannot reach an agreement as to the selection of a third member, the Federal Mediation and Conciliation Service or another arbitration service mutually agreed to by the Company and the Union shall appoint said third member to complete the Board of Arbitration. When the third member has been thus selected, the parties will attempt to provide him with a joint statement of the issue to be arbitrated. The Board of Arbitration shall limit its decision to the issue or issues thus submitted by the parties and shall have no authority to amend, add to, or subtract from this Agreement. The decision of such Board of Arbitration shall be rendered without delay, and the decision of the majority of said Board shall be final and binding on all parties involved in such grievance and shall conclusively determine the same.

(b) If an employee's case is at any stage decided in his favor, he will be put in the same financial position by the Company as if it had been originally so decided and his seniority shall not

be affected.

(c) Any number of grievances may be presented at the same arbitration hearing or hearings so long as the latest of those selected for hearing was appealed to arbitration no more than sixty (60) days after the date first was appealed to arbitration.

ARTICLE XXX

If any Court shall hold any part of this Agreement invalid, such decisions shall not invalidate the entire Agreement.

ARTICLE XXXI

This Agreement shall be effective from December 1, 2011, to the first day of December 2016, and, unless terminated at the end of that period by sixty (60) days' prior written notice from one party to the other, shall continue thereafter until terminated by either party on a sixty (60) days' written notice or amended by mutual consent.

ARTICLE XXXII

The United Steelworkers guarantees the Company performance of this Agreement by Local Unions Nos. 372 and 628 of the UNITED STEELWORKERS INTERNATIONAL UNION.

ARTICLE XXXIII

All notices in connection with the operation of this Agreement shall be mailed to:

Employee and Labor Relations Manager
Columbia Gas Transmission LLC.
P.O. Box 1273
Charleston, West Virginia 25325

Manager of Human Resources
Sr. Human Resources Consultant
Columbia Gas of Kentucky, Inc. and Columbia Gas of Ohio, Inc.
2001 Mercer Road
Lexington, KY 40511

Secretary-Treasurer
Local 372
2355 Kentontown Road
Mt Olivet, Kentucky 41064

Financial Secretary
Local 628
38 Cromwell Estates Road
Clendenin, WV 25045

United Steelworkers International Union
5 Gateway Center
Pittsburgh, PA 25111

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives, this ____ day of _____, 2012:

COLUMBIA GAS TRANSMISSION LLC, COLUMBIA GAS OF KENTUCKY, INC. and COLUMBIA GAS OF OHIO, INC.

Lori Johnson
Manager, Human Resources

Jodi Falknor
Sr. Human Resources Consultant

Jovette Pino
Director, Employee and Labor Relations

Dreama Whitmire
Employee & Labor Relations Manager

United Steel, Paper and Forestry, Rubber, Manufacturing,
Energy, Allied Industrial and Service Workers International
Union AFL-CIP-CLC

Leo W. Gerard, International President

James D. English, International Secretary-Treasurer

Thomas M. Conway, International Vice-President
(Administration)

Fred Redmond, International Vice-President
(Human Affairs)

Ernest R. Thompson, Director District 8

Emmanuel S. Mason, Assistant to the Director

Brian P. Wedge, Staff Representative.

David A. Rutherford, President, Local 372

Curtis D. Edelman, President, Local 628

For Local 372

Phillip Messer

David Bailey

Chris Hedrick

Randall Clay

Merle E Lucas

Paul Dennin

Darrell Reffett

Rocky Mullins

For LOCAL 628

Mike Wood

Stephen Moore

Thomas Crosston

Stephen McDonald

Steve Bird

ADDENDUM A

COLUMBIA GAS TRANSMISSION LLC

The Job Classifications and Rates of Pay listed in the following schedules apply for the respective periods set forth below:

SCHEDULE 1

December 2011 Rates

Job Classification	Beginning	6 Month	Max
A&E Mechanic A	31.54	31.95	32.31
A&E Mechanic B	29.83	30.25	30.55
A&E Mechanic C	28.17	28.30	28.64
Assistant Operator B	27.77	27.89	28.24
Building Facilities Electrician	31.18	31.59	31.95
Communications Repairman A	29.83	30.25	30.55
Communications Repairman B	27.77	27.89	28.24
Dis Instmt Mechanic A	29.83	30.25	30.55
Dist Instmt Mechanic AA	31.18	31.59	31.95
Dist Instmt Mechanic B	27.77	27.89	28.24
Dist Instmt Mechanic C	26.85	26.96	27.24
Groundskeeper	26.12	26.35	26.50
Heavy Equipment Operator	30.12	30.54	30.84
Janitor Night	23.84	23.96	24.16
Lead Janitor Night	24.83	25.00	25.24
Machinist	30.74	31.15	31.51
Maintenance Mechanic	31.18	31.59	31.95
Operating/Maint Man HDQ	29.83	30.25	30.55
Operating/Mntmn-Operating Cntr	28.58	28.87	29.25
Operator A	31.18	31.59	31.95
Operator B	29.83	30.25	30.55
Pipelinier	27.51	27.74	28.01
Pipelinier A	28.58	28.87	29.25
Pumper	27.77	27.89	28.24
Repairman	28.17	28.30	28.64
Roustabout A	28.58	28.87	29.25
Roustabout B	26.12	26.35	26.50
Truck Driver Heavy	28.58	28.87	29.25
Utility A	19.81	19.96	20.20
Utility B	18.63	18.78	18.88
Warehouseman	26.85	26.96	27.24
Welder A	28.58	28.87	29.25
Welder AA	29.83	30.25	30.55
Welder AAA	31.54	31.95	32.31

SCHEDULE 2

December 2012 Rates

Job Classification	Beginning	6 Month	Max
A&E Mechanic A	32.18	32.59	32.96
A&E Mechanic B	30.43	30.86	31.17
A&E Mechanic C	28.74	28.87	29.22
Assistant Operator B	28.33	28.45	28.81
Buildng Facilities Electrician	31.81	32.23	32.59
Communications Repairman A	30.43	30.86	31.17
Communications Repairman B	28.33	28.45	28.81
Dis Instmt Mechanic A	30.43	30.86	31.17
Dist Instmt Mechanic AA	31.81	32.23	32.59
Dist Instmt Mechanic B	28.33	28.45	28.81
Dist Instmt Mechanic C	27.39	27.5	27.79
Groundskeeper	26.65	26.88	27.03
Heavy Equipment Operator	30.73	31.16	31.46
Janitor Night	24.32	24.44	24.65
Lead Janitor Night	25.33	25.5	25.75
Machinist	31.36	31.78	32.15
Maintenance Mechanic	31.81	32.23	32.59
Operating/Maint Man HDQ	30.43	30.86	31.17
Operating/Mntmn-Operating Cntr	29.16	29.45	29.84
Operator A	31.81	32.23	32.59
Operator B	30.43	30.86	31.17
Pipeliners	28.07	28.3	28.58
Pipeliners A	29.16	29.45	29.84
Pumper	28.33	28.45	28.81
Repairman	28.74	28.87	29.22
Roustabout A	29.16	29.45	29.84
Roustabout B	26.65	26.88	27.03
Truck Driver Heavy	29.16	29.45	29.84
Utility A	20.21	20.36	20.61
Utility B	19.01	19.16	19.26
Warehouseman	27.39	27.50	27.79
Welder A	29.16	29.45	29.84
Welder AA	30.43	30.86	31.17
Welder AAA	32.18	32.59	32.96

SCHEDULE 3

December 2013 Rates

Job Classification	Beginning	6 Month	Max
A&E Mechanic A	33.15	33.57	33.95
A&E Mechanic B	31.35	31.79	32.11
A&E Mechanic C	29.61	29.74	30.1

Assistant Operator B	29.18	29.31	29.68
Buildng Facilities Electrician	32.77	33.20	33.57
Communications Repairman A	31.35	31.79	32.11
Communications Repairman B	29.18	29.31	29.68
Dis Instmt Mechanic A	31.35	31.79	32.11
Dist Instmt Mechanic AA	32.77	33.20	33.57
Dist Instmt Mechanic B	29.18	29.31	29.68
Dist Instmt Mechanic C	28.22	28.33	28.63
Groundskeeper	27.45	27.69	27.85
Heavy Equipment Operator	31.66	32.1	32.41
Janitor Night	25.05	25.18	25.39
Lead Janitor Night	26.09	26.27	26.53
Machinist	33.15	33.57	33.95
Maintenance Mechanic	32.77	33.20	33.57
Operating/Maint Man HDQ	31.35	31.79	32.11
Operating/Mntmn-Operating Cntr	30.04	30.34	30.74
Operator A	32.77	33.20	33.57
Operator B	31.35	31.79	32.11
Pipelinier	28.92	29.15	29.44
Pipelinier A	30.04	30.34	30.74
Pumper	29.18	29.31	29.68
Repairman	29.61	29.74	30.1
Roustabout A	30.04	30.34	30.74
Roustabout B	27.45	27.69	27.85
Truck Driver Heavy	30.04	30.34	30.74
Utility A	20.82	20.98	21.23
Utility B	19.59	19.74	19.84
Warehouseman	28.22	28.33	28.63
Welder A	30.04	30.34	30.74
Welder AA	31.35	31.79	32.11
Welder AAA	33.15	33.57	33.95

SCHEDULE 4

December 2014 Rates

Job Classification	Beginning	6 Month	Max
A&E Mechanic A	33.82	34.25	34.63
A&E Mechanic B	31.98	32.43	32.76
A&E Mechanic C	30.21	30.34	30.71
Assistant Operator B	29.77	29.90	30.28
Building Facilities Electrician	33.43	33.87	34.25
Communications Repairman A	31.98	32.43	32.76
Communications Repairman B	29.77	29.90	30.28
Dist Instmt Mechanic A	31.98	32.43	32.76
Dist Instmt Mechanic AA	33.43	33.87	34.25
Dist Instmt Mechanic B	29.77	29.90	30.28

Dist Instmt Mechanic C	28.79	28.90	29.21
Groundskeeper	28.00	28.25	28.41
Heavy Equipment Operator	32.30	32.75	33.06
Janitor Night	25.56	25.69	25.90
Lead Janitor Night	26.62	26.80	27.07
Machinist	32.96	33.40	33.79
Maintenance Mechanic	33.43	33.87	34.25
Operating/Maint Man HDQ	31.98	32.43	32.76
Operating/Mntmn-Operating Cntr	30.65	30.95	31.36
Operator A	33.43	33.87	34.25
Operator B	31.98	32.43	32.76
Pipeliner	29.50	29.74	30.03
Pipeliner A	30.65	30.95	31.36
Pumper	29.77	29.90	30.28
Repairman	30.21	30.34	30.71
Roustabout A	30.65	30.95	31.36
Roustabout B	28.00	28.25	28.41
Truck Driver Heavy	30.65	30.95	31.36
Utility A	21.24	21.40	21.66
Utility B	19.99	20.14	20.24
Warehouseman	28.79	28.90	29.21
Welder A	30.65	30.95	31.36
Welder AA	31.98	32.43	32.76
Welder AAA	33.82	34.25	34.63

SCHEDULE 5

December 2015 Rates

Job Classification	Beginning	6 Month	Max
A&E Mechanic A	34.50	34.94	35.33
A&E Mechanic B	32.62	33.08	33.42
A&E Mechanic C	30.82	30.95	31.33
Assistant Operator B	30.37	30.50	30.89
Building Facilities Electrician	33.43	33.87	35.25
Communications Repairman A	32.62	33.08	33.42
Communications Repairman B	30.37	30.50	30.89
Dist Instmt Mechanic A	32.62	33.08	33.42
Dist Instmt Mechanic AA	33.43	33.87	35.25
Dist Instmt Mechanic B	30.37	30.50	30.89
Dist Instmt Mechanic C	29.37	29.48	29.80
Groundskeeper	28.56	28.82	28.98
Heavy Equipment Operator	32.95	33.41	33.73
Janitor Night	26.08	26.21	26.42
Lead Janitor Night	27.16	27.34	27.62
Machinist	33.62	34.07	34.47
Maintenance Mechanic	33.43	33.87	35.25

Operating/Maint Man HDQ	32.62	33.08	33.42
Operating/Mntmn-Operating Cntr	31.27	31.57	31.99
Operator A	33.43	33.87	35.25
Operator B	32.62	33.08	33.42
Pipeliners	30.09	30.34	30.64
Pipeliners A	31.27	31.57	31.99
Pumper	30.37	30.50	30.89
Repairman	30.82	30.95	31.33
Roustabout A	31.27	31.57	31.99
Roustabout B	28.56	28.82	28.98
Truck Driver Heavy	31.27	31.57	31.99
Utility A	21.67	21.83	22.10
Utility B	20.39	20.55	20.65
Warehouseman	29.37	29.48	29.80
Welder A	31.27	31.57	31.99
Welder AA	32.62	33.08	33.42
Welder AAA	34.50	34.94	35.33

ADDENDUM A (continued)

COLUMBIA GAS OF KENTUCKY, INC. and COLUMBIA GAS OF OHIO, INC.
The following schedule of wages shall apply to the following classifications for the respective periods set forth below.

SCHEDULE 1

December 2011 Rates

Job Classification	Beginning	6 Month	Max
Building Maint Oper	28.58	28.87	29.25
Construction Coord - Ironton	30.01	30.42	30.70
Construction Coordinator	30.01	30.42	30.70
Construct-Regulator Oper	30.09	30.51	30.80
Customer Service A	28.83	29.13	29.51
Customer Service B	27.77	27.89	28.24
Customer Service Sr	31.18	31.58	31.97
Dispatcher A	27.94	28.05	28.42
General Utility A	29.83	30.25	30.55
General Utility B	27.77	27.89	28.24
Heavy Equip Operator	28.58	28.87	29.25
Inspector A	28.02	28.14	28.49
Inspector B	26.85	26.96	27.24
M&R Tech 1	31.44	31.83	32.22
M&R Tech 2	30.00	30.40	30.71
Measure Regulat Inspect B	27.77	27.89	28.24
Measurement & Reg Tech II	31.44	31.83	32.22
Meter Reader	26.85	26.96	27.24
Meter Reader*	23.52	24.77	26.00
P & S Combo	29.98	30.41	30.69
Plant/Service Combination	29.98	30.41	30.69
Regulator Inspector A	29.91	30.32	30.63
Regulator Inspector AA	31.09	31.51	31.87
Street Service A	28.78	28.94	29.28
Street Service B	26.85	26.96	27.24
Street Service C	26.12	26.35	26.48
Truck Driver	26.85	26.96	27.24
Truck Driver Heavy	27.77	27.89	28.24
Utility A	19.81	19.96	20.20
Utility B	18.63	18.78	18.88
Utility Representative	26.12	26.35	26.48
Welder A	28.58	28.87	29.25
Welder AA	29.83	30.25	30.55
Welder AAA	31.44	31.84	32.22
Welder B	27.77	27.89	28.24

SCHEDULE 2

December 2012 Rates

Job Classification	Beginning	6 Month	Max
Building Maint Oper	29.16	29.45	29.84
Construction Coord - Ironton	30.62	31.03	31.32
Construction Coordinator	30.62	31.03	31.32
Construct-Regulator Oper	30.70	31.13	31.42
Customer Service A	29.41	29.72	30.11
Customer Service B	28.33	28.45	28.81
Customer Service Sr	31.81	32.22	32.61
Dispatcher A	28.50	28.62	28.99
General Utility A	30.43	30.86	31.17
General Utility B	28.33	28.45	28.81
Heavy Equip Operator	29.16	29.45	29.84
Inspector A	28.59	28.71	29.06
Inspector B	27.39	27.50	27.79
M&R Tech 1	32.07	32.47	32.87
M&R Tech 2	30.60	31.01	31.33
Measure Regulat Inspect B	28.33	28.45	28.81
Measurement & Reg Tech II	32.07	32.47	32.87
Meter Reader	27.39	27.50	27.79
Meter Reader*	24.00	25.27	26.52
P & S Combo	30.58	31.02	31.31
Plant/Service Combination	30.58	31.02	31.31
Regulator Inspector A	30.51	30.93	31.25
Regulator Inspector AA	31.72	32.15	32.51
Street Service A	29.36	29.52	29.87
Street Service B	27.39	27.50	27.79
Street Service C	26.65	26.88	27.01
Truck Driver	27.39	27.50	27.79
Truck Driver Heavy	28.33	28.45	28.81
Utility A	20.21	20.36	20.61
Utility B	19.01	19.16	19.26
Utility Representative	26.65	26.88	27.01
Welder A	29.16	29.45	29.84
Welder AA	30.43	30.86	31.17
Welder AAA	32.07	32.48	32.87
Welder B	28.33	28.45	28.81

SCHEDULE 3

December 2013 Rates

Job Classification	Beginning	6 Month	Max
Building Maint Oper	30.04	30.34	30.74
Construction Coord - Ironton	31.54	31.97	32.26
Construction Coordinator	31.54	31.97	32.26

Construct-Regulator Oper	31.63	32.07	32.37
Customer Service A	30.30	30.62	31.02
Customer Service B	29.18	29.31	29.68
Customer Service Sr	32.77	33.19	33.59
Dispatcher A	29.36	29.48	29.86
General Utility A	31.35	31.79	32.11
General Utility B	29.18	29.31	29.68
Heavy Equip Operator	30.04	30.34	30.74
Inspector A	29.45	29.58	29.94
Inspector B	28.22	28.33	28.63
M&R Tech 1	33.04	33.45	33.86
M&R Tech 2	31.52	31.95	32.27
Measure Regulat Inspect B	29.18	29.31	29.68
Measurement & Reg Tech II	33.04	33.45	33.86
Meter Reader	28.22	28.33	28.63
Meter Reader*	24.72	26.03	27.32
P & S Combo	31.50	31.96	32.25
Plant/Service Combination	31.50	31.96	32.25
Regulator Inspector A	31.43	31.86	32.19
Regulator Inspector AA	32.68	33.12	33.49
Street Service A	30.25	30.41	30.77
Street Service B	28.22	28.33	28.63
Street Service C	27.45	27.69	27.83
Truck Driver	28.22	28.33	28.63
Truck Driver Heavy	29.18	29.31	29.68
Utility A	20.21	20.36	20.61
Utility B	19.01	19.16	19.26
Utility Representative	27.45	27.69	27.83
Welder A	30.04	30.34	30.74
Welder AA	31.35	31.79	32.11
Welder AAA	33.04	33.46	33.86
Welder B	29.18	29.31	29.68

SCHEDULE 4

December 2014 Rates

Job Classification	Beginning	6 Month	Max
Building Maint Oper	30.65	30.95	31.36
Construction Coord - Ironton	32.18	32.61	32.91
Construction Coordinator	32.18	32.61	32.91
Construct-Regulator Oper	32.27	32.72	33.02
Customer Service A	30.91	31.24	31.65
Customer Service B	29.77	29.90	30.28
Customer Service Sr	33.43	33.86	34.27
Dispatcher A	29.95	30.07	30.46
General Utility A	31.98	32.43	32.76

General Utility B	29.77	29.90	30.28
Heavy Equip Operator	30.65	30.95	31.36
Inspector A	30.04	30.18	30.54
Inspector B	28.79	28.90	29.21
M&R Tech 1	33.71	34.12	34.54
M&R Tech 2	32.16	32.59	32.92
Measure Regulat Inspect B	29.77	29.90	30.28
Measurement & Reg Tech II	33.71	34.12	34.54
Meter Reader	28.79	28.90	29.21
Meter Reader*	25.22	26.56	27.87
P & S Combo	32.13	32.60	32.90
Plant/Service Combination	32.13	32.60	32.90
Regulator Inspector A	32.06	32.50	32.84
Regulator Inspector AA	33.34	33.79	34.16
Street Service A	30.86	31.02	31.39
Street Service B	28.79	28.90	29.21
Street Service C	28.00	28.25	28.39
Truck Driver	28.79	28.90	29.21
Truck Driver Heavy	29.77	29.90	30.28
Utility A	21.24	21.40	21.66
Utility B	19.99	20.14	20.24
Utility Representative	28.00	28.25	28.39
Welder A	30.65	30.95	31.36
Welder AA	31.98	32.43	32.76
Welder AAA	33.71	34.13	34.54
Welder B	29.77	29.90	30.28

SCHEDULE 5

December 2015 Rates

Job Classification	Beginning	6 Month	Max
Building Maint Oper	31.27	31.57	31.99
Construction Coord - Ironton	32.83	33.27	33.57
Construction Coordinator	32.83	33.27	33.57
Construct-Regulator Oper	32.92	33.38	33.69
Customer Service A	31.53	31.87	32.29
Customer Service B	30.37	30.50	30.89
Customer Service Sr	34.10	34.54	34.96
Dispatcher A	30.55	30.68	31.07
General Utility A	32.62	33.08	33.42
General Utility B	30.37	30.50	30.89
Heavy Equip Operator	31.27	31.57	31.99
Inspector A	30.65	30.79	31.16
Inspector B	29.37	29.48	29.80
M&R Tech 1	34.39	34.81	35.24
M&R Tech 2	32.81	33.25	33.58

Measure Regulat Inspect B	30.37	30.50	30.89
Measurement & Reg Tech II	34.39	34.81	35.24
Meter Reader	29.37	29.48	29.80
Meter Reader*	25.73	27.10	28.43
P & S Combo	32.78	33.26	33.56
Plant/Service Combination	32.78	33.26	33.56
Regulator Inspector A	32.71	33.15	33.50
Regulator Inspector AA	34.01	34.47	34.85
Street Service A	31.48	31.65	32.02
Street Service B	29.37	29.48	29.80
Street Service C	28.56	28.82	28.96
Truck Driver	29.37	29.48	29.80
Truck Driver Heavy	30.37	30.50	30.89
Utility A	21.67	21.83	22.10
Utility B	20.39	20.55	20.65
Utility Representative	28.56	28.82	28.96
Welder A	31.27	31.57	31.99
Welder AA	32.62	33.08	33.42
Welder AAA	34.39	34.82	35.24
Welder B	30.37	30.50	30.89

ADDENDUM B

The term "shift" within the meaning of this Agreement applies to operations wherein there is a change of one set of employees, that is, one or more employees, for another in order to maintain operations on a continuous or nearly continuous basis for at least three (3) or more consecutive days. A shift worker is an employee assigned to a shift for the above-stated purpose.

The term "day shift" means that shift worked during the daytime, normally beginning at 8:00 A.M., and ending at 4:00 P.M. The term "evening shift" refers to the shift immediately following the day shift, normally beginning at 4:00 P.M., and ending at midnight. The term "morning shift" refers to the shift immediately preceding the day shift, normally beginning at midnight and ending at 8:00 A.M.

There shall be paid a shift premium of differential to shift workers working on shifts other than the day shift as follows:

Evening Shift	\$1.60 per hour
Morning Shift	\$1.85 per hour

ADDENDUM C

When an employee operates a heavy-duty, rubber-tired, tractor-type mower on pipeline rights of way, said employee will receive the beginning rate to Pipeliner.

A Communication Repairman-B will receive the Communication Repairman-A's 12-month rate of pay while performing maintenance and repair work while on the tower.

ADDENDUM D

Non-Destructive Testing

Employees qualified to perform non-destructive testing procedures utilizing Magnaflux or Dye penetrant will be upgraded to 12-month rate Repairman when performing such duties.

Employees qualified to perform non-destructive testing procedures utilizing Ultrasonic will be upgraded to the 12-month rate of Operator B when performing such duties.

**COLUMBIA GAS TRANSMISSION LLC
COLUMBIA GAS OF KENTUCKY, INC.
COLUMBIA GAS OF OHIO, INC.
AND
UNITED STEELWORKERS
INTERNATIONAL UNION LOCALS 372 AND 628**

LETTER OF AGREEMENT

It is understood that the following will be applicable during the term of the present labor agreement executed December 1, 2011. Upon expiration of said agreement, the following are terminated:

1. Requests for Transfer and Bargaining Unit Wide Job Postings

The Company agrees to send the Union copies of all Requests for Transfer and all bargaining unit wide notices on Job Posting and Bidding that apply to Local 372 and 628.

2. Censure Reports

As a policy, censure reports are reviewed periodically by each supervisor to determine if the censure is still applicable to its original intent. Those not pertinent are destroyed.

To assure each employee concerned that the above procedure is followed, the Company will, beginning January 1, 1995, request each supervisor to review all censures on file and destroy those no longer deemed relevant. Censures still deemed material will be reviewed annually and treated as stated above. Affected employees will be notified when their censure is destroyed.

3. Utility Classification Vacancy Notices

Although Article XXV (Job Posting and Bidding) of the Agreement does not require the posting of a permanent Utility vacancy, the Company will give notice of available Utility job vacancies within the Operating Area in which the vacancy exists to insure that all employees are aware of these openings and can make their interests known and are given equal opportunity for advancement.

4. The Arbitration Opinion and Award issued by Marlin M. Volz in Grievance No. 12-74 on June 7, 1977, will be controlling on the parties insofar as the proper interpretation of the requirements of Article XVIII, Section 8.

While reference must be made to the full Arbitration Opinion, including the Award, for purposes of adhering to the determination of Mr. Volz for future disputes under Article XVIII, Section 8, the parties agree to the following:

Employee will be afforded opportunity to work overtime equal to the hours and rate of pay for which the employee was incorrectly deprived after the employee has selected three (3) dates within a one-week period for each eight (8) hours of remedial overtime.

5. Columbia Gas of Kentucky, Inc. and Columbia Gas of Ohio, Inc. - Meter Reader Reimbursement for Personal Mileage

Effective December 1, 1997, the Company agrees to the following method of reimbursement for Meter Readers who are required to use their personal cars on Company Meter Reading assignments:

- A. For assignments that begin one-half mile or less from the Meter Reading reporting location, no allowance will be paid.
- B. For assignments that begin over one-half mile from the reporting location, \$4.73, per day will be paid plus an allowance equal to the Internal Revenue Service rate applicable for the period for mileage in excess of 15 miles.

NOTE: Mileage will be determined on the basis of miles driven from the reporting point to the start of the Meter Reading assignment, and for one trip through the Meter Reading book back to the reporting point.

6. Utility Progressions

A. Columbia Gas Transmission LLC

Those qualified employees having twenty-four (24) months of service in the Utility classification will be upgraded to the beginning rate of the Roustabout-B/Pipeliners B classification. Those eligible and qualified employees in the Pipeliners B classification will be upgraded to the beginning rate of the Pipeliners classification after 12 months.

B. Columbia Gas of Kentucky, Inc. and Columbia Gas of Ohio, Inc.

Those qualified employees having twenty-four (24) months of service in the Utility classification will be upgraded to the beginning rate of the Street Service-C classification. Those qualified employees having twenty-four (24) months of service in the Street Service-C classification will be upgraded to the beginning rate of the Street Service A classification.

NOTE: Those individuals in progression for Roustabout-B or Street Service-C classifications are not eligible to bid on any posted Roustabout-B or Street Service-C or B vacancy.

C. The progression will be as follows:

Utility B	12 Months
Utility A	12 Months
Roustabout B/Pipeliners B/ Street Service C	12 Months
Pipeliners	12 Months

In lieu of not having completed 24 months in the Utility classification, when transferring to a Utility position, employees will go to the beginning rate of Roustabout B/Pipeliners B/Street Service C classification and will remain at the beginning rate until the 24 months of Utility Progression has been completed.

7. Notwithstanding the provisions of the Labor Agreement, it is understood by the parties to this Agreement that an employee in Columbia Gas Transmission **LLC**, having twenty-four (24) months or more in the Utility progression will, when transferring to Columbia Gas of Kentucky, Inc., or Columbia Gas of Ohio, Inc., if qualified, progress to the minimum rate of Street Service-C in twelve (12) months.

8. Article XVIII, Section 2 - Sunday Premium for Shift Workers

Although Section 2 of Article XVIII does not require the payment of the Sunday Premium (double time) to shift workers, the Parties agree that the Sunday Premium would be applicable to shift workers under the following:

- A. Double time will now be paid to non-scheduled shift workers who are called out to work on Sunday. In addition to the Sunday Premium, the employees will also receive the applicable shift differential.
- B. A shift worker required to work a double shift on Sunday will be (1) paid his regular rate and the applicable shift differential while working his regularly scheduled shift, and (2) will be paid double time plus the applicable shift differential while working on the second shift on Sunday. [(2) modifies Section 6 of Article XVIII only to the extent of the rate of pay to be paid on the double shift on Sunday.]
- C. A shift worker scheduled to work on Sunday will receive his regular rate of pay and the applicable shift differential. To further clarify the Parties' interpretation of the above, if any employee's scheduled shift or his regular day off is changed any time prior to a Sunday, the Section 5 of Article XVIII is applicable and not Section 2, since the employee would have received prior notice and have been scheduled to work on that Sunday. If an employee's scheduled shift or his regular day off is changed on a Sunday, then the employee would receive the appropriate compensation from either Section 2 or from Section 5 of Article XVIII, whichever is the higher, but not both. Of course, any other condition or qualification contained in Sections 2 and 5 must be considered in determining the appropriate rate of compensation.

9. USW-COPE Checkoff

The Company agrees to deduct from the wages of those employees who are members of the Union and who voluntarily authorize such deductions on forms provided by the Union, the amount specified as the employees' contributions to the United Steelworkers INTERNATIONAL UNION Committee on Political Education Fund (USW-COPE).

The Company also agrees to transmit said payroll deductions immediately to the Financial Secretary of Local 628 or to the Secretary-Treasurer of Local 372, whichever is applicable, together with a list of the names of employees for whom the deductions have been made and the amount deducted for each such employee.

The amount and timing of such payroll deductions and the transmittal of such voluntary contributions shall be as specified in such forms and in conformance with any applicable state or federal statute.

The Union agrees to reimburse the Company for the full costs incurred in making the USW-COPE payroll deductions, which costs will be deducted from employee contributions before transmittal to the Secretary-Treasurer of Local 372 or to the Financial Secretary of Local 628.

The signing of such USW-COPE checkoff form and the making of such voluntary annual contributions are not conditions of membership in the Union or of employment with the Company.

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other form of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with any of the provisions of this Agreement.

10. Columbia Gas of Kentucky, Inc. and Columbia Gas of Ohio, Inc. - Service Work Training Requirement

All classifications that require Service Work (Customer Service B and General Utility A) in the job description for the classification will be required to successfully complete the Customer Service training program. One year following completion of the Customer Service training program the employee will be given a mandatory skills review qualification test. A grade of 80% must be achieved on the skills review qualification test to pass the qualification test.

In the event that an employee fails the required test, he will be given the opportunity to remain in his classification for an additional six (6) months, at which time he will be given another test.

If an employee fails the second test, then he will be placed in a job, if available, for which he is qualified and able to perform.

Employees that hold classifications that do not require Service Work in their job description but voluntarily accept Customer Service training, when available, will be required to take a skills review qualification test one (1) year following completion of the Customer Service training. A grade of 80% must be achieved on the skills review qualification test to pass the qualification test.

In the event that an employee fails the required test, he will be given the opportunity to take a second test six (6) months following the date of the first test.

An employee that has voluntarily taken service training that fails the second test will no longer be qualified to perform service work.

An employee that has voluntarily taken service training that has successfully completed the training and has passed the skills review qualification will receive upgrade pay when applicable at the appropriate Customer Service A rate when performing service work.

CLASSIFICATIONS

Customer Service-B

This will be the entry level job for new Customer Service employees; the employees will be required to remain in this classification until they have successfully completed all the requirements of the Service Training Program and the mandatory skills review qualification test.

Current Customer Service-C employees with two (2) or more years of service may progress to the Customer Service-A classification by requesting and passing the test. If the current employees do not pass the test, or choose not to take the test, then they will remain Customer Service-B's for as long as they are in the Service Department or until they pass the test.

Customer Service-A

This classification provides for progression of an employee who has successfully completed the Customer Service Training program and passed the skills review qualification test. An employee serving in this classification for a period of five (5) years may then request to be tested for progression to the Customer Service Senior classification. This test is voluntary.

If an employee elects to take the test, and he fails, then he may not take the test for a period of one (1) year.

Current Customer Service-B employees with five (5) or more years of service may progress to the Customer Service-Senior classification by requesting and passing the test.

Customer Service-Senior

This classification provides for progression of Customer Service-A employees who have satisfactorily performed the duties of Customer Service-A for a period of five (5) years or more and who have passed the qualification requirements for progression to this classification.

GENERAL INFORMATION

1. The wage structure for the three (3) classifications remain the same as the current wage structure.
2. Current employees in the Service Department are "grandfathered." They will not be required to progress to the Customer Service-A classification or Customer Service-Senior classification. Additionally, should a current employee elect to take the qualification test and fail, he may remain in his classification. However, the applicable time periods mentioned with regard to retesting will be followed.
3. The guidelines below regarding the Service Department qualification tests for progression are to be followed in order to establish uniformity and consistency within the program. These guidelines have been developed in response to questions concerning present Service Department employees in the entry-level classifications, and new Service Department employees who may have had previous experience as Servicemen.

- A. Present Servicemen in the entry-level classifications who have seven or more years' experience in those classifications may request to take a qualification test for either the new Customer Service-A or Senior classification.
- (1) If the employee requests to take the test for Customer Service-Senior and he passes, then he will be classified as a Customer Service Senior.
 - (2) If the employee fails the Senior test, then he may take the test for Customer Service-A. If he passes the Customer Service-A test, then he will be classified as a Customer Service-A. He will then be required to complete five years of service within that classification before he may take the senior test.
 - (3) If the employee fails the A classification test, then he must wait six months before he can be retested. If he fails the test a second time, then he must wait one year before he will be retested.
- B. New Service Department employees who have two or more years' previous experience in the Service Department may request to take the test for progression to Customer Service-A only. If he passes the A test, then he will be classified as a Customer Service-A. He will then be required to complete five years of service within that classification before he may take the Senior test. If the employee fails the A classification test, then he must complete two years of service in the Customer Service-B classification before he can take the A test. At this point, the procedures outlined in the original program become effective.

4. Service Department job postings in the future will be as follows:

"Customer Service-B - Customer Service-A"

11. Columbia Gas of Kentucky, Inc. and Columbia Gas of Ohio, Inc., Work Schedules:

A. Flexible Work Hour Schedule

The Company will offer a four (4) ten hour work day schedules, which may include weekend shifts. During such a ten (10) hour schedule premium pay and shift differential, if applicable, will begin after ten (10) hours of work on a scheduled ten (10) hour day and for any time worked in excess of 40 hours in one week. If an employee is scheduled to work on any day of rest except for Sunday, he/she will be paid at the rate of time and one half. All work performed on Sunday shall be paid for at the rate of double time unless it is part of the employee's normal work schedule.

The four (4) ten (10) hour schedules will be offered on a voluntary basis and either party can opt out of this schedule with a two week notice to the opposite party. If there are more employees who volunteer for the four (4) ten (10) hour schedules than available schedules, the Company will staff the schedules by work location on a qualified senior basis.

Sick Leave, Vacation, Personal Holidays

An employee who misses work due to illness, vacation or personal holiday, will be charged for all hours of scheduled work missed (i.e., ten (10) hours of short-term disability for one (1) ten (10) hour day of absence).

Company Holidays

If the holiday falls on a day off - Employee will be given a day off in lieu of the holiday during the same week the holiday occurs. Eight (8) hours will be charged to holiday. The employee can work two extra hours during that week, but such two hours will be at straight pay. The two extra hours to be determined by the Company, (or use personal holiday or vacation to make up the two hours or as an alternative, an employee may revert to a standard eight (8) hour day, for a five (5) consecutive day work week at any time with approval of his/her immediate supervisor).

If the holiday falls on a regularly scheduled day of work - Employee is charged with eight (8) hours of holiday and will make up the two hours needed during that work week at straight time pay. The two extra hours to be determined by the Company, (or use personal or vacation to make up the two hours, or as an alternative, an employee may revert to a standard eight (8) hour day, for a five (5) day work week at any time with approval of his/her immediate supervisor). If two holidays occur in any one week, the employee's regular work schedule will revert to a standard eight (8) hour day for a five (5) consecutive day work week.

Overtime/Meals

The employee working this shift must work in excess of 16 consecutive hours to qualify for double time pay. Employees working a ten (10) hour schedule will not be eligible for an overtime meal until after twelve (12) hours of work and at intervals of four hours subsequent thereto.

B. Shift Differential Payments

Notwithstanding the language in Addendum B relating to the definition of a shift worker, if the majority of a Columbia Gas of Kentucky or Columbia Gas of Ohio employee's regularly assigned eight (8) hour schedule is before 7:00 a.m. or after 5:00 p.m., then the employee will be paid the appropriate shift differential for their entire eight (8) hour schedule. If the majority of the regularly assigned eight (8) hour schedule occurs between 7:00 a.m. and 5:00 p.m., then the appropriate shift premium will only apply to hours worked before 7:00 a.m. or after 5:00 p.m.

The Company will not pay both shift differential and premium rates of pay, as determined by Article XVIII, to those employees whose regular eight (8) hour work schedule is between 7:00 a.m. and 5:00 p.m.

C. Sunday Work

This language applies to employees who are regularly scheduled to work on Sunday as part of their normal 40 hour work week. Such employees will be exempted from Article XVIII, Section 2 regarding double time for work performed on Sunday (the same as shift workers who work on Sunday). However, if an employee is required to work on the sixth (6th) day in any seven (7) day period,

he/she will be paid at the rate of time and one half. If an employee is required to work on the seventh (7th) day in any seven (7) day period, he/she will be paid at a rate of two times his/her regular rate, provided, however, that such premium payments shall be credited against any weekly overtime which may accrue.

12. Seniority - Article VII

In order to clarify the seniority status of an employee who (a) transfers from a work location not covered by the Agreement to a position covered by the Agreement or (b) was once in the bargaining unit and transfers out (for any reason) and then returns to a position covered by the Agreement will be treated as follows:

It is the position of the Union that all employees initially entering or re-entering the bargaining unit do so as a new employee and are subject to all the provisions of the Agreement, provided however, if an employee who is covered by the Agreement is declared "surplus" (see Article XXV, Section 2) and accepts a position with a Columbia company at a work location not covered by the Agreement, such employee will no longer accumulate, but will retain, the seniority he achieved while in the bargaining unit, IF the employee returns to a position covered by the Agreement on the first opportunity given to him. No regular employee shall be demoted when an employee returns to the bargaining unit under this provision.

13. Upgrading

In recognition of the Company's need to maintain efficient operations and achieve a diversified skilled workforce, when upgrading is required, within the Basic Seniority Unit, consideration will be given to the available qualified Senior employee at the work location involved.

It is understood that the above is not applicable to any other provisions of the Agreement.

14. Automatic Progressions

Individuals in the Automation & Electrical Mechanic-B (A&E) classification will progress to Automation & Electrical Mechanic-A classification upon becoming fully qualified to perform all the duties of the Automation & Electrical-A classification. The initial postings will be for Automation & Electrical Mechanic-B position and then a progression to the Automation & Electrical Mechanic A-position.

Individuals in the Welder classifications will progress to the next level in the Welder family upon successful completion of the appropriate Welder certification testing process.

Individuals in the District Instrument Mechanic (DIM) classification will progress to the next level in the DIM family upon becoming fully qualified to perform all the duties in the next level classification and met the minimum time requirements. The initial postings will be for the DIM-C position.

DIM C to DIM B	minimum of 6 months, no more than 18 months
DIM B to DIM A	minimum of 12 months

DIM A to DIM AA minimum of 6 months

The Company and the Union agree that on a one-time basis the employees presently in the DIM A classification can voluntarily elect to enter the DIM AA upon ratification of the agreement. The Company and the Union further agree that employees electing not to participate in the new progression may remain in their current classification. These employees will continue to have upgrade opportunities according to the terms set forth in the collective bargaining agreement.

For CKY/COH (IRONTON) Inspector jobs will be posted as Inspector A. When the job is awarded, if no bidders qualified for Inspector A, the job will be filled as an Inspector B and will progress to the beginning rate of Inspector A after 24 months. Employees not classified as Inspector will be upgraded to beginning rate of Inspector B classification (or paid at their current classification if the rate is higher than Inspector B) when performing leak inspection work.

15. M&R Tech Progressions

The entry level position M&R Inspect A will be retitled to M&R Tech II.

The current job classification of M&R Tech II will be retitled, to the next level position, of M&R Tech I.

The M&R progression will be implemented as follows:

- The entry level for M&R will be M&R Tech II.
- After 24 months, the employee will automatically progress to the M&R Tech I.

Parties further agree that this change in job title and progression did not in any way effect the existing wage schedule for the entry level and second level M&R positions.

Additionally, the Company and Union agree to remove the following job classifications from the CBA.

M&R Inspect B
Reg Tech II
Reg Inspect A
Reg Inspect AA

If the positions (M&R Inspect B, Reg Tech II, Reg Inspect A, Reg Inspect AA) are reinstated in the future, the Company agrees that they will automatically be deemed bargaining unit positions and the Union would not be required to engage in any issues regarding representation.

16. Job Classifications

The Company and Union agree to remove the following job classifications from the CBA:

CKY/COH (Ironton)
Building Maintenance Operator
Dispatcher A and B
Meter Reader (rate starting at 26.3170)
Meter Reader (rate starting at 23.0588)
Street Service B
Warehouseman

If the positions (Building Maintenance Operator, Dispatcher A and B, Meter Reader (rate starting at 26.3170), Meter Reader (rate starting at 23.0588), Street Service B, Warehouseman) are reinstated in the future, the Company agrees that they will automatically be deemed bargaining unit positions and the Union would not be required to engage in any issues regarding representation.

TCO ONLY:

The Company and Union agree the following job classifications below are removed from the wage schedule. The Company agrees that they will automatically be deemed bargaining unit positions and the Union would not be required to engage in any issues regarding representation.

Auto Mechanic	Auto/Hvy Equip Mech	Bailing Mach Helper
Bailing Machine Oper	Carpenter	Chief Auto Mech
Cleaning Out Helper	Electrician B	Inspector – Aerial
Inspector A	Instrument Mech A	Instrument Mech B
Opr/Maint Trainee	Truck Driver	Welder B
Welder Trainee	Well Tender	

17. TCO only:

Residency requirements will be removed from current job classifications with the exception of the following classifications:

DIM AA, A, B
A&E Mechanic A & B
Pipeliner A
Operator A
Operator B (unattended stations)

Current employees holding the classification – DIM AA, A, B, A&E Mechanic A & B, Pipeliner A, Operator A, Operator B (unattended stations) will be “grandfathered”.

18. DIM Training Program

- A. Interested employees will be selected based on results of a scored basic aptitude evaluation consisting of reading comprehension, high school level math and mechanical aptitude.
- B. Based upon the results of the initial evaluation, stated above in Step 1, senior qualified employees will be selected to attend and introductory school.
- C. DIM-C positions will be posted and filled with the senior qualified employees who receive successful evaluation upon completion of the introductory school.
- D. Employees selected to fill the DIM-C position will begin working with higher level DIM's and continue to undergo on the job training, formal classroom and/or self-study training.
- E. DIM-C will be expected to undergo evaluation of the DIM-B level at not less than six (6) months and not more than twelve (12) months. One re-evaluation at six (6) months from the date of the first evaluation will be offered to employees who were not successful on the first evaluation. At no time will anyone be allowed to stay in the “C” class longer than eighteen (18) months.
- F. Employees successfully completing the DIM-B level evaluation will be reclassified as DIM-B. An employee who is unsuccessful in completing the DIM-B level evaluation will

be reclassified and reassigned as provided for in the labor agreement.

G. DIM-B's will continue classroom and on the job training to prepare for qualification as DIM-A.

H. DIM-A will continue classroom and on the job training to prepare for qualification as DIM-AA.

Evaluation at all levels may include written, oral, demonstrations and review of past performances.

19. A&E TRAINING PROGRAM – TCO:

The parties, Columbia Gas Transmission and USW locals 628 & 372, agree to continue to work on the development of the core skills, OJT, and required training necessary for a fully developed A&E Training Program.

In the interim, the following prerequisites are agreed to in order to be considered for a newly created A&E Mechanic C Training classification.

All applicants (internal & external) must successfully pass the EEI Aptitude Test

All internal applicants must successfully complete the George Brown University 36 week program. In lieu of the program, a 2 year Electrical/Electronics degree will be considered.

All external applicants must possess a 2 year Electrical/Electronics degree to be considered.

Once the prerequisites are met, then individuals may be placed in the program through job posting and bidding.

A plan will be developed to begin using the CGT core skills; structured OJT; existing internal training and supplement with outside resources if necessary.

As positions are identified, these positions will be in the Compressor Seniority Units (i.e., Clendenin, St. Albans, Strasburg) and staffed in accordance with Article XXV Job Posting and Bidding.

Once an individual is in the program, the following progression would follow:

A&E Mechanic C (Trainee) – 12 months – 18 months (same rate schedule as Repairman classification)

All prerequisites met

Begin the A&E Training for core skills, OJT, etc.

Obtain Apprentice electrician license

Become electrical qualified person

Must be qualified to work on all related equipment under the supervision of an A&E Mechanic A

A&E Mechanic B – 12 months – 42 months

Finish the A&E Training

Obtain Journeyman electrician license

Must be qualified to work on all related equipment independently

A&E Mechanic A – 12 months

Must possess ISA Level 1 certification before processing
Existing A&E Mechanic A's without an ISA Level 1 certification will be
grandfathered.

20. Pagers

Issuance of pagers will be on a voluntary basis and the employee with the pager has an obligation to call back when the pager goes off. It is mutually understood by both parties that reasonable cooperation is expected.

Future situations should be resolved under this understanding.

21. ACKNOWLEDGEMENT TO RESPOND: TCO Only

It is of the highest priority to ensure safety and we are under the duty to the public of operating and maintaining its public utility services without interruption.

Employees are contacted in order to respond to an issue and ensure the matter is made safe.

It is the expectation that employees can be reached when called, either during working hours or after hours. Furthermore, it is the expectation that the employee will respond to an issue and/or ensure that matter is made safe.

Employees' response to callout will be discussed at Union management meetings. If an employee's performance is not acceptable it will be reviewed and addressed on a case by case basis.

22. Seasonal Work Hours

Seasonal work hours, during Daylight Savings Time, will continue on a voluntary basis by each work location or region. Each work location or region will be offered the opportunity to decide by a two-thirds vote of that location or region whether to accept a Seasonal Work Hours schedule proposed by the Company.

22. Columbia Gas of Kentucky, Inc., Jurisdictional Areas

It is agreed that following ratification of the collective bargaining agreement, Article XXIII Travel and Expenses, "jurisdictional areas" shall be defined as:

Ashland Operating Area
East Point Operating Area
Winchester Operating Area (including the old Paris/Cynthiana Operating Areas
and Richmond)
Maysville Operating Area
Lexington Operating Area (including Georgetown)
Frankfort Operating Area (including Versailles and Midway)

23. Columbia Gas Transmission, Inc., Construction Crew Seniority

Employees in the Construction Crew will only hold Basic Seniority Unit seniority either in the St. Albans Pipelines Basic Seniority Unit or in the Clendenin Pipelines Basic Seniority Unit. Any job posting for a position within the Construction Crew will first be posted in the St.

Albans Pipelines and Clendenin Pipelines Basic Seniority Units as a Basic Seniority Unit posting. The job will be awarded on the basis of the criteria listed in Article VII, Section 3 except Company seniority, rather than Basic Seniority Unit seniority, will control. If there are no qualified bidders for such a posting, the position will be filled in accordance with the remaining provisions of Article XXV. In the event the position is awarded through a Request for Transfer or a Bargaining Unit wide posting, the successful candidate will enter the St. Albans Pipelines Basic Seniority Unit unless that candidate is coming from a position within the Clendenin Pipelines, Clendenin Compressor, Strasburg Pipelines or Strasburg Compressor Basic Seniority Units. In the event the position is awarded through a Request for Transfer or a Bargaining Unit wide posting to a candidate coming from the Clendenin Pipelines Basic Seniority Unit, that candidate will retain his Clendenin Pipelines Basic Seniority Unit seniority. In the event the position is awarded through a Request for Transfer or a Bargaining Unit wide posting to a candidate coming from the Strasburg Pipelines, Strasburg Compressor or Clendenin Compressor Basic Seniority Unit, that candidate will enter the Clendenin Pipelines Basic Seniority Unit.

24. Vacation Hardship Donation

At Management discretion, in cases of employee hardship, vacation hours from other employees' current year grant (excluding banked hours) may be donated to the employee for the employee's own serious medical condition, or the serious medical condition of the employee's immediate family.

25. Successorship

This Memorandum of Agreement is entered into between Columbia Gas Transmission LLC, Columbia Gas of Kentucky, Inc., and Columbia Gas of Ohio, Inc. (hereinafter the "Company") and Paper, Allied-Industrial, Chemical & Energy Workers International Union Locals 372 and 628 (hereinafter the "Union"), this 21st day of September 2002, as a supplement to the Labor Agreement to define how affected members of the bargaining unit will be treated in the event there is a sale of the stock of the Company or a divestiture of substantially all of the assets of the Company.

Further, this Memorandum of Agreement sets forth the principles to establish a new and progressive relationship between the parties. The relationship will establish a positive partnership, embedded in trust, mutual respect, and a common interest in quality workmanship and superior customer service to our customers.

1. This Memorandum of Agreement applies in the event of (1) a sale of the Company's stock, or (2) a merger, divestiture, sale, transfer, or swap of substantially all of the Company assets that results in the termination of the Company's employment of members of the bargaining unit (hereinafter, a "Covered Transaction").
2. This Memorandum of Agreement shall be binding upon the Company regardless of whether it changes its name, corporate identity, organization, legal status, or management.
3. The Company agrees to make assumption of the Labor Agreement and assumption of this Memorandum of Agreement a condition of any Covered Transaction, and shall provide the Union with copies of those documents that are necessary to demonstrate compliance with this Memorandum of Agreement. The Company agrees to provide the Union notice of a contemplated Covered Transaction a reasonable period of time prior to the closing of any such Covered Transaction.

4. Upon transfer of the assets pursuant to a Covered Transaction, the Company is relieved of obligations and liabilities under the Labor Agreement or otherwise to all affected bargaining unit employees who become employees of the Buyer.
5. During the term of the Labor Agreement, the Union will support and not oppose or in any way support or encourage opposition to the Company's position before regulatory or administrative agencies, in legislatures, or in court regarding any rate proceedings or any Covered Transaction announced, begun, or pending during the term of the Labor Agreement.
6. The Union will support the Company's efforts to obtain approval from any applicable regulatory agency for recovery of its stranded costs and will support the Company's position that the stranded costs it has identified as reasonable in the amount and fully recoverable from customers.
7. This Memorandum of Agreement will terminate on the termination date of the Labor Agreement.

APPROVED

FOR THE COMPANIES:

Jovette Pino

Lori Johnson

Jodi Falknor

Dreama T. Whitmire

FOR THE UNION:

David A. Rutherford

Curtis D. Edelman

Brian P. Wedge

DATE: December 1, 2011

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AGREEMENT

BETWEEN

COLUMBIA GAS TRANSMISSION CORPORATION

COLUMBIA GAS OF KENTUCKY, INCORPORATED
COLUMBIA GAS OF OHIO, INCORPORATED

AND

UNITED STEEL, PAPER AND FORESTRY, RUBBER,
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND
SERVICE WORKERS INTERNATIONAL UNION
LOCALS 372 AND 628

CHARLESTON, WEST VIRGINIA
DECEMBER 1, 2006

THIS AGREEMENT, made and entered into this 1st day of December 2006, by and between COLUMBIA GAS TRANSMISSION CORPORATION, COLUMBIA GAS OF KENTUCKY, INC., and COLUMBIA GAS OF OHIO, INC., all corporations for their employees as represented in the bargaining unit, established by the NLRB elections (and see the determination in NLRB Cases 9-UC-91, 9-UC-92, and 9-RC-12428), their successors and assigns, hereinafter referred to as the "Company," party of the first part, United Steel, PAPER, and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, LOCALS NOS. 372 and 628, its successors and assigns, hereinafter referred to as the "Union," party of the second part, and UNITED STEEL PAPER and FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL, and SERVICE WORKERS INTERNATIONAL UNION, its successors and assigns, hereinafter referred to as the party of the third part:

WITNESSETH

WHEREAS, the Company is engaged in furnishing essential public services which vitally affect the health, safety, comfort, and well-being of a large majority of the population in the territory covered by its operations, and its very existence is dependent upon the faithful carrying out of its obligations and responsibility to the public; which responsibility is recognized by the parties hereto as being imposed upon the Management and employees of the Company mutually, and that properly to fulfill the same requires that any disputes arising between them be adjusted and settled in an orderly manner without interruption of the Company's services to the public:

WHEREAS, the parties have, through collective bargaining in accordance with the law, agreed upon the incidents of the employment relationship on a contractual basis; and,

WHEREAS, it is the desire of the Company and the Union to continue the policy and practice of nondiscrimination because of race, color, religion, age, sex, disability, veteran and Vietnam era veteran, or national origin; and

WHEREAS, while certain job classifications and pronoun references are in the male gender, it is understood that they do not refer exclusively to males and corresponding feminine gender usages will be substituted when appropriate.

NOW, THEREFORE, it is agreed by the parties hereto as follows:

ARTICLE I Obligations

Section 1. It is recognized that the Company is engaged in rendering a public service and is under the duty to the public of operating and maintaining its public utility service without interruption, and therefore nothing contained in this Agreement shall be construed to conflict or to be incompatible with such duty.

Section 2. It is agreed that during the term of this contract, or during any period of time while negotiations are in progress between the parties hereto for the continuance or renewal of this contract, that there shall be no lockouts, strikes, stoppage of work, or interruption of service to the public.

Section 3. It is agreed that the Company will not discriminate, coerce, or intimidate any member of the Union on account of his membership in the Union. The Union agrees that its officers and members will not solicit membership in the Union among employees of the Company when said employees are on duty or Company property, and will not interfere with or restrain or coerce employees of the Company in attempting to influence them to be members of the Union.

ARTICLE II Recognition

Section 1. The Company recognizes the Union as the exclusive representative of all the employees, as such term is defined and delimited in Section 3 of this Article, for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment: Provided, that any individual employee or a group of employees shall have the right at any time to present grievances to the Company and to have such grievances adjusted, without the intervention of the Union, as long as the adjustment is not inconsistent with the terms of this Agreement: Provided, further, that the Union has been given opportunity to be present at such adjustment.

Section 2. It is agreed that there shall be no hindrance or interference with the Management of the Company in its several departments, including the determination of the Company policy, which does not interfere with the conditions of this Agreement as affecting wages, hours of work, and working conditions. All rights of Management, except insofar as the same are expressly modified in the terms of this Agreement, are hereby reserved to the Company, and the Company specifically has the power and the right to manage the business and direct the working forces, including but not limited to, the right to hire, suspend, or discharge for proper cause, promote, demote, to transfer employees from one job to another (provided, however, that no employee may be permanently transferred from one basic seniority unit to another, without his permission), to lay off employees in accordance with seniority, as specified herein, to reduce working hours, to move or to close any departments or other segments of the business because of lack of work, or to otherwise generally manage the Company's business.

Nothing in this Section shall be construed to supersede or nullify any of the provisions contained in other Articles.

Section 3. (a) The term "employee," as used in this Agreement, shall include all production and maintenance employees of the Company in the said bargaining unit, but shall exclude all clerical, supervisory, executive, administrative, professional, temporary employees, and all others excluded by law. "Temporary employees" are hereby defined to mean those employees hired for a specific project or for a specified length of time.

(b) In accordance with the requirement of Section 1, hereunder, an employee will be classified as a Regular employee following any three-months' period in which the employee has worked at least 312 hours of regularly scheduled work exclusive of overtime. Provided, that he meets the Company's requirements as to ability and efficiency, integrity, and physical fitness: Provided, further, that he has submitted record of birth which is satisfactory to the Company.

(c) An employee shall lose his classification as a Regular employee under the following conditions:

- (1) Resignation.
- (2) Discharge for cause.
- (3) Acceptance of other employment except as provided in Article V hereof.
- (4) Refusal to accept reemployment within 72 hours after receipt of notification by the Company that employment is available in the basic seniority unit from which the employee was laid off because of lack of work. Such notice may be given by letter at the employee's last known address, by telephone, or by personal contact.
- (5) Layoffs of more than one year duration, except in the case of employees with fifteen (15) or more years of accredited service, in which case it shall be layoffs of more than four-years' duration.

(d) The Company agrees to notify the Union of an offer of reemployment made by the Company to an employee. Such notice will be either a copy of the notice sent to the employee or will be a notice stating in which other manner the employee was notified.

(e) The performance of non-bargaining unit work by bargaining unit employees will be on a voluntary basis.

ARTICLE III Supervisors Performing Production and Maintenance Work

Under normal operating conditions, supervisors are not assigned duties that are usually performed by production and maintenance employees.

Supervisors are expected to devote full time to their supervisory duties under normal operating conditions. This policy does not, however, prevent supervisors from performing such necessary functions as job instruction or training of employees; inspecting work, either in progress

or completed; operating equipment and facilities in experimental or initial testing operations; and operating in emergency situations or where the safety of people or facilities is in jeopardy.

ARTICLE IV
Check Off

It is agreed that all employees, including current employees as of the effective or execution date of this Agreement and all employees who thereafter have become or may hereafter become members of the Union, shall remain members of the Union in good standing for the duration of this Agreement as a condition of continued employment by the Company; and further that all new employees covered by this Agreement hired after the date of this Agreement, shall, after thirty (30) days of employment, become members of the Union and remain members in good standing for the duration of this Agreement as a condition of continued employment. Good standing shall mean only the payment of the initiation fee and periodic dues.

The International Union and Locals No. 372 and 628 agree to protect the Company under this section and to refund to the Company money that may be involved in the event a member from whose earnings, dues, and initiation fees shall have been deducted by the Company should resort to or cause legal action to be taken against the Company because of such deductions.

ARTICLE V
Leave of Absence for Union Activity

Upon written request 15 days in advance by the Local Union, the Company shall grant a leave of absence to not more than two employees for Union activities. An employee elected to a Union position or selected by the Union to do work which takes him from his employment with the Company shall, upon the written request of the Union, receive a temporary leave of absence for the period of his services for the Union. Upon his return, providing his seniority qualifies him, such employee shall be reemployed to his job or at work generally similar to that in which he was engaged last prior to his leave of absence, and his seniority shall accumulate throughout the period of his leave of absence. Such leave of absence shall be made and granted yearly, subject,

however, to the provision of Article IX hereof.

ARTICLE VI Bulletin Boards

The Company will provide bulletin boards of at least 2' by 2' to be placed on its property where they may be seen by employees entering and leaving their places of employment. Such boards shall be used exclusively by the Union, such use to be confined exclusively to posting on said boards notices pertaining to dues, meetings, and other usual, regular and bona fide activities of the Union, it being the intention hereof that the Union will not use said boards for the direct solicitation of membership in the Union.

ARTICLE VII Seniority

Section 1. For seniority purposes, the Companies shall be divided into the following separate basic seniority units. However, employees laid off from one basic seniority unit will be given preference in case of hiring by another basic seniority unit, if the laid off employee(s) is qualified.

- I. Columbia Gas Transmission Corporation
 - A. St. Albans Area Basic Seniority Units as follows:
 1. Pipelines Seniority Unit (includes Gas Measurement and Telecommunications) consisting of work locations at:
 - Alexandria, KY
 - Boldman, KY
 - Grant, WV
 - Huff Creek, WV
 - Inez, KY
 - Lockwood, KY
 - Mt. Olivet, KY
 - St. Albans, WV
 - Winchester, KY
 2. Compressor Seniority Units consisting of work locations at:
 - Boldman, KY
 - Ceredo, WV
 - Grant, WV

Hubball, WV
Huff Creek, WV
Inez, KY
Kenova, WV

B. Clendenin Basic Seniority Units as follows:

1. Pipelines Seniority Unit (includes Gas Measurement and Telecommunications) consisting of work locations at:

Clendenin, WV
Cobb, WV
Coco, WV
Frametown, WV
Glenville, WV
Lanham, WV
Ripley, WV
Rockport, WV
St. Albans, WV (Building Services, Trucking, Gas Measurement, Warehouse & Yard)

2. Compressor Seniority Units consisting of work locations at:

Clendenin, WV
Cobb, WV
Coco, WV
Frametown, WV
Glenville, WV
Hunt, WV
Lanham, WV
Ripley, WV
Rockport, WV
Walgrove, WV

3. Charleston Building Services

C. Strasburg Basic Seniority Units as follows:

1. Pipelines Seniority Unit (includes Gas Measurement and Telecommunications) consisting of work locations at:

Cleveland, WV
Elkins, WV
Glady, WV
Pickaway, WV
Seneca, WV
Terra Alta, WV

2. Compressor Seniority Unit consisting of work locations at:
Cleveland Compressor Station

Files Creek Compressor Station
Glady Compressor Station
Lost River Compressor Station
Seneca Compressor Station
Terra Alta Compressor Station

II. Columbia Gas of Kentucky, Inc.

A. Lexington Distribution Seniority Unit consisting of the following work locations:

Frankfort, KY
Irvine, KY
Lexington, KY
Maysville, KY
Paris, KY
Winchester, KY

B. Ashland Distribution Seniority Unit consisting of the following work locations:

Ashland, KY
Inez, KY
East Point, KY

III. Columbia Gas of Ohio, Inc.

A. Ironton Distribution Seniority Unit consisting of the following work location:

Ironton, OH

Section 2. Seniority shall be established upon the date the employee is classified as a Regular employee and shall relate back to the date three (3) months next preceding such classification.

Section 3. It is agreed, except as set out, that the Company will in all cases of promotion, demotion, transfer, and decrease or increase of personnel, consider the following factors, and where factors (a) and (b) are, in the opinion of the Company, relatively equal, seniority shall govern.

- (a) Training, ability, skill and efficiency
- (b) Physical fitness

- (c) Seniority shall govern in the following order:
 - (1) In the basic seniority unit
 - (2) In the respective Company (that is, TCO, CKY or COH)
 - (3) Within the Bargaining Unit

In making transfers, the Company will give special consideration to any employee who has previously submitted a request for transfer and will attempt to avoid transferring any employees who prefer not to be transferred.

Nothing in this Section shall be construed to supersede or nullify any of the provisions contained in other Articles.

Section 4. In the event of a “reduction in force,” layoff, or closing of a facility, which results in a net decrease of personnel within the respective Company (that is, TCO, CKY, or COH), the following process shall apply:

- (a) When an employee is displaced as described above, he may exercise his bargaining unit seniority over the most junior employee within his same classification within the respective Company (that is, TCO, CKY, or COH) or, if qualified, over the most junior employee in any classification at the work location or in his basic seniority unit. This process shall continue until the employee is deemed qualified over the next junior employee or is unable to exercise his seniority.
- (b) The displaced employee from (a) may then exercise his bargaining unit seniority over the most junior employee in his same classification within the respective Company (that is, TCO, CKY, or COH) or, if qualified, over the most junior employee in any classification in the respective Company. This process shall continue until the employee is deemed qualified over the next junior employee or is unable to exercise his seniority.

- (c) If an employee is displaced in (b) he, if qualified, may then exercise his bargaining unit seniority over the most junior employee in the respective company (that is, TCO, CKY, or COH). This process shall continue until the employee is deemed qualified over the next junior employee or is unable to exercise his seniority.
- (d) If in any of the preceding steps an employee elects not to or can no longer exercise his seniority, he will be the individual that is displaced.
- (e) In all other Section 3 situations, such as re-allocation of the workforce, Article II, Section 2 and Article VII, Section 3 will govern.
- (f) If the cause of the reduction in force is a direct result of contracting out, then the provisions of Article VIII will apply.

Section 5. Whenever an employee is permanently transferred from one basic seniority unit to another, he shall be considered a new employee insofar as his seniority in the new basic seniority unit so transferred to, is concerned. However, such employee shall retain his Company seniority and also the seniority he had accumulated in the basic seniority unit from which he was transferred. It is understood that the temporary transfer of an employee will in no way affect his seniority status, and the Company shall be required to notify the employee involved as to the temporary or permanent nature of the work.

Section 6. For seniority purposes, each employee shall be credited, except as otherwise provided, with all periods of actual service accruing after the commencement day of said seniority and, in addition thereto, shall be credited with time lost resulting from (a) jury service or serving as a witness under Court subpoena; (b) layoffs of not more than six-months' duration; (c) illness or injury regardless of duration; (d) service in the military forces of the United States or service upon being drafted in an essential war industry by the Government: Provided, however, that such

accrued time shall not continue for a period more than that required by law after discharge or release from such service.

Section 7. An employee shall lose his seniority rights under the same terms that he loses his classification as a Regular employee, as provided in Article II, Section 3(c) of this Agreement.

Section 8. The Companies shall furnish the Secretaries of the Union with the seniority list for each Basic Seniority Unit on a semiannual basis. Said seniority list shall show the employee's Bargaining Unit Seniority Date, Company Seniority Date, and Basic Seniority Unit Date.

Section 9. The Company agrees, upon request, to review with employees or their representatives any cause of layoff, transfer, or rehire, or promotion affecting a worker's seniority status, or any training situation involving one or more employees in which an injustice is alleged and, in the event an injustice is done, will rectify such injustice, provided such request is made within thirty days from the date the injustice first occurred. If no agreement is reached, the matter will assume the status of a controversy subject to the grievance and arbitration procedure provided for in Articles XXVII and XXVIII hereof, and the Arbitrators shall have the right to reverse a Company decision in matters relating to Section 3 hereof when there is proof of abuse of the Company's discretion.

ARTICLE VIII Contracting Out

Pursuant to Article II, Section 2 of this Agreement, the parties understand that the Company may elect to use independent contractors. However, it is further understood that the Company shall not so contract any work which is performed by its Regular employees which will directly result in one or more Regular employees being laid off. It is further understood that if any Regular employee is permanently transferred to a new work station as the direct result of such contracting out of work, the Company shall pay the employee's reasonable costs and expenses incurred incident to such transfer in an amount not less than those specified and provided for the

applicable employees in the respective Company's current Transfer of Personnel Policy.

ARTICLE IX Physical Examinations

Section 1. The Company may, in cases of frequently recurring absences from duty, or in other exceptional cases, require an examination of any Regular employee by a physician of his own choosing as a condition of continued employment. If the Company is not satisfied with the report of the physician chosen by the employee, the Company may require a reexamination of such employee by a physician chosen by the Company. If the two examinations are not in accord, then the physician chosen by the employee and the one chosen by the Company may elect a third physician to make an examination of such employee, and the decision of the third shall be final.

ARTICLE X Employee Disability Plans

The Short-Term Disability Plan

The purpose of the Short-Term Disability Plan is to provide all employees, as defined in Article II, Section 3(a) of this Agreement, greater economic security by providing wage allowances during the periods when such employees may be absent from work by reason of a disability due to personal illness, injury, or serious illness or accident in the immediate family.

Eligibility Requirements

To be eligible for such allowances under this Plan, the employee must:

- A. Be classified as an employee, as defined in Article II, Section 3 (a), of this Agreement.
- B. Permit examination or inquiry by the Company, and furnish a physician's certificate upon request, and must have reported the cause of absence at or as soon after the beginning of the first scheduled working day of absence as the circumstances

(including the nature of the disability or illness) reasonably permit.

Basis for Determining Pay

- A. Short-Term Disability payments will be computed on the basis prescribed by Article XII of this Agreement.
- B. Only absences of four hours or more will be charged against an employee's Short-Term Disability allowance.
- C. Short-Term Disability payments will not be allowed for disability incurred while an employee is on leave of absence, furlough, suspension from work, for an illness or injury which may obviously be the result of the employee's own misconduct, or, except as hereinafter provided, for disability which is compensatory under the Workers' Compensation Law of the State of employment or any State or Federal Disability Law.
- D. For the purpose of this plan, employees will be credited with one calendar year of service as of the December 31 following date of employment and shall be credited with an additional year on each subsequent December 31.
- E. When a period of continuous absence extends from one calendar year into the next, the Short-Term Disability allowance is continued until any unused portion of the maximum allowance based on the credited calendar years of service at the beginning of such continuous absence has been paid. On the expiration of benefits, the time allowable for the current calendar year will not commence until after the employee has returned to work.
- F. Payment by the Company to an employee absent for disability compensatory under the State Workers' Compensation Laws, or any State or Federal Disability Law, shall be limited to the difference between the amount of compensation receivable and the Short-Term Disability allowance under this plan.

Schedule of Payments

Post January 1, 2004, the "Schedule of Payments" is as follows:

Years of Service	Maximum Benefit Period	Weeks at Full Pay	Weeks at 60% Pay
1 to 9	26	8	18
10 to 19	26	16	10
20 and above	26	26	0

The preceding "Schedule of Payments" represents the maximum allowance for absence permitted an employee on account of personal illness or for serious illness in his immediate family.

Prior to January 1, 2004, where an employee has 20 years or more of service, a special recommendation will be made by the supervisor and submitted to the Management for consideration for extension beyond the above disability schedule.

If an employee is absent due to personal illness, injury, or serious illness or accident in the immediate family, the time necessarily absent from work shall not exceed a reasonable period: Provided, however, that if an employee is absent from work due to death in his immediate family, such absence shall not be charged against the benefits to which such employee is entitled; however, such absence from work for any such death shall not exceed a reasonable period.

In all cases of excusable absence from work, the employee is expected to return as soon as reasonably possible, and failure to do so will give the Company the privilege of modifying the above schedule as to such employee in such manner as it shall deem advisable under the circumstances.

Employees With Less Than One Year's Service

When an employee with less than one credited calendar year of service is absent because of personal illness, injury, or serious illness or accident in his immediate family, a recommendation of time off with pay not to exceed a total of five (5) days will be considered.

The Long-Term Disability Plan

The purpose of the Long-Term Disability Plan is to provide all employees, as defined in

Article II, Section 3(a) of this Agreement, additional economic security during periods of total disability.

Eligibility for Coverage

All employees are automatically covered by the Plan on a noncontributory basis beginning with the first day they are actively at work.

Commencement and Duration of Benefits

- A. An employee will be eligible for Long-Term Disability income, subject to the exceptions in this Section, if his disability prevents him from performing his own duties and engaging in any other reasonable occupation for 26 consecutive weeks: Provided, that separate periods of disability are considered as one continuous period if they arise from the same or related causes and are interrupted by no more than six months of active service. Once started, LTD benefits beginning before age 60 will continue to age 65 or until recovery, whichever occurs first. LTD benefits beginning at age 60 or after will continue for five (5) years after payments begin under the Plan, or to age 70, or until recovery, whichever occurs first. Proof of disability will be required before an employee can qualify for benefits, and the insurance company may require proof, from time to time, that the disability still exists.
- B. No benefits are payable for a disability starting during the first twelve months of an employee's participation in the Long-Term Disability Plan if the disability is connected with an illness or injury for which the employee received medical treatment or services during the three-month period just before his participation began.
- C. During furloughs (but not layoffs) and approved leaves of absence (except for military service), an employee's Long-Term Disability Plan coverage will continue

for the first two months of leave.

- D. No benefits will be payable for disabilities resulting from intentional self-inflicted injury, or insurrection, riots, war (declared or undeclared), etc., or commission of, or an attempt to commit, a crime.

Long-Term Disability Income

- A. Any employee who qualifies for Long-Term Disability with an effective date on or after January 1, 2004, will receive a monthly benefit equal to 50% of his base monthly pay. The monthly disability income benefit payable from these plans will be reduced by amounts received from any retirement, unemployment, Workers' Compensation, or disability benefits provided under any state or federal plan, except Social Security or if you receive other forms of compensation or disability benefits from Columbia. Any primary Social Security disability benefits which are payable or may become payable to the employee will not affect the Long-Term Disability benefit, except that total disability income from all above sources may not exceed 70% of the employee's base monthly salary.
- B. The full amount of Columbia's portion of an employee's Group Life Insurance continues in force as long as he is receiving Long-Term Disability benefits. An employee's Accidental Death and Dismemberment Insurance coverage will be suspended during his period of total disability.

Contributions by Employees

Long-Term Disability Plan coverage shall be noncontributory for Plan participants through December 31, 2003. Beginning January 1, 2004, coverage at the 50% level will be noncontributory and participants may elect to purchase additional coverage at the 60% level.

Miscellaneous Provisions

- A. An employee may continue coverage under Columbia's Comprehensive Medical

Expense Plan for his eligible dependents by paying the normal employee monthly contribution rate.

- B. If the Long-Term Disability Group Insurance Contract is terminated, the employee's Long-Term Disability rights under this Plan will terminate: Provided, however, that an employee who is totally disabled when the Group Insurance Contract is terminated will continue to be covered by the Long-Term Disability Plan.

Further, termination of employment will terminate rights under this Plan.

- C. The preceding paragraphs set forth the basic features of the Long-Term Disability Plan and are subject to the provisions of the Long-Term Disability Group Insurance Contract with Aetna Life Insurance Company or a successor Insurer.

ARTICLE XI Vacations

Regular employees who have completed at least six (6) months, but less than one (1) year of continuous service prior to December 31 will be entitled to a vacation of one (1) week (40 hours) with pay in the current vacation period.

Regular employees who have completed at least one (1) year, but less than two (2) years of service prior to December 31 will be entitled to a vacation of two (2) weeks (80 hours) with pay in the current vacation period, reduced by any vacation which may have been taken between their sixth and twelfth months of employment.

Employees hired any time during the month of December will, for vacation purposes only, be deemed to have been hired on the first day of December.

Regular employees who have completed at least one (1) year, but less than four (4) years, of service at December 31 will be entitled to a vacation of two (2) weeks (80 hours) with pay in the succeeding vacation period. Effective January 1, 2004, Regular employees who have completed at least one (1) year, but less than three (3) years, of service at December 31 will be entitled to a

vacation of two (2) weeks (80 hours) with pay in the succeeding vacation period.

Regular employees who have completed four (4) years, but less than fourteen (14) years, of service at December 31 will be entitled to a vacation of three (3) weeks (120 hours) with pay in the succeeding vacation period. Effective January 1, 2004, Regular employees who have completed three (3) years, but less than ten (10) years, of service at December 31 will be entitled to a vacation of three (3) weeks (120 hours) with pay in the succeeding vacation period.

Regular employees who have completed fourteen (14) years, but less than twenty-four (24) years, of service at December 31 will be entitled to a vacation of four (4) weeks (160 hours) with pay in the succeeding vacation period. Effective January 1, 2004, Regular employees hired prior to January 1, 2000, who have completed ten (10) years, but less than twenty-four (24) years, of service at December 31 will be entitled to a vacation of four (4) weeks (160 hours) with pay in the succeeding vacation period. Effective January 1, 2004, Regular employees hired on or after January 1, 2000, who have completed ten (10) years of service at December 31 will be entitled to a vacation of four (4) weeks (160 hours) with pay in the succeeding vacation period.

Regular employees hired prior to January 1, 2000, who have completed twenty-four (24), but less than thirty-four (34), years of service at December 31 will be entitled to a vacation of five (5) weeks (200 hours) with pay in the succeeding vacation period.

Regular employees hired prior to January 1, 2000, who have completed thirty-four (34) or more years of service at December 31, will be entitled to a vacation of six (6) weeks (240 hours) with pay in the succeeding vacation period.

Retiring employees (either normal or early retirement) will receive payment for vacation time accrued during the year of retirement. The payment will be computed on the basis of 1/12 of the vacation eligibility for each full month of service in his final calendar year up to the date he enters retirement status. Vacation eligibility will be determined on the basis of total years of service as of the end of the final calendar year of employment. A vacation payment for employees who

become deceased will be made for vacation time accrued during the year in which death occurs. The payment will be computed on the basis of 1/12 of the vacation eligibility for each full month of service in his final calendar year up to the date he becomes deceased. Vacation eligibility will be determined on the basis of total years of service as of the end of the calendar year of employment. Payment to the survivor(s) of the deceased employee will be made in accordance with the laws of the state in which he was a resident.

Eligibility Requirements

To be eligible for vacation, the employee must:

- A. Be classified as a Regular employee, and
- B. Be actively employed at the time the vacation is scheduled to commence.

General

- A. The vacation period will extend from January 1 through December 31 of each year. Upon reasonable notice, an employee may request that his vacation be scheduled for any period between these two dates. In order that the service of the Company may be adequately and properly maintained, the Company reserves the right to fix the time at which a vacation may be taken, but will endeavor in all cases to arrange such vacation at a time desired by the employee. Upon approval of an employee's request the time set will be considered as the employee's scheduled vacation period. However, the Company recognizes that from time to time employees are confronted with unusual situations that conflict with their scheduled vacation. When this occurs, employees may request a change in their scheduled vacation. This request must be submitted ten days in advance to the requested change. Vacation may be deferred within the calendar year if the employee is hospitalized prior to commencement of vacation, with proper prior notice to his supervisor. Upon

receipt of the employee's request, the supervisor will grant the request, provided it does not interfere with either the operations of the Company or the previously scheduled vacation of other employee(s).

- B. Vacation will commence upon the first normal work day or shift from which the employee is absent on account of vacation, and will run consecutively for the vacation period to which he is entitled.
- C. An employee will be entitled to receive an additional day of vacation for a holiday observed by the Company which occurs within his scheduled vacation period, if such holiday occurs within his regularly scheduled work week.
- D. An employee with two (2) weeks or more vacation allowance may split one (1) week of said vacation allowance into one (1) or more full days. An employee with four (4) weeks or more vacation allowance may split two (2) weeks of said vacation allowance into one (1) or more full days. Employees should submit their request for split week vacation allowance as required under Paragraphs A and M herein; however, when unforeseen circumstances occur and reasonable notice thereof is afforded to the Company, an employee will be granted a change in his split vacation allowance if it does not interfere with the operations of the Company or the previously scheduled vacation of other employee(s).
- E. It shall not be permissible to postpone a vacation from one year to another, nor to draw vacation pay in lieu of a vacation, except as noted in Paragraphs F, G, H, I, and J, below.
- F. An employee whose retirement has been approved will be entitled to receive a vacation, or to draw vacation pay in lieu of such vacation, in the year in which the retirement takes place.

- G. An employee entitled to a vacation, who is laid off due to lack of work, will be entitled to receive vacation pay in lieu of such vacation. A furloughed employee who accepts temporary reemployment and who is entitled to a vacation will have the option to take vacation pay in lieu of such vacation or to have his vacation rescheduled to a time in the vacation period after he returns to his former job.
- H. An employee who resigns or is discharged will be entitled to receive vacation pay in lieu of such vacation, if otherwise eligible.
- I. Regular employees entitled to a vacation who enter Military Service will be entitled to vacation pay in lieu of vacation in the year in which they enter Military Service, and also in the year in which they return to the Company from Military Service: Provided, however, that they do not enter Military Service and return from Military Service in the same year.
- J. Eligible employees may exercise a vacation carryover option subject to the following requirements:
- (1) Employees eligible for two (2) weeks vacation may apply for a vacation carryover for only one (1) week of said vacation allowance.

Employees eligible for three (3) or more weeks of vacation may apply for a vacation carryover for only that portion of the vacation allowance in excess of two (2) weeks.
 - (2) Vacations will normally be taken in units of five (5) days, except that employees may be granted permission to split their vacation into lesser full day periods.
 - (3) The right to exercise the carryover option shall be subject to the approvals provided in Subparagraph A above.

- (4) The request for carryover must be made in writing by the employee no later than December 1 of the vacation period preceding that in which the carryover is to be effective.
 - (5) Vacation weeks carried over must be taken during the immediately following vacation period.
- K. The survivor(s) of an employee, who is deceased prior to receiving a vacation to which he would have been entitled, shall receive pay in lieu of vacation. Payment will be made in accordance with the laws of the State in which he was a resident.
- L. Employees will be given an opportunity to signify, in writing, prior to the 15th day of March, upon a list to be furnished by the Company and posted in each Department, their choices of vacation dates: Provided, however, that any employee desiring his vacation between January 1 and April 1 must make arrangements with his supervisor. Seniority shall be given paramount consideration.

**ARTICLE XII
Off-Duty Pay**

All authorized off-duty pay for such purposes as vacations, holidays, illness, jury service, or for any other reason provided herein shall be at the rate of pay of the employee's regular classification for the number of hours regularly scheduled to work. The foregoing provisions of this Article are, however, subject to the provisions of Article X hereof.

**ARTICLE XIII
Termination Pay**

Nothing herein contained shall be construed to interfere with the right of the Company to suspend or discharge or lay off an employee for just cause: Provided, however, that when a reduction in

the Regular personnel is necessary, the employees whose services are to be discontinued shall be given five days' advance notice thereof; and in the event such notice is not given, the Company will pay such employee the equivalent of five days' pay at his regular rate.

The respective Company agrees that if there is a need to reduce its regular personnel during the term of the Agreement, due to a "reduction in force," layoff, or closing of a facility, which affects one or more employees, to meet with the Union to discuss the provisions of a special severance program which may be available.

ARTICLE XIV Leaves of Absence

Section 1. When its business permits, the Company may grant a leave of absence to an employee, upon request, for a period of not to exceed three months, for any reason other than for the purpose of seeking or accepting other employment. Such leave of absence may also be extended for a similar period, if mutually agreed upon between the Company and the employee.

Section 2. All leaves of absence in excess of thirty days shall be in writing, and a copy thereof furnished the employee and the Union.

Section 3. Before the expiration of any leave of absence in excess of thirty days, or an extension thereof, the employee shall apply for reinstatement and, if he is physically qualified to perform his former duties, shall be reinstated. The Company may require, as a condition precedent to reinstatement, a physical examination, as provided for in Section 2 of Article IX.

Section 4. If such employee does not apply for reinstatement before expiration of the period of the leave of absence, or if he accepts other employment during such leave of absence without the written consent of the Company, or if he is physically unqualified to perform his accustomed work his employment with the Company will cease and terminate.

Section 5. Upon reinstatement of the employee at the expiration of leave of absence, he shall resume his employment in the job classification which he left with the Company and

shall receive his seniority and other benefits to which he was entitled at the time his leave was commenced.

ARTICLE XV Safety

The parties hereto agree that safety of employment is of vital importance both to the Company and the employee, and further agree that no employee shall be required to perform any work, unless reasonably proper safeguards are maintained. An inspection of any equipment may be secured at all reasonable times upon the recommendation of any employee working on or near such equipment. The local Worker's Committee may meet with the Superintendent and if not satisfied, then with the Management, for the purpose of discussing the elimination of hazards in order to prevent accidents.

ARTICLE XVI Pay Days

Section 1. The Company shall pay its employees on a bi-weekly basis. Employees shall have the option to have direct deposit of their checks or to have their checks mailed directly to the residence or mailed to be in the hands of the supervisors for delivery by them to the employees on the mornings of alternate Friday pay days. Whenever a regular pay day falls on a recognized holiday, the Company shall endeavor to have the checks to the employees as elected above on the workday preceding the holiday.

Section 2. Employees' pay shall be made available at the work station closest to them during regular office hours or mailed directly to their residence. However, employees whose hours begin and end at other than regular office hours of the Company shall be paid at their job site. Employees who live and work at locations distant from their work stations shall have their

pay checks mailed to them.

Section 3. There shall be a two week lag for the payment of exception pay by the Company. At the time the exception pay is paid, the Company will provide information to the employee identifying the period of time for which the employee is being paid exception pay.

ARTICLE XVII Lunch Period

Section 1. Each employee shall be entitled to a lunch period after the employee has been on duty for four hours. The length of time for said lunch period shall be reasonable and shall be fixed by agreement between the Worker's Committee and the Company, or a representative thereof.

Section 2. Whenever continuous overtime work of two hours or more is required and at intervals of four hours subsequent thereto, the Company shall, for each and every occurrence, furnish the employee a meal at its own expense and afford the employee an opportunity of eating same, or in lieu thereof such employee shall be paid \$16.00 for each occurrence.

Section 3. Whenever a call-out involves continuous work of five (5) or more hours, the Company shall, after four (4) hours, furnish the employee a meal at its expense and afford the employee an opportunity of eating same, or in lieu thereof such employee shall be paid \$16.00. The foregoing requirement shall not apply in the case of an employee who is called out to perform a scheduled shift.

ARTICLE XVIII Schedule of Hours

Section 1. Time and one-half shall be paid for all overtime in excess of eight hours on any work day, and for all overtime in excess of forty hours in any one work week: Provided, that no employee shall be paid both daily and weekly overtime on account of the same hours of overtime worked: Provided, further, that an employee shall not be laid off in order to avoid overtime

payments.

Section 2. All work performed on Sunday by other than shift workers shall be paid for at the rate of double-time the employee's regular rate: Provided, however, that such premium payments for Sunday work shall be credited against any weekly overtime which may accrue.

Section 3. When an off-duty employee is called out to work outside of his regular hours, he shall receive:

(a) overtime pay at the time and one-half rate for the hours actually worked on the call-out; plus

(b) a call-out allowance at the straight-time rate for the difference between the hours actually worked and four hours.

If a call-out involves four or more hours of work, the call-out allowance shall not be payable, inasmuch as all hours are at the overtime rate: Provided, that for the purpose of determining call-out pay, the period of any call-out shall not extend past the commencement of the affected employee's next regular work period.

Section 4. When an employee reports for work as scheduled or as requested under other circumstances than those covered by Section 3 of this Article, he shall receive the greater of (a) his appropriate rate for the hours worked or (b) four hours' pay at straight-time: Provided, that such reporting pay shall not be payable if four hours prior to the time for reporting, the employee is notified by the Company not to report. If as much as five hours' work is done, he shall be compensated for a full day's work at straight-time.

Section 5. Each employee shall be given at least one week's prior notice of any change in his regular day off or any change in his scheduled shift. Upon failure of the Company to give such notice, such employee shall receive premium pay at the rate of time and one-half his regular rate for the first eight hours worked on his first previously scheduled day off, or on his changed shift: Provided, that an employee shall not receive any premium pay under this Section when such

employee's own schedule is changed:

- (a) at his request,
- (b) as the result of his filling a job under the posting procedure, or
- (c) as a result of his placement because of his physical disability.

Section 6. Any employee who works a double shift at the request of the Company shall receive premium pay at the rate of time and one-half his regular rate for the second shift: Provided, however, That any such premium pay shall be credited against any daily or weekly overtime which may have accrued.

Section 7. Overtime at the rate of time and one-half shall be paid for hours worked in excess of eight in the case of continuous work, even though two different work days are involved. In addition, whenever an employee is required to work more than sixteen (16) consecutive hours, he shall be paid for all consecutive hours worked in excess of sixteen (16) at two (2) times his straight-time rate until released from duty by the Company: Provided, however, that any such premium pay shall be credited against any daily or weekly overtime which may have accrued.

Section 8. When a call-out or prescheduled overtime is required, it shall be apportioned as reasonably practicable among qualified employees, who are either permanently or temporarily assigned to the work location. Consideration will then be given to the available employee in the classification that normally performs the work including those temporarily assigned employees who have been assigned or upgraded into a "fill-in" position for normal operations for 30 or more consecutive work days. A record of the overtime hours worked by each employee will be posted monthly by Columbia Gas Transmission Corporation, Columbia Gas of Kentucky, Inc., and by Columbia Gas of Ohio, Inc. If an employee is excused from an overtime assignment which he has been requested to perform, his overtime record shall be charged with the same number of hours as that of the employee who actually performed the overtime work.

When continuous overtime is required by the Company, the employee(s) who is working on

the job will be allowed to work the overtime. The Company will not be required to pay for time not worked under this section; however, the Company will endeavor to equalize the overtime as reasonably as practicable.

Section 9. Whenever an employee has worked continuously in excess of sixteen (16) hours and has been released from duty by the Company, he shall be entitled to an eight (8) hour rest period before he returns to work. If the rest period extends into the employee's regular scheduled shift, he shall be excused with pay at his straight-time rate for that part of his regular scheduled shift necessary to make up the eight (8) hour rest period. In the event that an employee is required by the Company to work during such rest period, he shall receive straight-time pay for the hours worked in addition to his rest period pay.

Section 10. Paid vacation time, jury duty, short term disability, and military leave shall be considered as time worked for the purpose of computing overtime.

ARTICLE XIX Classifications

Section 1. An employee entering a classification shall receive the rate of pay shown in Addendum A. An employee required to work temporarily in a lower job classification shall, nevertheless, receive his achieved classified rate set forth in Addendum A. Further, an employee permanently reclassified to, or required to work temporarily in another job in the same job grade, shall retain his achieved classified rate set forth in Addendum A.

Section 2. Except as provided in the following paragraphs in this section, an employee required to work temporarily in a higher job classification shall receive the Replacement Rate therefore set forth in Addendum A.

An employee who has attained a higher regular job classification and who was demoted shall receive the highest rate which he had attained whenever he is required to work in such higher job classification.

An employee who works temporarily in a higher job classification shall receive credit toward the higher rates for all hours worked in such higher job classification. When an employee has amassed 1,040 work hours in such capacity, he shall thereafter receive the Six-Month Rate for work in the higher classification. When he has amassed an additional 1,040 work hours in such capacity, he shall receive the Twelve-Month Rate for work in the higher classification. An employee who has attained a higher regular job classification, and who was demoted, shall have the number of actual work hours in such higher regular job classification credited toward the aggregate 1,040 work hour periods set out in this paragraph.

Notwithstanding the preceding provisions, when upgrading is used to fill a position on a daily basis for a period of 130 work days in any calendar year, and, if the Company thereafter determines a permanent vacancy exists, this vacancy will be posted in accordance with provisions of Article XXV hereof.

Section 3. An employee is considered to be promoted when he is permanently reclassified to a job in a higher job grade. At the same time, except as provided in the following paragraphs of this section, his rate shall be increased to the Beginning Rate set forth in Addendum A, and in due course to the Six-Month Rate and to the Twelve-Month Rate.

An employee who has attained such regular job classification, and who was demoted, shall receive the highest rate which he had attained when he is again promoted to that classification.

In addition, the proper rate for an employee who has been promoted will be determined as follows:

(a) Employees who have amassed 173 or more hours in the classification to which they were promoted will be credited with the number of actual work hours achieved under Section 2 of this Article toward the Six-Month Rate.

Employees who have amassed 1,213 or more hours in such classification to which they were promoted, will be credited with the number of actual work hours achieved under

Section 2 of the Article toward the Twelve-Month Rate.

Those eligible employees will continue to receive credit in such classification for hours worked (exclusive of overtime) toward either the Six-Month or Twelve-Month Rate, whichever is applicable. However, once such employee achieves the Six-Month Rate, his rate shall then be increased, in due course, to the Twelve-Month Rate in a six month period as provided in the first paragraph of this section.

(b) Employees who have not amassed at least the 173 hours, as specified in (a) above, will be paid at the beginning rate and such employee will achieve the Six-Month and Twelve - Month Rates in due course on a monthly basis in accordance with the first paragraph of this section.

Section 4. An employee is considered to be demoted when he is permanently reclassified to a job in a lower job grade. At the same time, his wage shall be reduced to the Twelve-Month Rate set forth in Addendum A for such lower job.

Section 5. A Regular employee who is furloughed for lack of work and who is offered temporary reemployment by the Company shall be entitled to receive his regular classified rate of pay while performing temporary work during the period of his furlough, even though he is employed on work of a lower classified rate of pay.

For the purpose of this Section 5, a furloughed employee shall be construed to mean one laid off for lack of work, but whom the Company intends to recall upon the resumption of operations at his regular place of employment.

ARTICLE XX Wearing Apparel

Section 1. In conformity with the present practice of the Company, employees required to work under extreme weather conditions shall, if possible, be furnished with rain coats and rubber boots, which shall remain the property of the Company. Upon failure of any employee to return

such apparel, he shall be charged for same, and said charge may be deducted from any sum due such employee by the Company: Provided, however, that where the Company requires its employees to wear a particular kind of apparel, the Company agrees to furnish same in the first instance, the cost of replacement, however, to be borne 75% by the Company and 25% by the employee.

Section 2. The Distribution Company agrees to furnish the first two (2) pairs of coveralls or the option of one (1) pair of coveralls and one (1) two-piece set of work clothing (Carhartt) and the first two (2) T-shirts to outside Distribution Plant employees, excluding employees who are required to wear a uniform. Distribution employees may substitute a one-piece set of work clothing (Carhartt) for the aforementioned two-piece set of work clothing (Carhartt).

Section 3. Such clothing will be provided on the following basis: (a) The Distribution Company will provide the first two (2) pairs of coveralls or one (1) pair of coveralls and one (1) two-piece set of work clothing and the first two (2) T-shirts (unless previously provided to an employee under prior agreements) without cost; (b) The cost of replacing such clothing when necessary will be borne 75% by the Distribution Company and 25% by the employee; (c) The employee will, at his own expense, keep such clothing clean and in good repair.

Section 4. In lieu of the Wearing Apparel Items above, Columbia Gas Transmission employees will be paid a clothing allowance of \$250 annually during the month of December to eligible employees. In addition, up to \$135 reimbursement of boots will be provided on an annual basis or as needed at supervisor's discretion.

ARTICLE XXI

Holidays

Holidays shall be:

- New Year's Day
- Memorial Day (last Monday in May)
- Independence Day
- Labor Day
- Thanksgiving
- The Day After Thanksgiving

Christmas
Five (5) Personal (Floating) Days*

*Only the Personal (Floating) Days may be taken in increments of four hours.

In order that the service of the Company may be adequately and properly maintained, the Personal (Floating) Days are established with the understanding that the Company reserves the right to fix the time at which the Holidays may be taken, but will endeavor to arrange the day, if possible, at a time desired by the employee. Employees will not be entitled to the Personal (Floating) Days unless they have become classified as a "Regular" employee, as provided in Article II, Section 3(b) of this Agreement by November 1 in the year of hire.

If any of the above holidays fall on Sunday, the following Monday shall be observed as the holiday, except when such Sunday falls on a regularly scheduled work day of an employee; and if any of the above holidays fall on Saturday, the preceding Friday shall be observed as the holiday, except when such Saturday falls on a regularly scheduled work day of an employee. Employees required to work on any of the above holidays shall be compensated for hours worked at the rate of two and one-half times their regular rate of pay for the first eight hours worked, and at the rate of time and one-half their regular rate of pay for any hours in excess of the first eight hours worked. Regular employees not working on any of the above holidays shall receive eight hours' pay at their regular rate; and further, if any observed holiday falls on one of their regularly scheduled work days, such holiday shall be considered as time worked for the purpose of computing overtime.

ARTICLE XXII

Jury Duty

In the event a Regular employee is called for jury service, said employee shall request time off from his supervisor. The Company will pay the employee his regular base pay while serving such duty.

Shift workers who are selected to serve on a jury (Federal or State), and are scheduled to

work an evening or morning shift, may request a schedule change as provided by Article XVIII, Section 5. The Company will endeavor to accommodate the employee's request as reasonably as practicable.

ARTICLE XXIII Travel and Expenses

Section 1. An employee temporarily assigned from his home work station to another work station for a specific project anticipated to require one or more days of work, or for a specified length of time of one or more days, shall be (a) allowed to travel from his residence on Company time when first reporting to work at the temporary work station and when returning to his residence when the Company decides that his services at the temporary station are no longer required; (b) afforded the opportunity to travel to his residence and back to his temporary station every other weekend on Company time; (c) when the nearest suitable temporary lodging is more than ten miles away from the temporary work station, allowed to travel on Company time for the distance over ten miles both in reporting to the temporary station each morning and in returning to the place of temporary lodging each night; and (d) reimbursed for his reasonable and actual cost of temporary lodging and meals while away from home and lawful travel expenses and other reasonable and actual expenses incurred while away from home: Provided, that in lieu of the foregoing travel time allowances and expense reimbursements, the Company will reimburse the employee for the actual cost of his mid-day meal and his actual daily travel expenses between his residence and the temporary station and back if the distance between his residence and the temporary station is reasonably close, and if such alternative does not impair or disrupt the work continuity, or create added expense, or adversely affect the employee's performance of his temporary assignment. An employee in a daily travel situation under the "proviso" portion of Section 1, under normal driving conditions, will travel the first thirty (30) minutes going to and returning from the temporary assignment each day on his own time. Any travel time required

beyond thirty (30) minutes will be considered as time worked.

Section 2. For the purpose of CKY/COH an employee assigned to work outside the jurisdictional area of his home work station at the time of his mid-day meal will be eligible for lunch money allowance of \$5.30.

Section 3. For the purpose of mid-day meals at TCO an employee assigned to work outside the jurisdictional area of his home work station at the time of his mid-day meal will be eligible for a lunch money allowance of \$6.00. The respective Operations Manager's area of responsibility is defined as the jurisdictional area.

Section 4. During the term of this Agreement, the personal vehicle mileage reimbursement rate shall be the Internal Revenue Service rate applicable to that period.

ARTICLE XXIV Benefit Plans

The Company agrees to continue during the life of this agreement, the current Retirement Income Plan (through 12/31/2012), the Account Balance Pension Plan, Long Term Disability, Group Life Insurance and PPO Medical Plan, unless modified by mutual agreement between the Company and the Union. The Company reserves the right to change plan administrators and vendors, eliminate any other medical plans, and modify savings plan options, and modify plans to be compliant with all government regulations.

ARTICLE XXV Job Posting and Bidding

Section 1. When a permanent vacancy which is to be filled occurs within any of the job classifications set out in Addendum A, except Utility or Janitor, the Company will post notice thereof, including the intended date the vacancy is to be filled, in the particular basic seniority unit involved (as set forth by Article VII, Section 3(c)(1)) for a period of not less than ten (10) days prior to the time such vacancy is to be filled, during which time any eligible employee in such basic

seniority unit may apply therefor; provided, however, that if any employee accepts a job that does not involve a change in his job classification, he shall be ineligible to exercise his rights to apply for another job that does not involve a change in his job classification for a period of twelve months following the effective date of job acceptance (provided further that an employee may exercise his rights to apply for another job that does not involve a change in his job classification if his work location is closed). In the event a permanent vacancy which is to be filled occurs within either the Utility or Janitor job classifications, the Company shall forthwith proceed to consider those employees within the same basic seniority unit who had applicable Requests for Transfer on file at the time the vacancy occurred. Any such vacancy will be filled in accordance with the terms of this Agreement, and the Company will post the name of the employee awarded any such vacancy, within two weeks after the expiration of the ten-day posting period, at all such work locations within the same basic seniority unit.

Section 2. In the case of a permanent vacancy posted under Section 1 of this Article but not filled by a bidder and in the case of a permanent vacancy within either the Utility or Janitor job classifications, the Company shall forthwith proceed to consider the following Regular employee groups in the order listed:

- (a) employees working elsewhere but with seniority rights in the basic seniority unit in which the permanent vacancy exists, who had applicable Requests for Transfer on file when the original vacancy was posted;
- (b) laid off employees who still retain their classifications as Regular employees under Article II, Section 3(c) hereof;
- (c) surplus employees;
- (d) pre-surplus employees;
- (e) furloughed employees; and
- (f) other employees who had applicable Requests for Transfer on file when the

original vacancy was posted.

Employees who have Requests for Transfer on file and refuse to accept an offered transfer shall be ineligible to exercise their rights to (a) and (f) above for a period of twelve (12) months following the effective date of the offered transfer.

Irrespective of the employee group from which the vacancy may be filled, such vacancy will be filled in accordance with the terms of this Agreement; and within twenty (20) days, the Company will notify the Union and the involved employees of the results of such review: Provided, that nothing in this Article or other Articles of this Agreement shall be construed as requiring the Company to offer to the involved employees the same job classification under this Section 2 that was not filled by posting under Section 1.

Section 3. In the case of a permanent vacancy posted under Section 1 but not filled under preceding sections of this Article, before filling said permanent vacancy with a person who is not a Regular employee, as defined in Section 3 of Article II of this Agreement, the Company shall post notice of said permanent vacancy at all other work locations within the bargaining unit which is covered by this Agreement.

Such posting shall be for a period of not less than ten (10) days, during which time any eligible employee (except those in the basic seniority unit involved) may apply therefor.

Any such vacancy will be filled in accordance with the terms of this Agreement; and the Company will post the name of the employee awarded any such vacancy, within two weeks after the expiration of the ten-day posting period, at all such work locations: Provided, that nothing in this Article or other Articles of this Agreement shall be construed as requiring the Company to post the same job classification under Section 3 that was not filled under the preceding Sections of this Article.

Section 4. The Union and the Company, being appreciative of the fact that the prompt

filling of vacancies is to their mutual advantage, agree that if the filling of a vacancy by the Job Posting and Bidding Procedure results in one or more additional, permanent vacancies (secondary vacancies) to be filled, the Company will endeavor to post such secondary vacancies at the time of the posting of the primary vacancy. The Company will process the filling of all vacancies with all reasonable dispatch.

Section 5. Newly hired employees shall be ineligible to bid on or transfer to another job for a period of twelve (12) months following the effective day of job acceptance, except where such bid would involve a promotion to a higher job classification. Nothing in this Section 5 shall be construed as limiting the Company's right to transfer or to reassign employees.

ARTICLE XXVI
Worker's Committee

Section 1. The Union shall elect not more than eight (8) members from Local 372 (to consist of at least one employee of Columbia Gas Transmission Corporation, one employee of Columbia Gas of Kentucky, Inc., and one employee of Columbia Gas of Ohio, Inc.) and six (6) members from Local 628 to represent it in negotiations with the Company, those representatives to be the group herein referred to as the "Worker's Committee."

The foregoing shall have no effect upon the number of Worker's Committee members authorized under Article XXVII to participate in the Grievance Procedure, except that at least one of the authorized Committee members so participating shall be an employee of the particular company involved in the grievance or controversy.

Section 2. The Committee above mentioned shall be selected from among and by the employees subject to this Agreement; and in order to be eligible for membership on such Committee, an employee must be a Regular employee of one of the Companies party to this Agreement, a member of the Union, and an American citizen.

Section 3. It is agreed that the Union will furnish the Company with a certified list of the

members of said Committee and advise the Company, in writing, of any changes made therein from time to time, and only such members as have been duly certified by the Union shall be entitled to attend the meetings of said Committee and shall suffer no loss of pay therefor.

ARTICLE XXVII Grievances

Section 1. Any employee may discuss with his immediate supervisor any complaint or other matter which he feels requires adjustment. The employee may be accompanied by his committeeman or his steward if he so desires.

Section 2. If a settlement is not obtained in Section 1 the employee or group of employees may seek redress as follows:

Step I. The aggrieved employee or group of employees shall present the grievance in writing, on forms to be supplied by the Company, to the appropriate immediate supervisor within thirty (30) calendar days after the occurrence giving rise to the grievance. The Distribution Area Manager or the appropriate Superintendent, as the case may be, and/or such other Company representative as he may designate shall within ten (10) days (excluding Saturday, Sunday and Holidays) investigate and meet with the aggrieved employee, or one member of a group of aggrieved employees, and not more than three (3) members of the Worker's Committee at a mutually agreed upon location. Within ten (10) days (excluding Saturday, Sunday and Holidays) after such meeting, the Company's decision shall be communicated in writing to the employee or employees concerned, the Worker's Committee, and the Secretary of the Local.

Step II. If results satisfactory to the employee or employees are not obtained in Step I, the case may then be submitted, in writing, within 30 days after the issuance of the Company's Step I answer for final determination by the Company to the designated Human Resources representative. The Company shall within thirty (30) days (excluding

Saturday, Sunday and Holidays) or by mutual agreement, meet with the aggrieved employee, or one member of a group of aggrieved employees, and not more than three (3) members of the Worker's Committee. Within ten (10) days (excluding Saturday, Sunday and Holidays) after such meeting , the Company will communicate its decision in writing to the Union.

Section 3. It is agreed that if a grievance is not referred or appealed to the next Step within the specified time limits, as set out in Steps I and II above, it shall be considered settled without prejudice. The Management agrees that it will meet with the Worker's Committee at such times as may be agreeable, and those members of the Committee who are caused to lose time from their regular schedules because of such meetings shall suffer no loss of pay.

ARTICLE XXVIII Arbitration

Section 1. If there arises any controversy between the employee or a group of employees and the Company, with respect to the interpretation of the provisions of this Agreement, or wherein there is alleged a violation of the terms of this Agreement, such controversy shall first be treated as an ordinary grievance and processed through the Steps, as provided for in Article XXVII.

An earnest effort shall be made by the Company and the Union to reach an amicable adjustment of all grievances.

Section 2. In the event an amicable adjustment of a grievance, as defined in Section 1 of this Article, cannot be reached by the grievance procedure as set out in Article XXVII of this Agreement, the matter shall be submitted to Arbitration as provided in Section 3 hereof, after notice is given in writing within thirty (30) days after the completion of the grievance procedure. Unless notice is given within thirty (30) days as set forth above, the grievance shall be considered settled without prejudice.

Section 3. (a) If any controversy or grievance arising under the terms of this Agreement cannot be adjusted and settled in the manner above provided, the same shall be promptly submitted to a Board of Arbitration, to be selected as follows: One to be chosen without delay by the Company and one to be chosen without delay by the Union. These two shall meet within ten (10) calendar days; and if they cannot reach agreement, the Union arbitrator shall, within thirty (30) calendar days, notify the Company arbitrator of the Union's desire to select a third member to complete the Board of Arbitration. In the event such notice is not timely given, the matter shall be considered to have been settled. If these two cannot reach an agreement as to the selection of a third member, the Federal Mediation and Conciliation Service or another arbitration service mutually agreed to by the Company and the Union shall appoint said third member to complete the Board of Arbitration. When the third member has been thus selected, the parties will attempt to provide him with a joint statement of the issue to be arbitrated. The Board of Arbitration shall limit its decision to the issue or issues thus submitted by the parties and shall have no authority to amend, add to, or subtract from this Agreement. The decision of such Board of Arbitration shall be rendered without delay, and the decision of the majority of said Board shall be final and binding on all parties involved in such grievance and shall conclusively determine the same.

(b) If an employee's case is at any stage decided in his favor, he will be put in the same financial position by the Company as if it had been originally so decided and his seniority shall not be affected.

(c) Any number of grievances may be presented at the same arbitration hearing or hearings so long as the latest of those selected for hearing was appealed to arbitration no more than sixty (60) days after the date first was appealed to arbitration.

ARTICLE XXIX

If any Court shall hold any part of this Agreement invalid, such decisions shall not invalidate

the entire Agreement.

ARTICLE XXX

This Agreement shall be effective from December 1, 2006, to the first day of December 2011, and, unless terminated at the end of that period by sixty (60) days' prior written notice from one party to the other, shall continue thereafter until terminated by either party on a sixty (60) days' written notice or amended by mutual consent.

ARTICLE XXXI

The United Steelworkers guarantees the Company performance of this Agreement by Local Unions Nos. 372 and 628 of the UNITED STEELWORKERS INTERNATIONAL UNION.

ARTICLE XXXII

All notices in connection with the operation of this Agreement shall be mailed to:

Director of Human Resources
Columbia Gas Transmission Corp.
P.O. Box 1273
Charleston, West Virginia 25325

Secretary-Treasurer
Local 372
P.O. Box 330
Prestonsburg, Kentucky 41653

Financial Secretary
Local 628
P.O. Box 6766
Charleston, WV 25362

United Steelworkers International Union
5 Gateway Center
Pittsburgh, PA 25111

Manager of Human Resources
Columbia Gas of Kentucky, Inc. and Columbia Gas of Ohio, Inc.
2001 Mercer Road
Lexington, KY 40511

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives, this ____ day of _____, 2007:

COLUMBIA GAS TRANSMISSION CORPORATION, COLUMBIA GAS OF KENTUCKY, INC. and COLUMBIA GAS OF OHIO, INC.

Lori Johnson
Manager Human Resources

Jovette Pino
Director Employee and Labor Relations

Teresa Smith
Director Human Resources

Dreama Whitmire
Sr. Human Resources Consultant

United Steel, Paper and Forestry, Rubber, Manufacturing,
Energy, Allied Industrial and Service Workers International
Union AFL-CIP-CLC

Leo W. Gerard, International President

James D. English, International Secretary-Treasurer

Thomas M. Conway, International Vice-President
(Administration)

Fred Redmond, International Vice-President
(Human Affairs)

Ernest R. Thompson, Director District 8

Emmanuel S. Mason, Assistant to the Director

John Knauff, Staff Representative.

Mike Chapman, President, Local 372

Charles V. Armstead, President, Local 628

For Local 372

Gary Kendrick

David Bailey

Bill Curtis

Brian Warden

Tim Logan

Jack L. Johnson

Tommy Smith

Sheena Byrd

For LOCAL 628

Mike Wood

Curtis Edelman

John Alan White

ADDENDUM A

COLUMBIA GAS TRANSMISSION CORPORATION

The Job Classifications and Rates of Pay listed in the following schedules apply for the respective periods set forth below:

SCHEDULE 1

March 1, 2007 Rates

Descr	Beginning	6 month	Max
A&E Mechanic A	26.5047	26.8614	27.1721
A&E Mechanic B	25.3337	25.6966	25.9543
Assistant Operator B	23.5420	23.6530	23.9518
Auto Mechanic	24.2446	24.5022	24.8301
Auto/Heavy Equipment Mechanic	25.3337	25.6966	25.9543
Bailing Machine Helper	22.1134	22.3124	22.4468
Bailing Machine Operator	23.5420	23.6530	23.9518
Building Facillties Electricia	26.5047	26.8614	27.1721
Carpenter	23.5420	23.6530	23.9518
Chief Auto Mechanic	26.5047	26.8614	27.1721
Cleaning Out Helper	22.7457	22.8394	23.0853
Communications Repairman A	25.3337	25.6966	25.9543
Communications Repairman B	23.5420	23.6530	23.9518
Dis Instmt Mechanic A	25.3337	25.6966	25.9543
Dist Instmt Mechanic AA	26.5047	26.8614	27.1721
Dist Instmt Mechanic B	23.5420	23.6530	23.9518
Dist Instmt Mechanic C	22.7457	22.8394	23.0853
Electrician B	25.3337	25.6966	25.9543
Groundskeeper	22.1134	22.3124	22.4468
Heavy Equipment Operator	25.5840	25.9470	26.2046
Inspector - Aerial	23.5420	23.6530	23.9518
Inspector A	23.5420	23.6530	23.9518
Instrument Mechanic A	25.3337	25.6966	25.9543
Instrument Mechanic B	22.7457	22.8394	23.0853
Janitor Night*	19.7127	19.8415	19.9352
Janitor Night**	20.6612	20.7666	20.9423
Lead Janitor Night	21.5161	21.6683	21.8791
Machinist	26.5047	26.8614	27.1721
Maintenance Mechanic	26.5047	26.8614	27.1721
Operating/Maint Man HDQ	25.3337	25.6966	25.9543
Operating/Maint Trainee	22.1134	22.3124	22.4468
Operating/Mntmn-Operating Cntr	24.2446	24.5022	24.8301
Operator A	26.5047	26.8614	27.1721
Operator B	25.3337	25.6966	25.9543
Pipeliner	23.3188	23.5178	23.7493
Pipeliner A	24.2446	24.5022	24.8301
Pumper	23.5420	23.6530	23.9518

Repairman	23.8928	24.0038	24.3025
Roustabout B	22.1134	22.3124	22.4468
Truck Driver	22.7457	22.8394	23.0853
Truck Driver Heavy	24.2446	24.5022	24.8301
Utility A***	21.0593	21.1882	21.3989
Utility A****	17.1688	17.2976	17.5083
Utility B***	19.7127	19.8415	19.9352
Utility B****	16.1438	16.2726	16.3663
Warehouseman	22.7457	22.8394	23.0853
Warehouseman A	23.5420	23.6530	23.9518
Welder A	24.2446	24.5022	24.8301
Welder AA	25.3337	25.6966	25.9543
Welder AAA	26.5047	26.8614	27.1721
Welder B	23.5420	23.653	23.9518
Welder Trainee	22.1134	22.3124	22.4468
Well Tender	22.7457	22.8394	23.0853

* Rates of Janitor on or after 12/1/84

**Rates of Janitor before 12/1/84

*** Rates of UB & UA hired prior to 3/1/07

**** Rates of UB & UA hired after 3/1/07

SCHEDULE 2

December 1, 2007 Rates

6

Descr	Beginning	month	Max
A&E Mechanic A	27.4028	27.7702	28.0903
A&E Mechanic B	26.1967	26.5705	26.8359
Assistant Operator B	24.3513	24.4656	24.7734
Auto Mechanic	24.9719	25.2373	25.5750
Auto/Heavy Equipment Mechanic	26.0937	26.4675	26.7329
Bailing Machine Helper	22.7768	22.9818	23.1202
Bailing Machine Operator	24.2483	24.3626	24.6704
Building Facillties Electricia	27.4028	27.7702	28.0903
Carpenter	24.2483	24.3626	24.6704
Chief Auto Mechanic	27.2998	27.6672	27.9873
Cleaning Out Helper	23.4281	23.5246	23.7779
Communications Repairman A	26.1967	26.5705	26.8359
Communications Repairman B	24.3513	24.4656	24.7734
Dis Instmt Mechanic A	26.1967	26.5705	26.8359
Dist Instmt Mechanic AA	27.4028	27.7702	28.0903
Dist Instmt Mechanic B	24.3513	24.4656	24.7734
Dist Instmt Mechanic C	23.5311	23.6276	23.8809
Electrician B	26.0937	26.4675	26.7329
Groundskeeper	22.8798	23.0848	23.2232
Heavy Equipment Operator	26.4545	26.8284	27.0937
Inspector - Aerial	24.2483	24.3626	24.6704
Inspector A	24.2483	24.3626	24.6704
Instrument Mechanic A	26.0937	26.4675	26.7329
Instrument Mechanic B	23.4281	23.5246	23.7779
Janitor Night*	20.3041	20.4367	20.5333
Janitor Night**	21.2810	21.3896	21.5706
Lead Janitor Night	22.1616	22.3183	22.5355
Machinist	27.2998	27.6672	27.9873
Maintenance Mechanic	27.4028	27.7702	28.0903
Operating/Maint Man HDQ	26.1967	26.5705	26.8359
Operating/Maint Trainee	22.7768	22.9818	23.1202
Operating/Mntmn-Operating Cntr	25.0749	25.3403	25.678
Operator A	27.4028	27.7702	28.0903
Operator B	26.1967	26.5705	26.8359
Pipeliner	24.1214	24.3263	24.5648
Pipeliner A	25.0749	25.3403	25.678
Pumper	24.3513	24.4656	24.7734
Repairman	24.7126	24.8269	25.1346
Roustabout B	22.8798	23.0848	23.2232
Truck Driver	23.4281	23.5246	23.7779
Truck Driver Heavy	25.0749	25.3403	25.678

Utility A***	21.6911	21.8238	22.0409
Utility A****	17.6839	17.8165	18.0335
Utility B***	20.3041	20.4367	20.5333
Utility B****	16.6281	16.7608	16.8573
Warehouseman	23.5311	23.6276	23.8809
Warehouseman A	24.2483	24.3626	24.6704
Welder A	25.0749	25.3403	25.678
Welder AA	26.1967	26.5705	26.8359
Welder AAA	27.4028	27.7702	28.0903
Welder B	24.3513	24.4656	24.7734
Welder Trainee	22.7768	22.9818	23.1202
Well Tender	23.4281	23.5246	23.7779

* Rates of Janitor on or after 12/1/84

**Rates of Janitor
before 12/1/84

*** Rates of UB & UA hired prior to 3/1/07

**** Rates of UB & UA hired after 3/1/07

SCHEDULE 3

December 1, 2008 Rates

Descr	6		
	Beginning	month	Max
A&E Mechanic A	28.3794	28.7578	29.0875
A&E Mechanic B	27.1371	27.5221	27.7955
Assistant Operator B	25.2363	25.3541	25.6711
Auto Mechanic	25.7211	25.9944	26.3423
Auto/Heavy Equipment Mechanic	26.8765	27.2615	27.5349
Bailing Machine Helper	23.4601	23.6713	23.8138
Bailing Machine Operator	24.9757	25.0935	25.4105
Building Facillties Electricia	28.3794	28.7578	29.0875
Carpenter	24.9757	25.0935	25.4105
Chief Auto Mechanic	28.1188	28.4972	28.8269
Cleaning Out Helper	24.1309	24.2303	24.4912
Communications Repairman A	27.1371	27.5221	27.7955
Communications Repairman B	25.2363	25.3541	25.6711
Dis Instmt Mechanic A	27.1371	27.5221	27.7955
Dist Instmt Mechanic AA	28.3794	28.7578	29.0875
Dist Instmt Mechanic B	25.2363	25.3541	25.6711
Dist Instmt Mechanic C	24.3915	24.4909	24.7518
Electrician B	26.8765	27.2615	27.5349
Groundskeeper	23.7207	23.9318	24.0744
Heavy Equipment Operator	27.4026	27.7878	28.0610
Inspector - Aerial	24.9757	25.0935	25.4105
Inspector A	24.9757	25.0935	25.4105
Instrument Mechanic A	26.8765	27.2615	27.5349
Instrument Mechanic B	24.1309	24.2303	24.4912
Janitor Night*	20.9132	21.0498	21.1493
Janitor Night**	21.9194	22.0313	22.2177
Lead Janitor Night	22.8264	22.9878	23.2116
Machinist	28.1188	28.4972	28.8269
Maintenance Mechanic	28.3794	28.7578	29.0875
Operating/Maint Man HDQ	27.1371	27.5221	27.7955
Operating/Maint Trainee	23.4601	23.6713	23.8138
Operating/Mntmn-Operating Cntr	25.9816	26.2550	26.6028
Operator A	28.3794	28.7578	29.0875
Operator B	27.1371	27.5221	27.7955
Pipelinier	24.9995	25.2106	25.4562
Pipelinier A	25.9816	26.2550	26.6028
Pumper	25.2363	25.3541	25.6711
Repairman	25.6085	25.7262	26.0431
Roustabout B	23.7207	23.9318	24.0744
Truck Driver	24.1309	24.2303	24.4912
Truck Driver Heavy	25.9816	26.2550	26.6028
Utility A***	22.3418	22.4785	22.7021

Utility A****	18.2144	18.3510	18.5745
Utility B***	20.9132	21.0498	21.1493
Utility B****	17.1269	17.2636	17.363
Warehouseman	24.3915	24.4909	24.7518
Warehouseman A	24.9757	25.0935	25.4105
Welder A	25.9816	26.2550	26.6028
Welder AA	27.1371	27.5221	27.7955
Welder AAA	28.3794	28.7578	29.0875
Welder B	25.2363	25.3541	25.6711
Welder Trainee	23.4601	23.6713	23.8138
Well Tender	24.1309	24.2303	24.4912

* Rates of Janitor on or after 12/1/84

**Rates of Janitor before 12/1/84

*** Rates of UB & UA hired prior to 3/1/07

**** Rates of UB & UA hired after 3/1/07

SCHEDULE 4

Descr	December 1, 2009 Rates		
	Beginning	month	Max
A&E Mechanic A	29.5279	29.9196	30.2608
A&E Mechanic B	28.2421	28.6406	28.9236
Assistant Operator B	26.2748	26.3967	26.7248
Auto Mechanic	26.6213	26.9042	27.2643
Auto/Heavy Equipment Mechanic	27.8172	28.2157	28.4986
Bailing Machine Helper	24.2812	24.4998	24.6473
Bailing Machine Operator	25.8498	25.9718	26.2999
Building Facilities Electricia	29.5279	29.9196	30.2608
Carpenter	25.8498	25.9718	26.2999
Chief Auto Mechanic	29.1030	29.4946	29.8358
Cleaning Out Helper	24.9755	25.0784	25.3484
Communications Repairman A	28.2421	28.6406	28.9236
Communications Repairman B	26.2748	26.3967	26.7248
Dis Instmt Mechanic A	28.2421	28.6406	28.9236
Dist Instmt Mechanic AA	29.5279	29.9196	30.2608
Dist Instmt Mechanic B	26.2748	26.3967	26.7248
Dist Instmt Mechanic C	25.4005	25.5033	25.7733
Electrician B	27.8172	28.2157	28.4986
Groundskeeper	24.7062	24.9247	25.0723
Heavy Equipment Operator	28.5169	28.9156	29.1984
Inspector - Aerial	25.8498	25.9718	26.2999
Inspector A	25.8498	25.9718	26.2999
Instrument Mechanic A	27.8172	28.2157	28.4986
Instrument Mechanic B	24.9755	25.0784	25.3484
Janitor Night*	21.6452	21.7865	21.8895
Janitor Night**	22.6866	22.8024	22.9953
Lead Janitor Night	23.6253	23.7924	24.0240
Machinist	29.1030	29.4946	29.8358
Maintenance Mechanic	29.5279	29.9196	30.2608
Operating/Maint Man HDQ	28.2421	28.6406	28.9236
Operating/Maint Trainee	24.2812	24.4998	24.6473
Operating/Mntmn-Operating Cntr	27.0462	27.3292	27.6891
Operator A	29.5279	29.9196	30.2608
Operator B	28.2421	28.6406	28.9236
Pipeliner	26.0297	26.2482	26.5024
Pipeliner A	27.0462	27.3292	27.6891
Pumper	26.2748	26.3967	26.7248
Repairman	26.6600	26.7819	27.1099
Roustabout B	24.7062	24.9247	25.0723
Truck Driver	24.9755	25.0784	25.3484
Truck Driver Heavy	27.0462	27.3292	27.6891
Utility A***	23.1238	23.2652	23.4967

Utility A****	18.8519	18.9933	19.2246
Utility B***	21.6452	21.7865	21.8895
Utility B****	17.7263	17.8678	17.9707
Warehouseman	25.4005	25.5033	25.7734
Warehouseman A	25.8498	25.9718	26.2999
Welder A	27.0462	27.3292	27.6891
Welder AA	28.2421	28.6406	28.9236
Welder AAA	29.5279	29.9196	30.2608
Welder B	26.2748	26.3967	26.7248
Welder Trainee	24.2812	24.4998	24.6473
Well Tender	24.9755	25.0784	25.3484

* Rates of Janitor on or after 12/1/84

**Rates of Janitor before 12/1/84

*** Rates of UB & UA hired prior to 3/1/07

**** Rates of UB & UA hired after 3/1/07

SCHEDULE 5

Descr	December 1, 2010 Rates		
	Beginning	6 month	Max
A&E Mechanic A	30.5682	30.9717	31.3231
A&E Mechanic B	29.2439	29.6543	29.9458
Assistant Operator B	27.2175	27.3431	27.6810
Auto Mechanic	27.4199	27.7113	28.0822
Auto/Heavy Equipment Mechanic	28.6517	29.0622	29.3536
Bailing Machine Helper	25.0096	25.2348	25.3867
Bailing Machine Operator	26.6253	26.7510	27.0889
Building Facillties Electricia	30.5682	30.9717	31.3231
Carpenter	26.6253	26.7510	27.0889
Chief Auto Mechanic	29.9761	30.3794	30.7309
Cleaning Out Helper	25.7248	25.8308	26.1089
Communications Repairman A	29.2439	29.6543	29.9458
Communications Repairman B	27.2175	27.3431	27.6810
Dis Instmt Mechanic A	29.2439	29.6543	29.9458
Dist Instmt Mechanic AA	30.5682	30.9717	31.3231
Dist Instmt Mechanic B	27.2175	27.3431	27.6810
Dist Instmt Mechanic C	26.3170	26.4229	26.7010
Electrician B	28.6517	29.0622	29.3536
Groundskeeper	25.6019	25.8269	25.9790
Heavy Equipment Operator	29.5269	29.9376	30.2289
Inspector - Aerial	26.6253	26.7510	27.0889
Inspector A	26.6253	26.7510	27.0889
Instrument Mechanic A	28.6517	29.0622	29.3536
Instrument Mechanic B	25.7248	25.8308	26.1089
Janitor Night*	22.2946	22.4401	22.5462
Janitor Night**	23.3672	23.4865	23.6852
Lead Janitor Night	24.3341	24.5062	24.7447
Machinist	29.9761	30.3794	30.7309
Maintenance Mechanic	30.5682	30.9717	31.3231
Operating/Maint Man HDQ	29.2439	29.6543	29.9458
Operating/Maint Trainee	25.0096	25.2348	25.3867
Operating/Mntmn-Operating Cntr	28.0121	28.3036	28.6743
Operator A	30.5682	30.9717	31.3231
Operator B	29.2439	29.6543	29.9458
Pipeliners	26.9651	27.1901	27.4520
Pipeliners A	28.0121	28.3036	28.6743
Pumper	27.2175	27.3431	27.6810
Repairman	27.6143	27.7399	28.0777
Roustabout B	25.6019	25.8269	25.9790
Truck Driver	25.7248	25.8308	26.1089
Truck Driver Heavy	28.0121	28.3036	28.6743
Utility A***	23.8175	23.9632	24.2016

Utility A****	19.4175	19.5631	19.8013
Utility B***	22.2946	22.4401	22.5462
Utility B****	18.2581	18.4038	18.5098
Warehouseman	26.3170	26.4229	26.7011
Warehouseman A	26.6253	26.7510	27.0889
Welder A	28.0121	28.3036	28.6743
Welder AA	29.2439	29.6543	29.9458
Welder AAA	30.5682	30.9717	31.3231
Welder B	27.2176	27.3431	27.6810
Welder Trainee	25.0096	25.2348	25.3867
Well Tender	25.7248	25.8308	26.1089

* Rates of Janitor on or after 12/1/84

**Rates of Janitor before 12/1/84

*** Rates of UB & UA hired prior to 3/1/07

**** Rates of UB & UA hired after 3/1/07

ADDENDUM A (continued)

COLUMBIA GAS OF KENTUCKY, INC. and COLUMBIA GAS OF OHIO, INC.
The following schedule of wages shall apply to the following classifications for the respective periods set forth below.

SCHEDULE 1

March 1, 2007 Rates

Descr	Beginning	6 Month	Max
Building Maint Oper	24.2446	24.5022	24.8301
Construct-Regulator Oper	25.3337	25.6966	25.9543
Customer Service A	24.2446	24.5022	24.8301
Customer Service B	23.5420	23.6474	23.9518
Customer Service Sr	26.5047	26.8442	27.1839
Dispatcher A	23.6942	23.7879	24.1041
Dispatcher B	22.7457	22.8394	23.0853
General Utility A	25.3337	25.6966	25.9543
General Utility B	23.5420	23.6474	23.9518
Heavy Equip Operator	24.2446	24.5022	24.8301
Inspector A	23.5420	23.6474	23.9518
Inspector B	22.7457	22.8394	23.0853
Measure Regulat Inspect A	25.4742	25.8255	26.0949
Measure Regulat Inspect B	23.5420	23.6474	23.9518
Measurement & Reg Tech II	26.5047	26.8442	27.1839
Meter Reader	19.8649	20.9423	22.0079
Meter Reader	22.7457	22.8394	23.0853
Meter Reader*	19.8649	20.9423	22.0079
Plant/Service Combination	25.2417	25.6096	25.8585
Regulation Tech II	26.5047	26.8442	27.1839
Regulator Inspector A	25.4039	25.7552	26.0245
Regulator Inspector AA	26.4228	26.7857	27.1019
Street Service A	24.1975	24.3381	24.6310
Street Service B	22.7457	22.8394	23.0853
Street Service C	22.1134	22.3124	22.4295
Truck Driver	22.7457	22.8394	23.0853
Truck Driver Heavy	23.5420	23.6474	23.9518
Utility Representative	22.1131	22.3124	22.4296
Warehouseman	22.7574	22.8510	23.0853
Welder A	24.2446	24.5022	24.8301
Welder AA	25.3337	25.6966	25.9543
Welder AAA	26.5047	26.8560	27.1839
Welder B	23.542	23.653	23.9518
Utility A***	21.0593	21.1882	21.3989
Utility A****	17.1688	17.2976	17.5083
Utility B***	19.7127	19.8415	19.9352
Utility B****	16.1438	16.2726	16.3663

* Rates to be paid to employees entering Meter Reader classification after 12/1/84

**Utility B is automatically promoted to Utility A upon completion of one year's service with the Company

*** Rates of UB & UA hired prior to 3/1/07 ****Rates of UB & UA hired after 3/1/07

SCHEDULE 2

December 1, 2007 Rates

Descr	Beginning	6 Month	Max
Building Maint Oper	25.0749	25.3403	25.6780
Construct-Regulator Oper	26.1967	26.5705	26.8359
Customer Service A	25.0749	25.3403	25.6780
Customer Service B	24.3513	24.4598	24.7734
Customer Service Sr	27.4028	27.7525	28.1024
Dispatcher A	24.5080	24.6045	24.9302
Dispatcher B	23.5311	23.6276	23.8809
General Utility A	26.1967	26.5705	26.8359
General Utility B	24.3513	24.4598	24.7734
Heavy Equip Operator	25.0749	25.3403	25.6780
Inspector A	24.3513	24.4598	24.7734
Inspector B	23.5311	23.6276	23.8809
Measure Regulat Inspect A	26.3414	26.7033	26.9807
Measure Regulat Inspect B	24.3513	24.4598	24.7734
Measurement & Reg Tech II	27.4028	27.7525	28.1024
Meter Reader	20.5638	21.6736	22.7711
Meter Reader	23.5311	23.6276	23.8809
Meter Reader*	20.5638	21.6736	22.7711
Plant/Service Combination	26.1020	26.4809	26.7373
Regulation Tech II	27.4028	27.7525	28.1024
Regulator Inspector A	26.2690	26.6309	26.9082
Regulator Inspector AA	27.3185	27.6923	28.0180
Street Service A	25.0264	25.1712	25.4729
Street Service B	23.5311	23.6276	23.8809
Street Service C	22.8798	23.0848	23.2054
Truck Driver	23.5311	23.6276	23.8809
Truck Driver Heavy	24.3513	24.4598	24.7734
Utility Representative	22.8795	23.0848	23.2055
Warehouseman	23.5431	23.6395	23.8809
Welder A	25.0749	25.3403	25.6780
Welder AA	26.1967	26.5705	26.8359
Welder AAA	27.4028	27.7647	28.1024
Welder B	24.3512	24.4656	24.7733
Utility A***	21.7941	21.9268	22.1439
Utility A****	17.7869	17.9195	18.1365
Utility B***	20.4071	20.5397	20.6363
Utility B****	16.7311	16.8638	16.9603

* Rates to be paid to employees entering Meter Reader classification after 12/1/84

**Utility B is automatically promoted to Utility A upon completion of one year's service with the Company

*** Rates of UB & UA hired prior to 3/1/07

**** Rates of UB & UA hired after 3/1/07

SCHEDULE 3

December 1, 2008 Rates

Descr	Beginning	6 Month	Max
Building Maint Oper	25.9816	26.2550	26.6028
Construct-Regulator Oper	27.1371	27.5221	27.7955
Customer Service A	25.9816	26.2550	26.6028
Customer Service B	25.2363	25.3481	25.6711
Customer Service Sr	28.3794	28.7396	29.1000
Dispatcher A	25.3977	25.4971	25.8326
Dispatcher B	24.3915	24.4909	24.7518
General Utility A	27.1371	27.5221	27.7955
General Utility B	25.2363	25.3481	25.6711
Heavy Equip Operator	25.9816	26.2550	26.6028
Inspector A	25.2363	25.3481	25.6711
Inspector B	24.3915	24.4909	24.7518
Measure Regulat Inspect A	27.2861	27.6589	27.9446
Measure Regulat Inspect B	25.2363	25.3481	25.6711
Measurement & Reg Tech II	28.3794	28.7396	29.1000
Meter Reader	21.3352	22.4783	23.6087
Meter Reader	24.3915	24.4909	24.7518
Meter Reader*	21.3352	22.4783	23.6087
Plant/Service Combination	27.0396	27.4298	27.6939
Regulation Tech II	28.3794	28.7396	29.1000
Regulator Inspector A	27.2116	27.5843	27.8699
Regulator Inspector AA	28.2926	28.6776	29.0130
Street Service A	25.9317	26.0808	26.3916
Street Service B	24.3915	24.4909	24.7518
Street Service C	23.7207	23.9318	24.0561
Truck Driver	24.3915	24.4909	24.7518
Truck Driver Heavy	25.2363	25.3481	25.6711
Utility Representative	23.7204	23.9318	24.0562
Warehouseman	24.4039	24.5032	24.7518
Welder A	25.9816	26.2550	26.6028
Welder AA	27.1371	27.5221	27.7955
Welder AAA	28.3794	28.7521	29.1000
Welder B	25.2362	25.3541	25.671
Utility A***	22.6024	22.7391	22.9627
Utility A****	18.475	18.6116	18.8351
Utility B***	21.1738	21.3104	21.4099
Utility B****	17.3875	17.5242	17.6236

* Rates to be paid to employees entering Meter Reader classification after 12/1/84

**Utility B is automatically promoted to Utility A upon completion of one year's service with the Company

*** Rates of UB & UA hired prior to 3/1/07

**** Rates of UB & UA hired after 3/1/07

SCHEDULE 4

December 1, 2009 Rates

Descr	Beginning	6 Month	Max
Building Maint Oper	27.0462	27.3292	27.6891
Construct-Regulator Oper	28.2421	28.6406	28.9236
Customer Service A	27.0462	27.3292	27.6891
Customer Service B	26.2748	26.3905	26.7248
Customer Service Sr	29.5279	29.9007	30.2738
Dispatcher A	26.4419	26.5447	26.8920
Dispatcher B	25.4005	25.5033	25.7734
General Utility A	28.2421	28.6406	28.9236
General Utility B	26.2748	26.3905	26.7248
Heavy Equip Operator	27.0462	27.3292	27.6891
Inspector A	26.2748	26.3905	26.7248
Inspector B	25.4005	25.5033	25.7734
Measure Regulat Inspect A	28.3964	28.7822	29.0779
Measure Regulat Inspect B	26.2748	26.3905	26.7248
Measurement & Reg Tech II	29.5279	29.9007	30.2738
Meter Reader	22.2372	23.4203	24.5903
Meter Reader	25.4005	25.5033	25.7734
Meter Reader*	22.2372	23.4203	24.5903
Plant/Service Combination	28.1412	28.5451	28.8184
Regulation Tech II	29.5279	29.9007	30.2738
Regulator Inspector A	28.3193	28.7050	29.0006
Regulator Inspector AA	29.4381	29.8366	30.1837
Street Service A	26.9946	27.1489	27.4706
Street Service B	25.4005	25.5033	25.7734
Street Service C	24.7062	24.9247	25.0533
Truck Driver	25.4005	25.5033	25.7734
Truck Driver Heavy	26.2748	26.3905	26.7248
Utility Representative	24.7059	24.9247	25.0534
Warehouseman	25.4133	25.5161	25.7734
Welder A	27.0462	27.3292	27.6891
Welder AA	28.2421	28.6406	28.9236
Welder AAA	29.5279	29.9137	30.2738
Welder B	26.2747	26.3967	26.7247
Utility A***	23.5487	23.6902	23.9216
Utility A****	19.2769	19.4183	19.6496
Utility B***	22.0701	22.2115	22.3145
Utility B****	18.1513	18.2928	18.3957

* Rates to be paid to employees entering Meter Reader classification after 12/1/84

**Utility B is automatically promoted to Utility A upon completion of one year's service with the Company

*** Rates of UB & UA hired prior to 3/1/07

**** Rates of UB & UA hired after 3/1/07

SCHEDULE 5

December 1, 2010 Rates

Descr	Beginning	6 Month	Max
Building Maint Oper	28.0121	28.3036	28.6743
Construct-Regulator Oper	29.2439	29.6543	29.9458
Customer Service A	28.0121	28.3036	28.6743
Customer Service B	27.2175	27.3367	27.6810
Customer Service Sr	30.5682	30.9522	31.3365
Dispatcher A	27.3897	27.4955	27.8533
Dispatcher B	26.3170	26.4229	26.7011
General Utility A	29.2439	29.6543	29.9458
General Utility B	27.2175	27.3367	27.6810
Heavy Equip Operator	28.0121	28.3036	28.6743
Inspector A	27.2175	27.3367	27.6810
Inspector B	26.3170	26.4229	26.7011
Measure Regulat Inspect A	29.4028	29.8002	30.1047
Measure Regulat Inspect B	27.2175	27.3367	27.6810
Measurement & Reg Tech II	30.5682	30.9522	31.3365
Meter Reader	23.0588	24.2774	25.4825
Meter Reader	26.3170	26.4229	26.7011
Meter Reader*	23.0588	24.2774	25.4825
Plant/Service Combination	29.1399	29.5560	29.8375
Regulation Tech II	30.5682	30.9522	31.3365
Regulator Inspector A	29.3234	29.7207	30.0251
Regulator Inspector AA	30.4757	30.8862	31.2437
Street Service A	27.9589	28.1179	28.4492
Street Service B	26.3170	26.4229	26.7011
Street Service C	25.6019	25.8269	25.9594
Truck Driver	26.3170	26.4229	26.7011
Truck Driver Heavy	27.2175	27.3367	27.6810
Utility Representative	25.6016	25.8269	25.9595
Warehouseman	26.3302	26.4361	26.7011
Welder A	28.0121	28.3036	28.6743
Welder AA	29.2439	29.6543	29.9458
Welder AAA	30.5682	30.9656	31.3365
Welder B	27.2174	27.3431	27.6809
Utility A***	24.4097	24.5554	24.7937
Utility A****	20.0097	20.1553	20.3936
Utility B***	22.8867	23.0323	23.1384
Utility B****	18.8503	18.9961	19.1021

* Rates to be paid to employees entering Meter Reader classification after 12/1/84

**Utility B is automatically promoted to Utility A upon completion of one year's service with the Company

*** Rates of UB & UA hired prior to 3/1/07

**** Rates of UB & UA hired after 3/1/07

ADDENDUM B

The term "shift" within the meaning of this Agreement applies to operations wherein there is a change of one set of employees, that is, one or more employees, for another in order to maintain operations on a continuous or nearly continuous basis for at least three (3) or more consecutive days. A shift worker is an employee assigned to a shift for the above-stated purpose.

The term "day shift" means that shift worked during the daytime, normally beginning at 8:00 A.M., and ending at 4:00 P.M. The term "evening shift" refers to the shift immediately following the day shift, normally beginning at 4:00 P.M., and ending at midnight. The term "morning shift" refers to the shift immediately preceding the day shift, normally beginning at midnight and ending at 8:00 A.M.

There shall be paid a shift premium of differential to shift workers working on shifts other than the day shift as follows:

Effective December 1, 2006:

Evening Shift	\$1.40 per hour
Morning Shift	\$1.65 per hour

Effective December 1, 2007:

Evening Shift	\$1.45 per hour
Morning Shift	\$1.70 per hour

Effective December 1, 2008

Evening Shift	\$1.50 per hour
Morning Shift	\$1.75 per hour

Effective December 1, 2009

Evening Shift	\$1.55 per hour
Morning Shift	\$1.80 per hour

Effective December 1, 2010

Evening Shift	\$1.60 per hour
Morning Shift	\$1.85 per hour

ADDENDUM C

Employees in a compressor station and an extraction plant shall receive 10¢ per hour over and above their classified rate of pay at any time while actively and actually engaged in cleaning fire-tube or water-tube steam boilers of the types certified in 1960 by the Company's insurance carrier.

When an employee is assigned to perform scuba diving duties, he shall be paid at the following rate:

Effective December 1, 1999	\$30.00 per hour
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These rates will not be applicable during periods of training and/or practice sessions.

When an employee operates a heavy-duty, rubber-tired, tractor-type mower on pipeline rights of way, said employee will receive the beginning rate to Pipeliner.

A Communication Repairman-B will receive the Communication Repairman-A's 12-month rate of pay while performing maintenance and repair work while on the tower.

ADDENDUM D

Non-Destructive Testing

Employees qualified to perform non-destructive testing procedures utilizing Magnaflux or Dye penetrant will be upgraded to 12-month rate Repairman when performing such duties.

Employees qualified to perform non-destructive testing procedures utilizing Ultrasonic will be upgraded to the 12-month rate of Operator B when performing such duties.

**COLUMBIA GAS TRANSMISSION CORPORATION
COLUMBIA GAS OF KENTUCKY, INC.
COLUMBIA GAS OF OHIO, INC.
AND
UNITED STEELWORKERS
INTERNATIONAL UNION LOCALS 372 AND 628**

LETTER OF AGREEMENT

It is understood that the following will be applicable during the term of the present labor agreement executed December 1, 2006. Upon expiration of said agreement, the following are terminated:

1. Requests for Transfer and Bargaining Unit Wide Job Postings

The Company agrees to send the Union copies of all Requests for Transfer and all bargaining unit wide notices on Job Posting and Bidding that apply to Local 372 and 628.

2. Censure Reports

As a policy, censure reports are reviewed periodically by each supervisor to determine if the censure is still applicable to its original intent. Those not pertinent are destroyed.

To assure each employee concerned that the above procedure is followed, the Company will, beginning January 1, 1995, request each supervisor to review all censures on file and destroy those no longer deemed relevant. Censures still deemed material will be reviewed annually and treated as stated above. Affected employees will be notified when their censure is destroyed.

3. Utility Classification Vacancy Notices

Although Article XXV (Job Posting and Bidding) of the Agreement does not require the posting of a permanent Utility vacancy, the Company will give notice of available Utility job vacancies within the Operating Area in which the vacancy exists to insure that all employees are aware of these openings and can make their interests known and are given equal opportunity for advancement.

4. The Arbitration Opinion and Award issued by Marlin M. Volz in Grievance No. 12-74 on June 7, 1977, will be controlling on the parties insofar as the proper interpretation of the requirements of Article XVIII, Section 8.

While reference must be made to the full Arbitration Opinion, including the Award, for purposes of adhering to the determination of Mr. Volz for future disputes under Article XVIII, Section 8, the parties agree to the following:

Employee will be afforded opportunity to work overtime equal to the hours and rate of pay

for which the employee was incorrectly deprived after the employee has selected three (3) dates within a one-week period for each eight (8) hours of remedial overtime.

5. Columbia Gas of Kentucky, Inc. and Columbia Gas of Ohio, Inc. - Meter Reader Reimbursement for Personal Mileage

Effective December 1, 1997, the Company agrees to the following method of reimbursement for Meter Readers who are required to use their personal cars on Company Meter Reading assignments:

- A. For assignments that begin one-half mile or less from the Meter Reading reporting location, no allowance will be paid.
- B. For assignments that begin over one-half mile from the reporting location, \$4.73, per day will be paid plus an allowance equal to the Internal Revenue Service rate applicable for the period for mileage in excess of 15 miles.

NOTE: Mileage will be determined on the basis of miles driven from the reporting point to the start of the Meter Reading assignment, and for one trip through the Meter Reading book back to the reporting point.

6. Utility Progressions

A. Columbia Gas Transmission Corporation

Those qualified employees having twenty-four (24) months of service in the Utility classification will be upgraded to the beginning rate of the Roustabout-B/Pipeliners B classification. Those eligible and qualified employees in the Pipeliners B classification will be upgraded to the beginning rate of the Pipeliners classification after 12 months.

B. Columbia Gas of Kentucky, Inc. and Columbia Gas of Ohio, Inc.

Those qualified employees having twenty-four (24) months of service in the Utility classification will be upgraded to the beginning rate of the Street Service-C classification. Those qualified employees having twenty-four (24) months of service in the Street Service-C classification will be upgraded to the beginning rate of the Street Service A classification.

NOTE: Those individuals in progression for Roustabout-B or Street Service-C classifications are not eligible to bid on any posted Roustabout-B or Street Service-C or B vacancy.

C. It is agreed for new hires after March 1, 2007, the progression will be as follows:

Utility B	12 Months
Utility A	12 Months
Roustabout B/Pipeliners B	12 Months
Street Service C	
Pipeliners	12 Months

In the future, in lieu of not having completed 24 months in the Utility classification, when transferring to a Utility position, employees will go to the beginning rate of

Roustabout B/Pipeliner B/Street Service C classification and will remain at the beginning rate until the 24 months of Utility Progression has been completed.

7. Notwithstanding the provisions of the Labor Agreement, it is understood by the parties to this Agreement that an employee in Columbia Gas Transmission Corporation, having twenty-four (24) months or more in the Utility progression will, when transferring to Columbia Gas of Kentucky, Inc., or Columbia Gas of Ohio, Inc., if qualified, progress to the minimum rate of Street Service-C in twelve (12) months.

8. Article XVIII, Section 2 - Sunday Premium for Shift Workers

Although Section 2 of Article XVIII does not require the payment of the Sunday Premium (double time) to shift workers, the Parties agree that the Sunday Premium would be applicable to shift workers under the following:

- A. Double time will now be paid to non-scheduled shift workers who are called out to work on Sunday. In addition to the Sunday Premium, the employees will also receive the applicable shift differential.
- B. A shift worker required to work a double shift on Sunday will be (1) paid his regular rate and the applicable shift differential while working his regularly scheduled shift, and (2) will be paid double time plus the applicable shift differential while working on the second shift on Sunday. [(2) modifies Section 6 of Article XVIII only to the extent of the rate of pay to be paid on the double shift on Sunday.]
- C. A shift worker scheduled to work on Sunday will receive his regular rate of pay and the applicable shift differential. To further clarify the Parties' interpretation of the above, if any employee's scheduled shift or his regular day off is changed any time prior to a Sunday, the Section 5 of Article XVIII is applicable and not Section 2, since the employee would have received prior notice and have been scheduled to work on that Sunday. If an employee's scheduled shift or his regular day off is changed on a Sunday, then the employee would receive the appropriate compensation from either Section 2 or from Section 5 of Article XVIII, whichever is the higher, but not both. Of course, any other condition or qualification contained in Sections 2 and 5 must be considered in determining the appropriate rate of compensation.

9. USW-COPE Checkoff

The Company agrees to deduct from the wages of those employees who are members of the Union and who voluntarily authorize such deductions on forms provided by the Union, the amount specified as the employees' contributions to the United Steelworkers INTERNATIONAL UNION Committee on Political Education Fund (USW-COPE).

The Company also agrees to transmit said payroll deductions immediately to the Financial Secretary of Local 628 or to the Secretary-Treasurer of Local 372, whichever is applicable, together with a list of the names of employees for whom the deductions have been made and the amount deducted for each such employee.

The amount and timing of such payroll deductions and the transmittal of such voluntary contributions shall be as specified in such forms and in conformance with any applicable state or federal statute.

The Union agrees to reimburse the Company for the full costs incurred in making the USW-COPE payroll deductions, which costs will be deducted from employee contributions before transmittal to the Secretary-Treasurer of Local 372 or to the Financial Secretary of Local 628.

The signing of such USW-COPE checkoff form and the making of such voluntary annual contributions are not conditions of membership in the Union or of employment with the Company.

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other form of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with any of the provisions of this Agreement.

10. Columbia Gas of Kentucky, Inc. and Columbia Gas of Ohio, Inc. - Service Work Training Requirement

All classifications that require Service Work (Customer Service B and General Utility A) in the job description for the classification will be required to successfully complete the Customer Service training program. One year following completion of the Customer Service training program the employee will be given a mandatory skills review qualification test. A grade of 80% must be achieved on the skills review qualification test to pass the qualification test.

In the event that an employee fails the required test, he will be given the opportunity to remain in his classification for an additional six (6) months, at which time he will be given another test.

If an employee fails the second test, then he will be placed in a job, if available, for which he is qualified and able to perform.

Employees that hold classifications that do not require Service Work in their job description but voluntarily accept Customer Service training when available, will be required to take a skills review qualification test one (1) year following completion of the Customer Service training. A grade of 80% must be achieved on the skills review qualification test to pass the qualification test.

In the event that an employee fails the required test, he will be given the opportunity to take a second test six (6) months following the date of the first test.

An employee that has voluntarily taken service training that fails the second test will no longer be qualified to perform service work.

An employee that has voluntarily taken service training that has successfully completed the training and has passed the skills review qualification will receive upgrade pay when applicable at the appropriate Customer Service A rate when performing service work.

CLASSIFICATIONS

Customer Service-B

This will be the entry level job for new Customer Service employees; the employees will be required to remain in this classification until they have successfully completed all the requirements of the Service Training Program and the mandatory skills review qualification test.

Current Customer Service-C employees with two (2) or more years of service may progress to the Customer Service-A classification by requesting and passing the test. If the current employees do not pass the test, or choose not to take the test, then they will remain Customer Service-B's for as long as they are in the Service Department or until they pass the test.

Customer Service-A

This classification provides for progression of an employee who has successfully completed the Customer Service Training program and passed the skills review qualification test. An employee serving in this classification for a period of five (5) years may then request to be tested for progression to the Customer Service Senior classification. This test is voluntary.

If an employee elects to take the test, and he fails, then he may not take the test for a period of one (1) year.

Current Customer Service-B employees with five (5) or more years of service may progress to the Customer Service-Senior classification by requesting and passing the test.

Customer Service-Senior

This classification provides for progression of Customer Service-A employees who have satisfactorily performed the duties of Customer Service-A for a period of five (5) years or more and who have passed the qualification requirements for progression to this classification.

GENERAL INFORMATION

1. The wage structure for the three (3) classifications remain the same as the current wage structure.
2. Current employees in the Service Department are "grandfathered." They will not be required to progress to the Customer Service-A classification or Customer Service-Senior classification. Additionally, should a current employee elect to take the qualification test and fail, he may remain in his classification. However, the applicable time periods mentioned with regard to retesting will be followed.
3. The guidelines below regarding the Service Department qualification tests for progression are to be followed in order to establish uniformity and consistency within the program. These guidelines have been developed in response to questions concerning present Service Department employees in the entry-level classifications, and new Service Department employees who may have had previous experience as Servicemen.

- A. Present Servicemen in the entry-level classifications who have seven or more years' experience in those classifications may request to take a qualification test for either the new Customer Service-A or Senior classification.
- (1) If the employee requests to take the test for Customer Service-Senior and he passes, then he will be classified as a Customer Service Senior.
 - (2) If the employee fails the Senior test, then he may take the test for Customer Service-A. If he passes the Customer Service-A test, then he will be classified as a Customer Service-A. He will then be required to complete five years of service within that classification before he may take the senior test.
 - (3) If the employee fails the A classification test, then he must wait six months before he can be retested. If he fails the test a second time, then he must wait one year before he will be retested.
- B. New Service Department employees who have two or more years' previous experience in the Service Department may request to take the test for progression to Customer Service-A only. If he passes the A test, then he will be classified as a Customer Service-A. He will then be required to complete five years of service within that classification before he may take the Senior test. If the employee fails the A classification test, then he must complete two years of service in the Customer Service-B classification before he can take the A test. At this point, the procedures outlined in the original program become effective.

8. Service Department job postings in the future will be as follows:

"Customer Service-B - Customer Service-A"

11. Columbia Gas of Kentucky, Inc. and Columbia Gas of Ohio, Inc., Work Schedules:

A. Flexible Work Hour Schedule

The Company will offer a limited number of four (4) ten hour work day schedules. These schedules will be Monday through Thursday or Tuesday through Friday schedules. During such a ten (10) hour schedule premium pay and shift differential, if applicable, will begin after ten (10) hours of work on a scheduled ten (10) hour day and for any time worked in excess of 40 hours in one week. If an employee is scheduled to work on any day of rest except for Sunday, he/she will be paid at the rate of time and one half. All work performed on Sunday shall be paid for at the rate of double time unless it is part of the employee's normal work schedule.

The four (4) ten (10) hour schedules will be offered on a voluntary basis and either party can opt out of this schedule with a two week notice to the opposite party. If there are more employees who volunteer for the four (4) ten (10) hour

schedules than available schedules, the Company will staff the schedules by work location on a qualified senior basis.

Sick Leave, Vacation, Personal Holidays

An employee who misses work due to illness, vacation or personal holiday, will be charged for all hours of scheduled work missed (i.e., ten (10) hours of short-term disability for one (1) ten (10) hour day of absence).

Company Holidays

If the holiday falls on a day off - Employee will be given a day off in lieu of the holiday during the same week the holiday occurs. Eight (8) hours will be charged to holiday. The employee can work two extra hours during that week, but such two hours will be at straight pay. The two extra hours to be determined by the Company, (or use personal holiday or vacation to make up the two hours or as an alternative, an employee may revert to a standard eight (8) hour day, for a five (5) consecutive day work week at any time with approval of his/her immediate supervisor).

If the holiday falls on a regularly scheduled day of work - Employee is charged with eight (8) hours of holiday and will make up the two hours needed during that work week at straight time pay. The two extra hours to be determined by the Company, (or use personal or vacation to make up the two hours, or as an alternative, an employee may revert to a standard eight (8) hour day, for a five (5) day work week at any time with approval of his/her immediate supervisor). If two holidays occur in any one week, the employee's regular work schedule will revert to a standard eight (8) hour day for a five (5) consecutive day work week.

Overtime/Meals

The employee working this shift must work in excess of 16 consecutive hours to qualify for double time pay. Employees working a ten (10) hour schedule will not be eligible for an overtime meal until after twelve (12) hours of work and at intervals of four hours subsequent thereto.

B. Shift Differential Payments

Notwithstanding the language in Addendum B relating to the definition of a shift worker, if the majority of a Columbia Gas of Kentucky or Columbia Gas of Ohio employee's regularly assigned eight (8) hour schedule is before 7:00 a.m. or after 5:00 p.m., then the employee will be paid the appropriate shift differential for their entire eight (8) hour schedule. If the majority of the regularly assigned eight (8) hour schedule occurs between 7:00 a.m. and 5:00 p.m., then the appropriate shift premium will only apply to hours worked before 7:00 a.m. or after 5:00 p.m.

The Company will not pay both shift differential and premium rates of pay, as determined by Article XVIII, to those employees whose regular eight (8) hour work schedule is between 7:00 a.m. and 5:00 p.m.

C. Sunday Work

This language applies to employees who are regularly scheduled to work on Sunday as part of their normal 40 hour work week. Such employees will be exempted from Article XVIII, Section 2 regarding double time for work performed

on Sunday (the same as shift workers who work on Sunday). However, if an employee is required to work on the sixth (6th) day in any seven (7) day period, he/she will be paid at the rate of time and one half. If an employee is required to work on the seventh (7th) day in any seven (7) day period, he/she will be paid at a rate of two times his/her regular rate, provided, however, that such premium payments shall be credited against any weekly overtime which may accrue.

12. Seniority - Article VII

In order to clarify the seniority status of an employee who (a) transfers from a work location not covered by the Agreement to a position covered by the Agreement or (b) was once in the bargaining unit and transfers out (for any reason) and then returns to a position covered by the Agreement will be treated as follows:

It is the position of the Union that all employees initially entering or re-entering the bargaining unit do so as a new employee and are subject to all the provisions of the Agreement, provided however, if an employee who is covered by the Agreement is declared "surplus" (see Article XXV, Section 2) and accepts a position with a Columbia company at a work location not covered by the Agreement, such employee will no longer accumulate, but will retain, the seniority he achieved while in the bargaining unit, IF the employee returns to a position covered by the Agreement on the first opportunity given to him. No regular employee shall be demoted when an employee returns to the bargaining unit under this provision.

13. Upgrading

In recognition of the Company's need to maintain efficient operations and achieve a diversified skilled workforce, when upgrading is required, within the Basic Seniority Unit, consideration will be given to the available qualified Senior employee at the work location involved.

It is understood that the above is not applicable to any other provisions of the Agreement.

14. Automatic Progressions

Individuals in the Automation & Electrical Mechanic-B (A&E) classification will progress to Automation & Electrical Mechanic-A classification upon becoming fully qualified to perform all the duties of the Automation & Electrical-A classification. The initial postings will be for Automation & Electrical Mechanic-B position and then a progression to the Automation & Electrical Mechanic A-position.

Individuals in the Welder classifications will progress to the next level in the Welder family upon successful completion of the appropriate Welder certification testing process.

Individuals in the District Instrument Mechanic (DIM) classification will progress to the next level in the DIM family upon becoming fully qualified to perform all the duties in the next level classification and met the minimum time requirements. The initial postings will be for the DIM-C position.

DIM C to DIM B minimum of 6 months, no more than 18 months

DIM B to DIM A minimum of 12 months
DIM A to DIM AA minimum of 6 months

The Company and the Union agree that on a one-time basis the employees presently in the DIM A classification can voluntarily elect to enter the DIM AA upon ratification of the agreement. The Company and the Union further agree that employees electing not to participate in the new progression may remain in their current classification. These employees will continue to have upgrade opportunities according to the terms set forth in the collective bargaining agreement.

For CKY/COH future Inspector jobs will be posted as Inspector B and will progress to beginning rate of Inspector A after 24 months. Employees not classified as Inspector will be upgraded to beginning rate of Inspector B classification (or paid at their current classification if the rate is higher than Inspector B) when performing leak inspection work.

15. DIM Training Program

- A. Interested employees will be selected based on results of a scored basic aptitude evaluation consisting of reading comprehension, high school level math and mechanical aptitude.
- B. Based upon the results of the initial evaluation, stated above in Step 1, senior qualified employees will be selected to attend and introductory school.
- C. DIM-C positions will be posted and filled with the senior qualified employees who receive successful evaluation upon completion of the introductory school.
- D. Employees selected to fill the DIM-C position will begin working with higher level DIM's and continue to undergo on the job training, formal classroom and/or self-study training.
- E. DIM-C will be expected to undergo evaluation of the DIM-B level at not less than six (6) months and not more than twelve (12) months. One re-evaluation at six (6) months from the date of the first evaluation will be offered to employees who were not successful on the first evaluation. At no time will anyone be allowed to stay in the "C" class longer than eighteen (18) months.
- F. Employees successfully completing the DIM-B level evaluation will be reclassified as DIM-B. An employee who is unsuccessful in completing the DIM-B level evaluation will be reclassified and reassigned as provided for in the labor agreement.
- G. DIM-B's will continue classroom and on the job training to prepare for qualification as DIM-A.
- H. DIM-A will continue classroom and on the job training to prepare for qualification as DIM-AA.

Evaluation at all levels may include written, oral, demonstrations and review of past performances.

16. Pagers

Issuance of pagers will be on a voluntary basis and the employee with the pager has an obligation to call back when the pager goes off. It is mutually understood by both parties that reasonable cooperation is expected.

Future situations should be resolved under this understanding.

17. Seasonal Work Hours

Seasonal work hours, during Daylight Savings Time, will continue on a voluntary basis by

each work location or region. Each work location or region will be offered the opportunity to decide by a two-thirds vote of that location or region whether to accept a Seasonal Work Hours schedule proposed by the Company.

18. Columbia Gas of Kentucky, Inc., Jurisdictional Areas

It is agreed that following ratification of the collective bargaining agreement, Article XXIII Travel and Expenses, "jurisdictional areas" shall be defined as:

Ashland Operating Area

East Point Operating Area

Winchester Operating Area (including the old Paris/Cynthiana Operating Areas and Richmond)

Maysville Operating Area

Lexington Operating Area (including Georgetown)

Frankfort Operating Area (including Versailles and Midway)

19. Columbia Gas Transmission, Inc., Construction Crew Seniority

Employees in the Construction Crew will only hold Basic Seniority Unit seniority either in the St. Albans Pipelines Basic Seniority Unit or in the Clendenin Pipelines Basic Seniority Unit. Any job posting for a position within the Construction Crew will first be posted in the St. Albans Pipelines and Clendenin Pipelines Basic Seniority Units as a Basic Seniority Unit posting. The job will be awarded on the basis of the criteria listed in Article VII, Section 3 except Company seniority, rather than Basic Seniority Unit seniority, will control. If there are no qualified bidders for such a posting, the position will be filled in accordance with the remaining provisions of Article XXV. In the event the position is awarded through a Request for Transfer or a Bargaining Unit wide posting, the successful candidate will enter the St. Albans Pipelines Basic Seniority Unit unless that candidate is coming from a position within the Clendenin Pipelines, Clendenin Compressor, Strasburg Pipelines or Strasburg Compressor Basic Seniority Units. In the event the position is awarded through a Request for Transfer or a Bargaining Unit wide posting to a candidate coming from the Clendenin Pipelines Basic Seniority Unit, that candidate will retain his Clendenin Pipelines Basic Seniority Unit seniority. In the event the position is awarded through a Request for Transfer or a Bargaining Unit wide posting to a candidate coming from the Strasburg Pipelines, Strasburg Compressor or Clendenin Compressor Basic Seniority Unit, that candidate will enter the Clendenin Pipelines Basic Seniority Unit.

20. Successorship

This Memorandum of Agreement is entered into between Columbia Gas Transmission Corporation, Columbia Gas of Kentucky, Inc., and Columbia Gas of Ohio, Inc. (hereinafter the "Company") and Paper, Allied-Industrial, Chemical & Energy Workers International Union Locals 372 and 628 (hereinafter the "Union"), this 21st day of September 2002, as a supplement to the Labor Agreement to define how affected members of the bargaining unit will be treated in the event there is a sale of the stock of the Company or a divestiture of substantially all of the assets of the Company.

Further, this Memorandum of Agreement sets forth the principles to establish a new and progressive relationship between the parties. The relationship will establish a positive partnership, embedded in trust, mutual respect, and a common interest in quality workmanship and superior customer service to our customers.

1. This Memorandum of Agreement applies in the event of (1) a sale of the Company's stock,

or (2) a merger, divestiture, sale, transfer, or swap of substantially all of the Company assets that results in the termination of the Company's employment of members of the bargaining unit (hereinafter, a "Covered Transaction").

2. This Memorandum of Agreement shall be binding upon the Company regardless of whether it changes its name, corporate identity, organization, legal status, or management.
3. The Company agrees to make assumption of the Labor Agreement and assumption of this Memorandum of Agreement a condition of any Covered Transaction, and shall provide the Union with copies of those documents that are necessary to demonstrate compliance with this Memorandum of Agreement. The Company agrees to provide the Union notice of a contemplated Covered Transaction a reasonable period of time prior to the closing of any such Covered Transaction.
4. Upon transfer of the assets pursuant to a Covered Transaction, the Company is relieved of obligations and liabilities under the Labor Agreement or otherwise to all affected bargaining unit employees who become employees of the Buyer.
5. During the term of the Labor Agreement, the Union will support and not oppose or in any way support or encourage opposition to the Company's position before regulatory or administrative agencies, in legislatures, or in court regarding any rate proceedings or any Covered Transaction announced, begun, or pending during the term of the Labor Agreement.
6. The Union will support the Company's efforts to obtain approval from any applicable regulatory agency for recovery of its stranded costs and will support the Company's position that the stranded costs it has identified as reasonable in the amount and fully recoverable from customers.
7. This Memorandum of Agreement will terminate on the termination date of the Labor Agreement.

APPROVED

FOR THE COMPANIES:

Jovette Pino

Lori Johnson

Teresa Smith

Dreama Whitmire

FOR THE UNION:

Mike Chapman

Charles V. Armstead

John Knauff

DATE: December 1, 2006

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