

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
Forecasted Period Ending December 31, 2024
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Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
SMRP Rider by Rate Schedule

<u>Line No.</u>	<u>Rate Schedule</u> (A)	<u>Allocation Percent</u> ⁽¹⁾ (B)	<u>Revenue Requirement</u> (C)	<u>Billing Determinant Volumes</u> ⁽²⁾ (D)	<u>Volumetric SMRP Rider</u> (E)	<u>Balancing Adjustment SMRP Rider</u> ^[4] (F)	<u>Total Volumetric SMRP Rider</u> (G)
1	Rate GSR, Rate SVGTS - Residential Service	64.419%	\$4,341,997	8,191,323.0	0.5301	0.00000	0.5301
2	Rate GSO, Rate GDS, Rate SVGTS - Com. or Ind.	27.859%	\$1,877,788	5,849,379.7	0.3210	0.00000	0.3210
3	Rate IUS, Rate IUDS	0.032%	\$2,154	10,713.6	0.2011	0.00000	0.2011
4	Rate IS, Rate DS ⁽³⁾ , Rate SAS	7.690%	\$518,344	8,829,909.5	0.0587	0.00000	0.0587
5	TOTAL	<u>100.000%</u>	<u>\$6,740,284</u>	<u>22,881,325.8</u>			

Notes:

⁽¹⁾ Allocation percent is based on the overall base revenue distribution approved in PSC Case No. 2021-00183

⁽²⁾ Billing Determinants based on projected 2024 volumes

⁽³⁾ Excluding customers subject to the Flex Provisions of Rate Schedule DS.

⁽⁴⁾ Balancing Adjustment will have no rate until BA filing in 2024.

Columbia Gas of Kentucky
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
SMRP Rider Billing Determinants by Rate Schedule - Estimated Billing Volumes
For the Twelve Months Ending December 31, 2024

<u>Rate Schedule</u>	<u>Total Mcf</u>
(A)	(B)
GSR /GTR - Residential	8,191,323.0
GSO/GTO/GDS - Commercial or Industrial	5,849,379.7
IUS, IUDES	10,713.6
IS, DS	8,829,909.5
Total	<u><u>22,881,325.8</u></u>

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
Forecasted SMRP Revenue Requirement For the Thirteen Months Ending December 31, 2024

<u>Line No.</u>	<u>SMRP Investment December 31, 2024</u> (A)	<u>Revenue Requirement Calculation</u> (B)	<u>Reference</u> (C)
1	Plant In Service	53,562,660	Form 3.0
2	Accumulated Depreciation	8,968,695	Form 4.0
3	Accumulated Deferred Income Tax	(6,381,676)	Form 6.0
4	Net Rate Base (Line 1 + Line 2 + Line 3)	56,149,679	Line 1 + Line 2 + Line 3
5	Rate of Return	8.48%	Form 2.1
6	Return on Rate Base	4,761,493	Line 4 * Line 5
7	Depreciation Expense	1,346,657	
8	Property Tax	618,653	
9	O&M Savings	-	
10	Subtotal Depreciation, Property Tax and O&M Savings	1,965,310	Line 7 + Line 8 + Line 9
11	Revenue Requirement Before PSC Assessment/Uncollectible	6,726,803	Line 6 + Line 10
12	PSC Assessment & Uncollectible Conversion Factor	1.002004	Form 2.2
13	Required Return on SMRP Related Investment	\$ 6,740,284	Line 11 * Line 12

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program
Cost of Capital

Line					
No.	Capital Structure	Ratio	Cost	Weighted	Pre-Tax @
	(A)	(B)	(C)	Cost	Effect tax of
				(D)	24.95%
					(E)
1	Short term Debt	3.11%	1.30%	0.04%	0.04%
2	Long term Debt	44.25%	4.37%	1.93%	1.93%
3	Equity	52.64%	9.275%	4.88%	6.51%
4	Total	100.00%		6.86%	8.48%

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program
Conversion Factor - PSC fees

<u>Line No.</u>	<u>DESCRIPTION</u>	<u>PERCENTAGE OF INCREMENTAL GROSS REVENUE</u>
1	OPERATING REVENUE	100.000000%
2	LESS: PSC FEES	<u>0.200000%</u>
3	NET REVENUES	99.800000%
4	GROSS REVENUE CONVERSION FACTOR	<u>1.002004</u>

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
2023 Plant In Service

	2022 December Cumulative	2023 January Actual	2023 February Actual	2023 March Actual	2023 April Actual	2023 May Actual	2023 June Actual	2023 July Actual	2023 August Actual	2023 September Estimate	2023 October Estimate	2023 November Estimate	2023 December Estimate	2023 Cumulative Total	2023 13 Month Average
Additions															
376 Mains	-	87,409	859,142	3,925,561	805,780	3,005,341	3,854,453	3,124,047	1,345,550	4,900,000	3,000,000	200,000	100,000	25,207,282	
378 Plant Regulators	-	-	162	-	-	404,837	10,173	30,585	(7,189)	87,789	140,657	217,804	246,175	1,130,992	
380 Service Lines	-	1,206,300	1,270,431	1,418,801	1,402,241	1,640,240	1,570,923	1,154,586	1,629,713	1,500,000	400,000	800,000	920,000	14,913,237	
382 Meter Installations	-	26,753	26,243	18,370	14,991	14,839	22,237	23,701	62,218	5,228	8,376	12,970	15,254	251,180	
383 House Regulators	-	18,412	11,752	17,540	3,370	5,712	20,823	3,311	9,622	6,160	9,870	15,284	17,976	139,833	
Total Monthly Additions	-	1,338,875	2,167,729	5,380,272	2,226,382	5,070,970	5,478,609	4,336,230	3,039,913	6,499,177	3,558,904	1,246,058	1,299,405		
Total Cumulative Additions	-	1,338,875	3,506,604	8,886,876	11,113,258	16,184,228	21,662,837	25,999,067	29,038,980	35,538,157	39,097,061	40,343,119	41,642,524	41,642,524	21,103,968
Retirements															
376 Mains	-	-	-	-	-	(14,491)	(207)	(64)	(207)	(183,847)	(153,918)	(68,408)	(34,204)	(455,346)	
378 Plant Regulators	-	(32,850)	(6,093)	(17,244)	(28,849)	(10,457)	(98,607)	(90,900)	(73,756)	(12,227)	(10,237)	(4,550)	(2,275)	(388,045)	
380 Service Lines	-	(332,500)	(139,754)	(230,237)	(226,669)	(350,302)	(430,001)	(277,095)	(202,458)	(295,678)	(247,544)	(110,019)	(55,010)	(2,897,267)	
382 Meter Installations	-	(489)	(1,575)	(2,046)	(5,647)	(3,453)	(3,706)	(5,252)	(9,322)	(2,751)	(2,303)	(1,024)	(512)	(38,080)	
383 House Regulators	-	(189)	(231)	(157)	(171)	(349)	(226)	(3,043)	(197)	(305)	(256)	(114)	(57)	(5,294)	
Total Monthly Retirements	-	(366,027)	(147,652)	(249,684)	(261,337)	(379,053)	(532,747)	(376,355)	(285,940)	(494,809)	(414,258)	(184,114)	(92,057)		
Total Cumulative Retirements	-	(366,027)	(513,679)	(763,363)	(1,024,700)	(1,403,752)	(1,936,499)	(2,312,854)	(2,598,794)	(3,093,603)	(3,507,861)	(3,691,975)	(3,784,032)	(3,784,032)	(1,922,857)
Total Plant In Service															
376 Mains	-	87,409	859,142	3,925,561	805,780	2,990,851	3,854,246	3,123,982	1,345,343	4,716,153	2,846,082	131,592	65,796	24,751,936	
378 Plant Regulators	-	(32,850)	(5,931)	(17,244)	(28,849)	394,380	(88,435)	(60,316)	(80,945)	75,561	130,420	213,254	243,900	742,947	
380 Service Lines	-	873,800	1,130,677	1,188,565	1,175,571	1,289,938	1,140,922	877,492	1,427,255	1,204,322	152,456	689,981	864,990	12,015,970	
382 Meter Installations	-	26,264	24,668	16,325	9,344	11,385	18,532	18,449	52,896	2,477	6,073	11,946	14,743	213,101	
383 House Regulators	-	18,224	11,521	17,383	3,199	5,364	20,597	268	9,425	5,855	9,615	15,170	17,919	134,539	
Total Plant In Service Monthly Activity	-	972,847	2,020,077	5,130,589	1,965,045	4,691,917	4,945,862	3,959,875	2,753,973	6,004,368	3,144,646	1,061,943	1,207,348		
Total Cumulative Plant In Service	-	972,847	2,992,925	8,123,513	10,088,559	14,780,476	19,726,337	23,686,213	26,440,186	32,444,554	35,589,201	36,651,144	37,858,492	37,858,492	19,181,111

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
2024 Plant In Service

	2023 December Cumulative	2024 January Estimate	2024 February Estimate	2024 March Estimate	2024 April Estimate	2024 May Estimate	2024 June Estimate	2024 July Estimate	2024 August Estimate	2024 September Estimate	2024 October Estimate	2024 November Estimate	2024 December Estimate	2024 Cumulative Total	2024 13 Month Average
Additions															
376 Mains	25,207,282	1,294,212	580,082	1,679,820	1,085,099	1,715,794	1,857,378	1,190,108	1,137,188	2,783,904	3,427,745	1,808,638	3,267,356	47,034,606	
378 Plant Regulators	1,130,992	42,392	62,102	130,248	99,194	372,549	14,631	265,825	17,291	57,076	39,487	75,804	146,303	2,453,895	
380 Service Lines	14,913,237	1,097,144	1,076,102	1,440,237	1,574,436	1,706,521	1,576,620	1,258,020	1,653,824	1,609,212	1,258,222	1,229,330	1,237,369	31,630,275	
382 Meter Installations	251,180	13,046	12,687	11,628	9,946	9,774	12,896	16,621	26,988	35,132	31,619	14,810	25,918	472,244	
383 House Regulators	139,833	23,403	17,615	12,915	10,408	5,931	9,872	6,364	8,510	14,593	14,245	14,052	16,927	294,669	
Total Monthly Additions		2,470,198	1,748,588	3,274,847	2,779,083	3,810,569	3,471,398	2,736,938	2,843,801	4,499,917	4,771,319	3,142,634	4,693,873		
Total Cumulative Additions	41,642,524	44,112,722	45,861,309	49,136,156	51,915,240	55,725,809	59,197,207	61,934,145	64,777,946	69,277,863	74,049,181	77,191,815	81,885,688	81,885,688	59,746,739
Retirements															
376 Mains	(455,346)	(10,873)	(464)	(800)	(5,865)	(8,774)	(1,946)	(7,052)	(1,220)	(45,569)	(45,749)	(28,291)	(114,057)	(726,005)	
378 Plant Regulators	(388,045)	(13,921)	(9,727)	(5,995)	(14,287)	(21,330)	(32,163)	(56,111)	(23,514)	(42,481)	(26,692)	(47,655)	(38,834)	(720,755)	
380 Service Lines	(2,897,267)	(261,131)	(272,771)	(277,541)	(437,687)	(444,461)	(507,119)	(397,351)	(290,649)	(433,456)	(452,192)	(524,945)	(546,965)	(7,743,536)	
382 Meter Installations	(38,080)	(1,083)	(1,408)	(1,896)	(3,106)	(2,789)	(3,262)	(3,153)	(4,520)	(2,821)	(2,427)	(3,076)	(369)	(67,990)	
383 House Regulators	(5,294)	(181)	(112)	(135)	(150)	(253)	(246)	(858)	(245)	(310)	(273)	(429)	(61)	(8,546)	
Total Monthly Retirements		(287,188)	(284,481)	(286,368)	(461,095)	(477,608)	(544,735)	(464,525)	(320,148)	(524,637)	(527,333)	(604,397)	(700,286)		
Total Cumulative Retirements	(3,784,032)	(4,071,220)	(4,355,702)	(4,642,069)	(5,103,164)	(5,580,772)	(6,125,507)	(6,590,032)	(6,910,179)	(7,434,816)	(7,962,149)	(8,566,546)	(9,266,832)	(9,266,832)	(6,184,078)
Total Plant In Service															
376 Mains	24,751,936	1,283,339	579,618	1,679,020	1,079,234	1,707,020	1,855,433	1,183,056	1,135,968	2,738,336	3,381,996	1,780,347	3,153,299	46,308,601	
378 Plant Regulators	742,947	28,472	52,376	124,252	84,908	351,219	(17,532)	209,715	(6,223)	14,595	12,795	28,148	107,469	1,733,139	
380 Service Lines	12,015,970	836,013	803,331	1,162,696	1,136,749	1,262,060	1,069,501	860,669	1,363,176	1,175,756	806,030	704,385	690,404	23,886,739	
382 Meter Installations	213,101	11,963	11,279	9,732	6,840	6,984	9,634	13,468	22,468	32,310	29,193	11,734	25,549	404,255	
383 House Regulators	134,539	23,222	17,503	12,780	10,258	5,678	9,627	5,507	8,265	14,284	13,972	13,623	16,866	286,123	
Total Plant In Service Monthly Activity		2,183,009	1,464,107	2,988,479	2,317,989	3,332,961	2,926,663	2,272,413	2,523,653	3,975,280	4,243,985	2,538,237	3,993,587		
Total Cumulative Plant In Service	37,858,492	40,041,501	41,505,608	44,494,087	46,812,076	50,145,037	53,071,700	55,344,113	57,867,767	61,843,047	66,087,032	68,625,269	72,618,856	72,618,856	53,562,660

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
2023 Accumulated Depreciation

	2022 December Cumulative	2023 January Actual	2023 February Actual	2023 March Actual	2023 April Actual	2023 May Actual	2023 June Actual	2023 July Actual	2023 August Actual	2023 September Estimate	2023 October Estimate	2023 November Estimate	2023 December Estimate	2023 Cumulative Total	2023 13 Month Average
Depreciation Expense															
376 Mains	-	(63)	(750)	(4,218)	(7,649)	(10,401)	(15,364)	(20,423)	(23,663)	(28,058)	(33,540)	(35,699)	(35,843)	(215,673)	
378 Plant Regulators	-	34	75	99	148	(236)	(557)	(401)	(253)	(247)	(463)	(824)	(1,304)	(3,928)	
380 Service Lines	-	(1,449)	(4,773)	(8,619)	(12,539)	(16,628)	(20,660)	(24,007)	(27,829)	(32,193)	(34,443)	(35,840)	(38,418)	(257,399)	
382 Meter Installations	-	(19)	(57)	(87)	(106)	(121)	(144)	(171)	(223)	(264)	(270)	(284)	(304)	(2,050)	
383 House Regulators	-	(15)	(38)	(62)	(79)	(85)	(107)	(123)	(132)	(144)	(156)	(176)	(203)	(1,320)	
Total Depreciation Monthly		(1,512)	(5,543)	(12,887)	(20,225)	(27,472)	(36,832)	(45,125)	(52,100)	(60,906)	(68,872)	(72,824)	(76,073)	(480,371)	
Total Cumulative Depreciation	-	(1,512)	(7,055)	(19,942)	(40,167)	(67,639)	(104,471)	(149,596)	(201,696)	(262,602)	(331,474)	(404,298)	(480,371)		
Retirements															
376 Mains	-	-	-	-	-	14,491	207	64	207	183,847	153,918	68,408	34,204	455,346	
378 Plant Regulators	-	32,850	6,093	17,244	28,849	10,457	98,607	90,900	73,756	12,227	10,237	4,550	2,275	388,045	
380 Service Lines	-	332,500	139,754	230,237	226,669	350,302	430,001	277,095	202,458	295,678	247,544	110,019	55,010	2,897,267	
382 Meter Installations	-	489	1,575	2,046	5,647	3,453	3,706	5,252	9,322	2,751	2,303	1,024	512	38,080	
383 House Regulators	-	189	231	157	171	349	226	3,043	197	305	256	114	57	5,294	
Total Monthly Retirements		366,027	147,652	249,684	261,337	379,053	532,747	376,355	285,940	494,809	414,258	184,114	92,057	3,784,032	
Total Cumulative Retirements	-	366,027	513,679	763,363	1,024,700	1,403,752	1,936,499	2,312,854	2,598,794	3,093,603	3,507,861	3,691,975	3,784,032		
Cost of Removal															
376 Mains	-	-	9,795	-	2,569	940	-	8,204	-	29,001	32,004	29,056	19,101	130,670	
378 Plant Regulators	-	2,028	157	1,669	10,320	4,099	9,703	3,350	15,868	2,338	2,580	2,343	1,540	55,996	
380 Service Lines	-	560,010	100,657	111,200	150,197	164,119	159,769	177,124	199,510	174,584	192,663	174,916	114,988	2,279,738	
382 Meter Installations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
383 House Regulators	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Monthly Cost of Removal		562,038	110,610	112,869	163,086	169,158	169,472	188,678	215,378	205,923	227,248	206,315	135,629	2,466,404	
Total Cumulative Cost of Removal	-	562,038	672,648	785,517	948,603	1,117,761	1,287,233	1,475,911	1,691,289	1,897,212	2,124,460	2,330,775	2,466,404		
Total Accumulated Depreciation															
376 Mains	-	(63)	9,045	(4,218)	(5,080)	5,029	(15,157)	(12,155)	(23,456)	184,790	152,382	61,765	17,463	370,343	
378 Plant Regulators	-	34,912	6,325	19,012	39,317	14,321	107,753	93,850	89,371	14,318	12,354	6,068	2,511	440,113	
380 Service Lines	-	891,061	235,638	332,817	364,327	497,793	569,109	430,212	374,139	438,069	405,764	249,095	131,579	4,919,605	
382 Meter Installations	-	470	1,518	1,959	5,542	3,332	3,562	5,082	9,099	2,487	2,032	740	208	36,029	
383 House Regulators	-	174	192	95	93	263	120	2,920	66	161	100	(63)	(147)	3,974	
Total Accumulated Depreciation Activity		926,554	252,718	349,665	404,198	520,738	665,387	519,908	449,218	639,826	572,633	317,605	151,614	5,770,065	
Total Accumulated Depreciation Cum	-	926,554	1,179,272	1,528,937	1,933,135	2,453,874	3,119,261	3,639,169	4,088,387	4,728,213	5,300,846	5,618,451	5,770,065		3,098,936

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
2024 Accumulated Depreciation

	2023 December Cumulative	2024 January Estimate	2024 February Estimate	2024 March Estimate	2024 April Estimate	2024 May Estimate	2024 June Estimate	2024 July Estimate	2024 August Estimate	2024 September Estimate	2024 October Estimate	2024 November Estimate	2024 December Estimate	2024 Cumulative Total	2024 13 Month Average
Depreciation Expense															
376 Mains	(215,673)	(36,820)	(38,171)	(39,809)	(41,808)	(43,829)	(46,411)	(48,615)	(50,296)	(53,104)	(57,542)	(61,285)	(64,861)	(798,225)	
378 Plant Regulators	(3,928)	(1,590)	(1,675)	(1,860)	(2,080)	(2,538)	(2,889)	(3,090)	(3,303)	(3,312)	(3,341)	(3,385)	(3,527)	(36,519)	
380 Service Lines	(257,399)	(41,239)	(43,958)	(47,218)	(51,031)	(55,010)	(58,876)	(62,077)	(65,765)	(69,975)	(73,262)	(75,766)	(78,080)	(979,656)	
382 Meter Installations	(2,050)	(323)	(340)	(356)	(368)	(378)	(390)	(408)	(434)	(475)	(520)	(550)	(578)	(7,169)	
383 House Regulators	(1,320)	(237)	(269)	(293)	(312)	(326)	(338)	(349)	(361)	(380)	(402)	(424)	(449)	(5,459)	
Total Depreciation Monthly		(80,209)	(84,414)	(89,537)	(95,600)	(102,080)	(108,903)	(114,540)	(120,158)	(127,246)	(135,067)	(141,409)	(147,494)	(1,827,028)	
Total Cumulative Depreciation	(480,371)	(560,580)	(644,994)	(734,531)	(830,131)	(932,211)	(1,041,115)	(1,155,654)	(1,275,812)	(1,403,058)	(1,538,125)	(1,679,534)	(1,827,028)		
Retirements															
376 Mains	455,346	10,873	464	800	5,865	8,774	1,946	7,052	1,220	45,569	45,749	28,291	114,057	726,005	
378 Plant Regulators	388,045	13,921	9,727	5,995	14,287	21,330	32,163	56,111	23,514	42,481	26,692	47,655	38,834	720,755	
380 Service Lines	2,897,267	261,131	272,771	277,541	437,687	444,461	507,119	397,351	290,649	433,456	452,192	524,945	546,965	7,743,536	
382 Meter Installations	38,080	1,083	1,408	1,896	3,106	2,789	3,262	3,153	4,520	2,821	2,427	3,076	369	67,990	
383 House Regulators	5,294	181	112	135	150	253	246	858	245	310	273	429	61	8,546	
Total Monthly Retirements		287,188	284,481	286,368	461,095	477,608	544,735	464,525	320,148	524,637	527,333	604,397	700,286	9,266,832	
Total Cumulative Retirements	3,784,032	4,071,220	4,355,702	4,642,069	5,103,164	5,580,772	6,125,507	6,590,032	6,910,179	7,434,816	7,962,149	8,566,546	9,266,832		
Cost of Removal															
376 Mains	130,670	-	4,253	10	3,069	382	1,258	3,332	28	11,780	13,082	11,801	7,758	187,421	
378 Plant Regulators	55,996	1,881	328	2,508	7,484	2,964	9,306	2,423	11,474	120,367	2,335	3,436	2,971	223,475	
380 Service Lines	2,279,738	458,078	112,046	148,464	153,312	205,134	198,956	175,243	221,185	215,453	289,256	264,217	194,933	4,916,015	
382 Meter Installations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
383 House Regulators	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Monthly Cost of Removal		459,959	116,627	150,981	163,865	208,480	209,520	180,997	232,687	347,600	304,674	279,454	205,661	5,326,911	
Total Cumulative Cost of Removal	2,466,404	2,926,363	3,042,990	3,193,971	3,357,836	3,566,317	3,775,837	3,956,835	4,189,522	4,537,122	4,841,795	5,121,250	5,326,911		
Total Accumulated Depreciation															
376 Mains	370,343	(25,948)	(33,454)	(39,000)	(32,874)	(34,673)	(43,208)	(38,231)	(49,048)	4,244	1,289	(21,193)	56,953	115,201	
378 Plant Regulators	440,113	14,212	8,380	6,643	19,691	21,757	38,580	55,443	31,685	159,536	25,686	47,707	38,278	907,712	
380 Service Lines	4,919,605	677,970	340,858	378,787	539,967	594,586	647,200	510,517	446,069	578,934	668,187	713,396	663,818	11,679,894	
382 Meter Installations	36,029	760	1,067	1,539	2,738	2,411	2,872	2,745	4,086	2,347	1,907	2,527	(209)	60,821	
383 House Regulators	3,974	(56)	(157)	(158)	(162)	(73)	(92)	508	(116)	(70)	(129)	5	(387)	3,087	
Total Accumulated Depreciation Activity		666,938	316,694	347,812	529,360	584,008	645,352	530,982	432,677	744,991	696,940	742,442	758,453	12,766,715	
Total Accumulated Depreciation Cum	5,770,065	6,437,003	6,753,698	7,101,509	7,630,869	8,214,878	8,860,230	9,391,212	9,823,889	10,568,880	11,265,820	12,008,262	12,766,715		8,968,695

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
2023 Depreciation Expense

	Monthly Depreciation Rate by GPA	2022 December Cumulative	2023 January Actual	2023 February Actual	2023 March Actual	2023 April Actual	2023 May Actual	2023 June Actual	2023 July Actual	2023 August Actual	2023 September Estimate	2023 October Estimate	2023 November Estimate	2023 December Estimate	2023 Cumulative Total
376 Mains	0.1450%														
Additions		-	87,409	859,142	3,925,561	805,780	3,005,341	3,854,453	3,124,047	1,345,550	4,900,000	3,000,000	200,000	100,000	25,207,282
Retirements		-	-	-	-	-	(14,491)	(207)	(64)	(207)	(183,847)	(153,918)	(68,408)	(34,204)	
Monthly Activity		-	87,409	859,142	3,925,561	805,780	2,990,851	3,854,246	3,123,982	1,345,343	4,716,153	2,846,082	131,592	65,796	24,751,936
Cumulative Balance		-	87,409	946,551	4,872,111	5,677,892	8,668,742	12,522,988	15,646,971	16,992,313	21,708,466	24,554,548	24,686,140	24,751,936	
Depreciation on Prior Month Balance			-	127	1,372	7,065	8,233	12,570	18,158	22,688	24,639	31,477	35,604	35,795	
1/2 Month Depreciation on Current Month Activity			63	623	2,846	584	2,168	2,794	2,265	975	3,419	2,063	95	48	
Total Depreciation - 376 Mains		-	63	750	4,218	7,649	10,401	15,364	20,423	23,663	28,058	33,540	35,699	35,843	215,673
378 Plant Regulators	0.2100%														
Additions		-	-	162	-	-	404,837	10,173	30,585	(7,189)	87,789	140,657	217,804	246,175	1,130,992
Retirements		-	(32,850)	(6,093)	(17,244)	(28,849)	(10,457)	(98,607)	(90,900)	(73,756)	(12,227)	(10,237)	(4,550)	(2,275)	
Monthly Activity		-	(32,850)	(5,931)	(17,244)	(28,849)	394,380	(88,435)	(60,316)	(80,945)	75,561	130,420	213,254	243,900	742,947
Cumulative Balance		-	(32,850)	(38,780)	(56,025)	(84,873)	309,506	221,072	160,756	79,811	155,372	285,793	499,047	742,947	
Depreciation on Prior Month Balance			-	(69)	(81)	(118)	(178)	650	464	338	168	326	600	1,048	
1/2 Month Depreciation on Current Month Activity			(34)	(6)	(18)	(30)	414	(93)	(63)	(85)	79	137	224	256	
Total Depreciation - 378 Plant Regulators		-	(34)	(75)	(99)	(148)	236	557	401	253	247	463	824	1,304	3,928
380 Service Lines	0.3317%														
Additions		-	1,206,300	1,270,431	1,418,801	1,402,241	1,640,240	1,570,923	1,154,586	1,629,713	1,500,000	400,000	800,000	920,000	14,913,237
Retirements		-	(332,500)	(139,754)	(230,237)	(226,669)	(350,302)	(430,001)	(277,095)	(202,458)	(295,678)	(247,544)	(110,019)	(55,010)	
Monthly Activity		-	873,800	1,130,677	1,188,565	1,175,571	1,289,938	1,140,922	877,492	1,427,255	1,204,322	152,456	689,981	864,990	12,015,970
Cumulative Balance		-	873,800	2,004,478	3,193,042	4,368,613	5,658,551	6,799,473	7,676,965	9,104,220	10,308,542	10,460,999	11,150,979	12,015,970	
Depreciation on Prior Month Balance			-	2,898	6,648	10,590	14,489	18,768	22,552	25,462	30,196	34,190	34,696	36,984	
1/2 Month Depreciation on Current Month Activity			1,449	1,875	1,971	1,949	2,139	1,892	1,455	2,367	1,997	253	1,144	1,434	
Total Depreciation - 380 Service Lines		-	1,449	4,773	8,619	12,539	16,628	20,660	24,007	27,829	32,193	34,443	35,840	38,418	257,399
382 Meter Installations	0.1475%														
Additions		-	26,753	26,243	18,370	14,991	14,839	22,237	23,701	62,218	5,228	8,376	12,970	15,254	251,180
Retirements		-	(489)	(1,575)	(2,046)	(5,647)	(3,453)	(3,706)	(5,252)	(9,322)	(2,751)	(2,303)	(1,024)	(512)	
Monthly Activity		-	26,264	24,668	16,325	9,344	11,385	18,532	18,449	52,896	2,477	6,073	11,946	14,743	213,101
Cumulative Balance		-	26,264	50,932	67,257	76,600	87,985	106,517	124,966	177,862	180,339	186,412	198,358	213,101	
Depreciation on Prior Month Balance			-	39	75	99	113	130	157	184	262	266	275	293	
1/2 Month Depreciation on Current Month Activity			19	18	12	7	8	14	14	39	2	4	9	11	
Total Depreciation - 382 Meter Installations		-	19	57	87	106	121	144	171	223	264	270	284	304	2,050
383 House Regulators	0.1617%														
Additions		-	18,412	11,752	17,540	3,370	5,712	20,823	3,311	9,622	6,160	9,870	15,284	17,976	139,833
Retirements		-	(189)	(231)	(157)	(171)	(349)	(226)	(3,043)	(197)	(305)	(256)	(114)	(57)	
Monthly Activity		-	18,224	11,521	17,383	3,199	5,364	20,597	268	9,425	5,855	9,615	15,170	17,919	134,539
Cumulative Balance		-	18,224	29,745	47,128	50,326	55,690	76,287	76,555	85,980	91,835	101,450	116,620	134,539	
Depreciation on Prior Month Balance			-	29	48	76	81	90	123	124	139	148	164	189	
1/2 Month Depreciation on Current Month Activity			15	9	14	3	4	17	0	8	5	8	12	14	
Total Depreciation - 383 House Regulators		-	15	38	62	79	85	107	123	132	144	156	176	203	1,320
Total Depreciation - Monthly			1,512	5,543	12,887	20,225	27,472	36,832	45,125	52,100	60,906	68,872	72,824	76,073	480,371
Total Cumulative Depreciation		0	1,512	7,055	19,942	40,167	67,639	104,471	149,596	201,696	262,602	331,474	404,298	480,371	

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
2024 Depreciation Expense

	Monthly Depreciation Rate by GPA	2023 December Cumulative	2024 January Estimate	2024 February Estimate	2024 March Estimate	2024 April Estimate	2024 May Estimate	2024 June Estimate	2024 July Estimate	2024 August Estimate	2024 September Estimate	2024 October Estimate	2024 November Estimate	2024 December Estimate	2024 Cumulative Total
376 Mains	0.1450%														
Additions			1,294,212	580,082	1,679,820	1,085,099	1,715,794	1,857,378	1,190,108	1,137,188	2,783,904	3,427,745	1,808,638	3,267,356	21,827,323
Retirements			(10,873)	(464)	(800)	(5,865)	(8,774)	(1,946)	(7,052)	(1,220)	(45,569)	(45,749)	(28,291)	(114,057)	
Monthly Activity			1,283,339	579,618	1,679,020	1,079,234	1,707,020	1,855,433	1,183,056	1,135,968	2,738,336	3,381,996	1,780,347	3,153,299	46,308,601
Cumulative Balance		24,751,936	26,035,275	26,614,893	28,293,913	29,373,147	31,080,167	32,935,600	34,118,656	35,254,623	37,992,959	41,374,955	43,155,302	46,308,601	
Depreciation on Prior Month Balance			35,890	37,751	38,592	41,026	42,591	45,066	47,757	49,472	51,119	55,090	59,994	62,575	
1/2 Month Depreciation on Current Month Activity			930	420	1,217	782	1,238	1,345	858	824	1,985	2,452	1,291	2,286	
Total Depreciation - 376 Mains		-	36,820	38,171	39,809	41,808	43,829	46,411	48,615	50,296	53,104	57,542	61,285	64,861	582,552
378 Plant Regulators	0.2100%														
Additions			42,392	62,102	130,248	99,194	372,549	14,631	265,825	17,291	57,076	39,487	75,804	146,303	1,322,903
Retirements			(13,921)	(9,727)	(5,995)	(14,287)	(21,330)	(32,163)	(56,111)	(23,514)	(42,481)	(26,692)	(47,655)	(38,834)	
Monthly Activity			28,472	52,376	124,252	84,908	351,219	(17,532)	209,715	(6,223)	14,595	12,795	28,148	107,469	1,733,139
Cumulative Balance		742,947	771,418	823,794	948,046	1,032,954	1,384,173	1,366,641	1,576,356	1,570,133	1,584,728	1,597,522	1,625,671	1,733,139	
Depreciation on Prior Month Balance			1,560	1,620	1,730	1,991	2,169	2,907	2,870	3,310	3,297	3,328	3,355	3,414	
1/2 Month Depreciation on Current Month Activity			30	55	130	89	369	(18)	220	(7)	15	13	30	113	
Total Depreciation - 378 Plant Regulators			1,590	1,675	1,860	2,080	2,538	2,889	3,090	3,303	3,312	3,341	3,385	3,527	32,591
380 Service Lines	0.3317%														
Additions			1,097,144	1,076,102	1,440,237	1,574,436	1,706,521	1,576,620	1,258,020	1,653,824	1,609,212	1,258,222	1,229,330	1,237,369	16,717,038
Retirements			(261,131)	(272,771)	(277,541)	(437,687)	(444,461)	(507,119)	(397,351)	(290,649)	(433,456)	(452,192)	(524,945)	(546,965)	
Monthly Activity			836,013	803,331	1,162,696	1,136,749	1,262,060	1,069,501	860,669	1,363,176	1,175,756	806,030	704,385	690,404	23,886,739
Cumulative Balance		12,015,970	12,851,983	13,655,314	14,818,010	15,954,759	17,216,818	18,286,319	19,146,988	20,510,164	21,685,919	22,491,950	23,196,335	23,886,739	
Depreciation on Prior Month Balance			39,853	42,626	45,290	49,146	52,917	57,102	60,650	63,504	68,025	71,925	74,598	76,935	
1/2 Month Depreciation on Current Month Activity			1,386	1,332	1,928	1,885	2,093	1,774	1,427	2,261	1,950	1,337	1,168	1,145	
Total Depreciation - 380 Service Lines			41,239	43,958	47,218	51,031	55,010	58,876	62,077	65,765	69,975	73,262	75,766	78,080	722,257
382 Meter Installations	0.1475%														
Additions			13,046	12,687	11,628	9,946	9,774	12,896	16,621	26,988	35,132	31,619	14,810	25,918	221,064
Retirements			(1,083)	(1,408)	(1,896)	(3,106)	(2,789)	(3,262)	(3,153)	(4,520)	(2,821)	(2,427)	(3,076)	(369)	
Monthly Activity			11,963	11,279	9,732	6,840	6,984	9,634	13,468	22,468	32,310	29,193	11,734	25,549	404,255
Cumulative Balance		213,101	225,064	236,343	246,075	252,915	259,899	269,533	283,001	305,469	337,779	366,972	378,705	404,255	
Depreciation on Prior Month Balance			314	332	349	363	373	383	398	417	451	498	541	559	
1/2 Month Depreciation on Current Month Activity			9	8	7	5	5	7	10	17	24	22	9	19	
Total Depreciation - 382 Meter Installations			323	340	356	368	378	390	408	434	475	520	550	578	5,119
383 House Regulators	0.1617%														
Additions			23,403	17,615	12,915	10,408	5,931	9,872	6,364	8,510	14,593	14,245	14,052	16,927	154,836
Retirements			(181)	(112)	(135)	(150)	(253)	(246)	(858)	(245)	(310)	(273)	(429)	(61)	
Monthly Activity			23,222	17,503	12,780	10,258	5,678	9,627	5,507	8,265	14,284	13,972	13,623	16,866	286,123
Cumulative Balance		134,539	157,761	175,264	188,043	198,301	203,980	213,606	219,113	227,378	241,662	255,634	269,257	286,123	
Depreciation on Prior Month Balance			218	255	283	304	321	330	345	354	368	391	413	435	
1/2 Month Depreciation on Current Month Activity			19	14	10	8	5	8	4	7	12	11	11	14	
Total Depreciation - 383 House Regulators			237	269	293	312	326	338	349	361	380	402	424	449	4,140
Total Depreciation - Monthly			80,209	84,414	89,537	95,600	102,080	108,903	114,540	120,158	127,246	135,067	141,409	147,494	1,346,657
Total Cumulative Depreciation		480,371	560,580	644,994	734,531	830,131	932,211	1,041,115	1,155,654	1,275,812	1,403,058	1,538,125	1,679,534	1,827,028	

Columbia Gas of Kentucky, Inc.
Calculation of Accumulated Deferred Income Tax (Normalized)
Annual Adjustment to the Safety Modification and Replacement Program

	2022 December	2023 January	2023 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	2023 October	2023 November	2023 December	2023 Activity	2023 Monthly Activity	2023 13 Month Ave.
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N) (N= M-A)	(O) (O=N/12)	(P)
ADIT Balance - Form 6.1	-												(4,172,548)	(4,172,548)	(347,712)	
2023 Normalized ADIT	-	(347,712)	(695,424)	(1,043,136)	(1,390,848)	(1,738,560)	(2,086,272)	(2,433,984)	(2,781,696)	(3,129,408)	(3,477,120)	(3,824,832)	(4,172,548)			(2,086,272)
	2023 December	2024 January	2024 February	2024 March	2024 April	2024 May	2024 June	2024 July	2024 August	2024 September	2024 October	2024 November	2024 December	2024 Activity	2024 Monthly Activity	2024 13 Month Ave.
ADIT Balance - Form 6.1	(4,172,548)												(8,590,800)	(4,418,252)	(368,188)	
2024 Normalized ADIT	(4,172,548)	(4,540,736)	(4,908,924)	(5,277,112)	(5,645,300)	(6,013,488)	(6,381,676)	(6,749,864)	(7,118,052)	(7,486,240)	(7,854,428)	(8,222,616)	(8,590,801)			(6,381,676)

Columbia Gas of Kentucky, Inc.
Calculation of Accumulated Deferred Income Tax
Annual Adjustment to the Safety Modification and Replacement Program
Summary of Form 6.1, Pages 2 and 3

Ln. No.	MACRS 20 Year Tax Depr Rates	Year	2023 Additions	2024 Additions	2025 Additions	2026 Additions	2027 Additions	2028 Additions	Annual Tax Depreciation	Cost of Removal	Book Depreciation	Difference	Deferred Tax @ [1] 24.95%	Accumulated Deferred Inc. Taxes
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
1	Total Plant Additions		<u>41,642,524</u>	<u>40,243,164</u>	-	-	-	-						
2														
3	0.03750	1	14,737,605						14,737,605	2,466,404	480,371	16,723,638	4,172,548	4,172,548
4	0.07219	2	2,017,939	14,176,635	-				16,194,574	2,860,507	1,346,657	17,708,424	4,418,252	8,590,800
5	0.06677	3	1,866,432	1,955,058	-	-			3,821,490	-	-	-	-	-
6	0.06177	4	1,726,666	1,808,273	-	-	-		3,534,939	-	-	-	-	-
7	0.05713	5	1,596,964	1,672,862	-	-	-		3,269,826	-	-	-	-	-
8	0.05285	6	1,477,324	1,547,201	-	-	-		3,024,525	-	-	-	-	-
9	0.04888	7	1,366,350	1,431,289	-	-	-		2,797,639	-	-	-	-	-
10	0.04522	8	1,264,042	1,323,774	-	-	-		2,587,816	-	-	-	-	-
11	0.04462	9	1,247,270	1,224,653	-	-	-		2,471,923	-	-	-	-	-
12	0.04461	10	1,246,991	1,208,404	-	-	-		2,455,395	-	-	-	-	-
13	0.04462	11	1,247,270	1,208,133	-	-	-		2,455,403	-	-	-	-	-
14	0.04461	12	1,246,991	1,208,404	-	-	-		2,455,395	-	-	-	-	-
15	0.04462	13	1,247,270	1,208,133	-	-	-		2,455,403	-	-	-	-	-
16	0.04461	14	1,246,991	1,208,404	-	-	-		2,455,395	-	-	-	-	-
17	0.04462	15	1,247,270	1,208,133	-	-	-		2,455,403	-	-	-	-	-
18	0.04461	16	1,246,991	1,208,404	-	-	-		2,455,395	-	-	-	-	-
19	0.04462	17	1,247,270	1,208,133	-	-	-		2,455,403	-	-	-	-	-
20	0.04461	18	1,246,991	1,208,404	-	-	-		2,455,395	-	-	-	-	-
21	0.04462	19	1,247,270	1,208,133	-	-	-		2,455,403	-	-	-	-	-
22	0.04461	20	1,246,991	1,208,404	-	-	-		2,455,395	-	-	-	-	-
23	0.02231	21	623,636	1,208,133	-	-	-		1,831,769	-	-	-	-	-
24		22		604,208	-	-	-		604,208	-	-	-	-	-
25		23		-	-	-	-		-	-	-	-	-	-
26		24		-	-	-	-		-	-	-	-	-	-
27														
28			41,642,524	40,243,175	-	-	-	-	81,885,699	5,326,911	1,827,028			

Notes:
 [1] Deferred Taxes calculated using 21% Corporate Tax Rate and 5% State Tax Rate.

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
Property Tax Calculation

<u>Line No.</u>		<u>SMRP Investment December 31, 2023</u> (A)	<u>Reference</u> (B)
	<u>Investment subject to Property Tax</u>		
1	Net SMRP Investment-Property, Plant and Equipment	43,628,557	Form 3.0 and 4.0
	<u>Operating Expenses</u>		
2	Property Tax ⁽¹⁾	<u>618,653</u>	Line 1 * 1.418%

Notes:

⁽¹⁾ Property taxes rate is filed for rate in 2021-00183 that was unchanged by Settlement

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program
Calculation of O&M Savings

	<u>FERC Account 887</u>
	(\$)
2022 O&M Account 887 Costs ^[1]	2,978,227
2022 O&M Account 887 per Case No. 2021-00183	<u>2,978,227</u>
Projected O&M Savings	-

^[1] 2022 O&M reflects the base rate costs per case.

This will be updated to actual O&M costs in SMRP BA filing (filed March 2024)