

Columbia Gas of Kentucky, Inc.
Balance Adjustment to the Safety Modification and Replacement Program ("SMRP")
For Period Ending December 31, 2023
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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>Under (Over) Collection</u> (C)	<u>Billing Determinant Volumes</u> ⁽²⁾ (D)	<u>Volumetric SMRP SMRP Rider</u> ^[4] (E)	<u>Balancing Adjustment SMRP Rider</u> (F) (F = C / D)	<u>Total Volumetric SMRP Rider</u> (G)
1	Rate GSR, Rate SVGTS - Residential Service	64.419%	\$354,382	8,196,826.3	0.5301	0.0432	0.5733
2	Rate GSO, Rate GDS, Rate SVGTS - Com. or Ind.	27.859%	\$153,260	5,853,180.2	0.3210	0.0262	0.3472
3	Rate IUS, Rate IUDS	0.032%	\$176	10,713.6	0.2011	0.0164	0.2175
4	Rate IS, Rate DS ⁽³⁾ , Rate SAS	7.690%	\$42,306	8,914,997.4	0.0587	0.0047	0.0634
5	TOTAL	<u>100.000%</u>	<u>\$550,123</u>	<u>22,975,717.5</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 2025 volumes

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

⁽⁴⁾ Rates as filed in October 2023 for 2024 SMRP (Case No. 2023-0335)

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 May 31, 2025

<u>Rate Schedule</u>	<u>Total Mcf</u>
(A)	(B)
GSR /GTR - Residential	8,196,826.3
GSO/GTO/GDS - Commercial or Industrial	5,853,180.2
IUS, IU DS	10,713.6
IS, DS	8,914,997.4
Total	<u>22,975,717.5</u>

Columbia Gas of Kentucky
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
Under / (Over) Collection
For the Twelve Months Ending December 31, 2023

<u>Line No.</u>	<u>Description</u> (A)	<u>Reference</u> (B)	<u>Cash Collections</u> (C)	<u>Amount (\$)</u> (D)
1	Total SMRP Revenue Requirement	Form 2.0		1,939,536
2	Total Recovered via Rates	January	353,849	
3		February	162,074	
4		March	172,612	
5		April	133,503	
6		May	72,780	
7		June	42,502	
8		July	36,688	
9		August	32,778	
10		September	35,323	
11		October	47,806	
12		November	98,885	
13		December	200,613	
14		Total	200,613	1,389,413
15	Total Under (Over) Collected			\$ 550,123
 Analysis of Under (Over) Collection				
16	Total SMRP Revenue Requirement	Line 1	\$ 1,939,536	
17	Revenue Requirement to Establish Billing Rates	Note (A)	1,573,300	
18	Under (Over) Collection due to			
19	differences in Revenue Requirement			366,236
20	Expected Recoveries	Note (A)	1,573,300	
21	Total Recovered via Rates	Line 14	1,389,413	
22	Under (Over) Collection due to			
23	Actual versus Expected Recoveries			183,887
24	Total Under (Over) Collection			\$ 550,123

Note (A)
Response to 2022-00342 PSC Set 1No. 1 Attachment B

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")
Actual SMRP Revenue Requirement For the Period Ending December 31, 2023

<u>Line No.</u>	<u>SMRP Investment December 31, 2023</u> (A)	<u>Revenue Requirement Calculation</u> (B)	<u>Reference</u> (C)
1	Plant In Service 17,758,333		Form 3.0
2	Accumulated Depreciation 2,600,892		Form 4.0
3	Accumulated Deferred Income Tax (2,455,140)		Form 6.0
4	Net Rate Base (Line 1 + Line 2 + Line 3)	17,904,085	Line 1 + Line 2 + Line 3
5	Rate of Return	8.48%	Form 2.1
6	Return on Rate Base	1,518,266	Line 4 * Line 5
7	Depreciation Expense 417,391		Form 5.0
8	Property Tax 0		Form 7.0
9	O&M Savings 0		Form 8.0
10	Subtotal Depreciation, Property Tax and O&M Savings	417,391	Line 7 + Line 8 + Line 9
11	Revenue Requirement Before PSC Assessment/Uncollectible	1,935,657	Line 6 + Line 10
12	PSC Assessment & Uncollectible Conversion Factor	1.002004	Form 2.2
13	Required Return on SMRP Related Investment	\$ 1,939,536	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 (A)	Ratio (B)	Cost (C)	Weighted Cost (D)	Pre-Tax @ Effect tax of 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 Actual	2023 October Actual	2023 November Actual	2023 December Actual	2023 Cumulative Total	2023 13 Month Average
Additions															
376 Mains	-	79,806	859,142	3,925,561	805,780	3,005,341	3,854,453	3,124,047	1,345,550	4,929,452	1,282,582	3,498,690	4,263,655	30,974,058	
378 Plant Regulators	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
380 Service Lines	-	849,593	1,027,482	1,095,911	1,074,078	1,261,172	1,124,603	946,237	1,262,751	1,078,244	1,523,803	861,762	782,388	12,888,024	
382 Meter Installations	-	1,645	-	1,219	375	2,800	4,551	7,084	19,773	5,638	17,704	14,238	10,554	85,582	
383 House Regulators	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Monthly Additions	-	931,044	1,886,624	5,022,691	1,880,233	4,269,314	4,983,608	4,077,368	2,628,074	6,013,334	2,824,089	4,374,690	5,056,598		
Total Cumulative Additions	-	931,044	2,817,667	7,840,358	9,720,590	13,989,904	18,973,512	23,050,880	25,678,954	31,692,288	34,516,377	38,891,067	43,947,665	43,947,665	19,388,485
Retirements															
376 Mains	-	-	-	-	-	(14,491)	(207)	(64)	(207)	(175,288)	(557)	-	(94,799)	(285,614)	
378 Plant Regulators	-	(7,577)	(6,093)	(17,244)	(1,680)	(9,508)	(98,607)	(90,900)	(73,756)	(42,418)	-	(507)	(42,121)	(390,412)	
380 Service Lines	-	(277,339)	(116,569)	(192,041)	(189,065)	(292,188)	(358,664)	(231,125)	(168,870)	(273,185)	(178,658)	(274,398)	(240,285)	(2,792,386)	
382 Meter Installations	-	(489)	(1,575)	(2,046)	(5,647)	(3,453)	(3,706)	(5,252)	(9,322)	(4,705)	(4,703)	(3,640)	(3,692)	(48,231)	
383 House Regulators	-	(189)	(231)	(157)	(171)	(349)	(226)	(3,043)	(197)	(576)	(563)	(633)	(535)	(6,869)	
Total Monthly Retirements	-	(285,593)	(124,467)	(211,488)	(196,564)	(319,988)	(461,410)	(330,385)	(252,353)	(496,172)	(184,481)	(279,178)	(381,432)		
Total Cumulative Retirements	-	(285,593)	(410,060)	(621,548)	(818,112)	(1,138,100)	(1,599,511)	(1,929,896)	(2,182,249)	(2,678,421)	(2,862,902)	(3,142,080)	(3,523,512)	(3,523,512)	(1,630,152)
Total Plant In Service															
376 Mains	-	79,806	859,142	3,925,561	805,780	2,990,851	3,854,246	3,123,982	1,345,343	4,754,164	1,282,025	3,498,690	4,168,856	30,688,444	
378 Plant Regulators	-	(7,577)	(6,093)	(17,244)	(1,680)	(9,508)	(98,607)	(90,900)	(73,756)	(42,418)	-	(507)	(42,121)	(390,412)	
380 Service Lines	-	572,254	910,913	903,870	885,012	968,984	765,939	715,112	1,093,881	805,059	1,345,146	587,364	542,103	10,095,638	
382 Meter Installations	-	1,156	(1,575)	(827)	(5,273)	(653)	846	1,832	10,450	933	13,000	10,599	6,862	37,352	
383 House Regulators	-	(189)	(231)	(157)	(171)	(349)	(226)	(3,043)	(197)	(576)	(563)	(633)	(535)	(6,869)	
Total Plant In Service Monthly Activity	-	645,451	1,762,156	4,811,203	1,683,668	3,949,325	4,522,197	3,746,983	2,375,721	5,517,162	2,639,608	4,095,512	4,675,166		
Total Cumulative Plant In Service	-	645,451	2,407,607	7,218,810	8,902,479	12,851,804	17,374,002	21,120,984	23,496,705	29,013,867	31,653,475	35,748,987	40,424,153	40,424,153	17,758,333

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 Actual	2023 October Actual	2023 November Actual	2023 December Actual	2023 Cumulative Total	2023 13 Month Average
Depreciation Expense															
376 Mains	-	(58)	(739)	(4,207)	(7,638)	(10,390)	(15,353)	(20,412)	(23,652)	(28,075)	(32,450)	(35,917)	(41,475)	(220,367)	
378 Plant Regulators	-	8	22	47	67	78	192	390	563	686	730	731	775	4,289	
380 Service Lines	-	(949)	(3,409)	(6,418)	(9,385)	(12,459)	(15,336)	(17,792)	(20,792)	(23,941)	(27,507)	(30,712)	(32,585)	(201,284)	
382 Meter Installations	-	(1)	(1)	2	6	10	10	8	(1)	(10)	(20)	(37)	(50)	(83)	
383 House Regulators	-	0	0	1	1	1	2	4	7	7	8	10	10	54	
Total Depreciation Monthly		(1,000)	(4,126)	(10,575)	(16,949)	(22,760)	(30,485)	(37,801)	(43,874)	(51,333)	(59,238)	(65,925)	(73,325)	(417,391)	
Total Cumulative Depreciation	-	(1,000)	(5,125)	(15,700)	(32,649)	(55,409)	(85,894)	(123,696)	(167,570)	(218,903)	(278,141)	(344,066)	(417,391)		
Retirements															
376 Mains	-	-	-	-	-	14,491	207	64	207	175,288	557	-	94,799	285,614	
378 Plant Regulators	-	7,577	6,093	17,244	1,680	9,508	98,607	90,900	73,756	42,418	-	507	42,121	390,412	
380 Service Lines	-	277,339	116,569	192,041	189,065	292,188	358,664	231,125	168,870	273,185	178,658	274,398	240,285	2,792,386	
382 Meter Installations	-	489	1,575	2,046	5,647	3,453	3,706	5,252	9,322	4,705	4,703	3,640	3,692	48,231	
383 House Regulators	-	189	231	157	171	349	226	3,043	197	576	563	633	535	6,869	
Total Monthly Retirements		285,593	124,467	211,488	196,564	319,988	461,410	330,385	252,353	496,172	184,481	279,178	381,432	3,523,512	
Total Cumulative Retirements	-	285,593	410,060	621,548	818,112	1,138,100	1,599,511	1,929,896	2,182,249	2,678,421	2,862,902	3,142,080	3,523,512		
Cost of Removal															
376 Mains	-	-	9,795	-	2,569	940	-	8,204	-	-	66	-	-	21,572	
378 Plant Regulators	-	686	-	970	5,246	4,099	9,703	3,350	14,666	1,627	-	945	12,469	53,762	
380 Service Lines	-	467,104	83,958	92,752	125,279	136,892	133,263	147,739	166,411	141,814	171,317	176,171	133,361	1,976,062	
382 Meter Installations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
383 House Regulators	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Monthly Cost of Removal		467,790	93,753	93,722	133,094	141,931	142,966	159,293	181,078	143,441	171,383	177,116	145,830	2,051,397	
Total Cumulative Cost of Removal	-	467,790	561,543	655,265	788,359	930,290	1,073,256	1,232,550	1,413,627	1,557,068	1,728,451	1,905,567	2,051,397		
Total Accumulated Depreciation															
376 Mains	-	(58)	9,056	(4,207)	(5,069)	5,040	(15,146)	(12,144)	(23,445)	147,213	(31,827)	(35,917)	53,324	86,819	
378 Plant Regulators	-	8,270	6,115	18,261	6,993	13,685	108,502	94,641	88,986	44,730	730	2,183	55,365	448,463	
380 Service Lines	-	743,494	197,119	278,375	304,960	416,621	476,591	361,072	314,490	391,058	322,468	419,857	341,061	4,567,165	
382 Meter Installations	-	488	1,574	2,047	5,653	3,464	3,716	5,260	9,322	4,695	4,684	3,603	3,642	48,148	
383 House Regulators	-	189	231	158	173	350	229	3,048	204	583	571	642	545	6,923	
Total Accumulated Depreciation Activity		752,384	214,094	294,634	312,709	439,160	573,891	451,877	389,556	588,280	296,626	390,369	453,937	5,157,517	
Total Accumulated Depreciation Cum	-	752,384	966,478	1,261,112	1,573,822	2,012,982	2,586,873	3,038,750	3,428,306	4,016,586	4,313,212	4,703,581	5,157,517		2,600,892

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	-	-	79,806	859,142	3,925,561	805,780	3,005,341	3,854,453	3,124,047	1,345,550	4,929,452	1,282,582	3,498,690	4,263,655	30,974,058
Retirements	-	-	-	-	-	-	(14,491)	(207)	(64)	(207)	(175,288)	(557)	-	(94,799)	-
Monthly Activity	-	-	79,806	859,142	3,925,561	805,780	2,990,851	3,854,246	3,123,982	1,345,343	4,754,164	1,282,025	3,498,690	4,168,856	30,688,444
Cumulative Balance	-	-	79,806	938,947	4,864,508	5,670,288	8,661,139	12,515,385	15,639,367	16,984,710	21,738,874	23,020,899	26,519,589	30,688,444	
Depreciation on Prior Month Balance	-	-	-	116	1,361	7,054	8,222	12,559	18,147	22,677	24,628	31,521	33,380	38,453	
1/2 Month Depreciation on Current Month Activity	-	-	58	623	2,846	584	2,168	2,794	2,265	975	3,447	929	2,537	3,022	
Total Depreciation - 376 Mains	-	-	58	739	4,207	7,638	10,390	15,353	20,412	23,652	28,075	32,450	35,917	41,475	220,367
378 Plant Regulators	0.2100%														
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirements	-	-	(7,577)	(6,093)	(17,244)	(1,680)	(9,508)	(98,607)	(90,900)	(73,756)	(42,418)	-	(507)	(42,121)	-
Monthly Activity	-	-	(7,577)	(6,093)	(17,244)	(1,680)	(9,508)	(98,607)	(90,900)	(73,756)	(42,418)	-	(507)	(42,121)	(390,412)
Cumulative Balance	-	-	(7,577)	(13,669)	(30,914)	(32,594)	(42,101)	(140,709)	(231,609)	(305,365)	(347,783)	(347,783)	(348,291)	(390,412)	
Depreciation on Prior Month Balance	-	-	-	(16)	(29)	(65)	(68)	(88)	(295)	(486)	(641)	(730)	(730)	(731)	
1/2 Month Depreciation on Current Month Activity	-	-	(8)	(6)	(18)	(2)	(10)	(104)	(95)	(77)	(45)	-	(1)	(44)	
Total Depreciation - 378 Plant Regulators	-	-	(8)	(22)	(47)	(67)	(78)	(192)	(390)	(563)	(686)	(730)	(731)	(775)	(4,289)
380 Service Lines	0.3317%														
Additions	-	-	849,593	1,027,482	1,095,911	1,074,078	1,261,172	1,124,603	946,237	1,262,751	1,078,244	1,523,803	861,762	782,388	12,888,024
Retirements	-	-	(277,339)	(116,569)	(192,041)	(189,065)	(292,188)	(358,664)	(231,125)	(168,870)	(273,185)	(178,658)	(274,398)	(240,285)	-
Monthly Activity	-	-	572,254	910,913	903,870	885,012	968,984	765,939	715,112	1,093,881	805,059	1,345,146	587,364	542,103	10,095,638
Cumulative Balance	-	-	572,254	1,483,167	2,387,037	3,272,049	4,241,034	5,006,973	5,722,085	6,815,966	7,621,025	8,966,171	9,553,534	10,095,638	
Depreciation on Prior Month Balance	-	-	-	1,898	4,919	7,917	10,852	14,066	16,606	18,978	22,606	25,276	29,738	31,686	
1/2 Month Depreciation on Current Month Activity	-	-	949	1,511	1,499	1,468	1,607	1,270	1,186	1,814	1,335	2,231	974	899	
Total Depreciation - 380 Service Lines	-	-	949	3,409	6,418	9,385	12,459	15,336	17,792	20,792	23,941	27,507	30,712	32,585	201,284
382 Meter Installations	0.1475%														
Additions	-	-	1,645	-	1,219	375	2,800	4,551	7,084	19,773	5,638	17,704	14,238	10,554	85,582
Retirements	-	-	(489)	(1,575)	(2,046)	(5,647)	(3,453)	(3,706)	(5,252)	(9,322)	(4,705)	(4,703)	(3,640)	(3,692)	-
Monthly Activity	-	-	1,156	(1,575)	(827)	(5,273)	(653)	846	1,832	10,450	933	13,000	10,599	6,862	37,352
Cumulative Balance	-	-	1,156	(419)	(1,245)	(6,518)	(7,171)	(6,325)	(4,493)	5,958	6,890	19,891	30,489	37,352	
Depreciation on Prior Month Balance	-	-	-	2	(1)	(2)	(10)	(11)	(9)	(7)	9	10	29	45	
1/2 Month Depreciation on Current Month Activity	-	-	1	(1)	(1)	(4)	(0)	1	1	8	1	10	8	5	
Total Depreciation - 382 Meter Installations	-	-	1	1	(2)	(6)	(10)	(10)	(8)	1	10	20	37	50	83
383 House Regulators	0.1617%														
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retirements	-	-	(189)	(231)	(157)	(171)	(349)	(226)	(3,043)	(197)	(576)	(563)	(633)	(535)	-
Monthly Activity	-	-	(189)	(231)	(157)	(171)	(349)	(226)	(3,043)	(197)	(576)	(563)	(633)	(535)	(6,869)
Cumulative Balance	-	-	(189)	(419)	(576)	(748)	(1,096)	(1,323)	(4,366)	(4,563)	(5,139)	(5,702)	(6,334)	(6,869)	
Depreciation on Prior Month Balance	-	-	-	-	(1)	(1)	(1)	(2)	(2)	(7)	(7)	(8)	(9)	(10)	
1/2 Month Depreciation on Current Month Activity	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(2)	(0)	(0)	(0)	(1)	(0)	
Total Depreciation - 383 House Regulators	-	-	(0)	(0)	(1)	(1)	(1)	(2)	(4)	(7)	(7)	(8)	(10)	(10)	(54)
Total Depreciation - Monthly			1,000	4,126	10,575	16,949	22,760	30,485	37,801	43,874	51,333	59,238	65,925	73,325	417,391
Total Cumulative Depreciation		0	1,000	5,125	15,700	32,649	55,409	85,894	123,696	167,570	218,903	278,141	344,066	417,391	

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 (N = M-A)	2023 Monthly Activity (O = N/12)	2023 13 Month Ave. (P)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
ADIT Balance - Form 6.1	-												(4,910,282)	(4,910,282)	(409,190)	
2023 Normalized ADIT	-	(409,190)	(818,380)	(1,227,570)	(1,636,760)	(2,045,950)	(2,455,140)	(2,864,330)	(3,273,520)	(3,682,710)	(4,091,900)	(4,501,090)	(4,910,282)			(2,455,140)

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	2024 Additions	2025 Additions	2026 Additions	2027 Additions	2028 Additions	2029 Additions	Annual	Cost of Removal	Book Depreciation	Difference	Deferred	Accumulated
									Tax Depreciation				Tax @ [1] 24.95%	Deferred Inc. Taxes
	(A)	(B)	(C) (\$)	(D) (\$)	(E) (\$)	(F) (\$)	(G) (\$)	(H) (\$)	(I) (\$)	(J) (\$)	(K) (\$)	(L) (\$)	(M) (\$)	(N) (\$)
1	Total Plant Additions		43,947,665	-	-	-	-	-						
2														
3	0.03750	1	18,046,484						18,046,484	2,051,397	417,391	19,680,490	4,910,282	4,910,282
4	0.07219	2	1,942,655	-	-				1,942,655	-	-	-	-	-
5	0.06677	3	1,796,802	-	-	-			1,796,802	-	-	-	-	-
6	0.06177	4	1,662,250	-	-	-	-		1,662,250	-	-	-	-	-
7	0.05713	5	1,537,386	-	-	-	-		1,537,386	-	-	-	-	-
8	0.05285	6	1,422,211	-	-	-	-		1,422,211	-	-	-	-	-
9	0.04888	7	1,315,377	-	-	-	-		1,315,377	-	-	-	-	-
10	0.04522	8	1,216,885	-	-	-	-		1,216,885	-	-	-	-	-
11	0.04462	9	1,200,739	-	-	-	-		1,200,739	-	-	-	-	-
12	0.04461	10	1,200,470	-	-	-	-		1,200,470	-	-	-	-	-
13	0.04462	11	1,200,739	-	-	-	-		1,200,739	-	-	-	-	-
14	0.04461	12	1,200,470	-	-	-	-		1,200,470	-	-	-	-	-
15	0.04462	13	1,200,739	-	-	-	-		1,200,739	-	-	-	-	-
16	0.04461	14	1,200,470	-	-	-	-		1,200,470	-	-	-	-	-
17	0.04462	15	1,200,739	-	-	-	-		1,200,739	-	-	-	-	-
18	0.04461	16	1,200,470	-	-	-	-		1,200,470	-	-	-	-	-
19	0.04462	17	1,200,739	-	-	-	-		1,200,739	-	-	-	-	-
20	0.04461	18	1,200,470	-	-	-	-		1,200,470	-	-	-	-	-
21	0.04462	19	1,200,739	-	-	-	-		1,200,739	-	-	-	-	-
22	0.04461	20	1,200,470	-	-	-	-		1,200,470	-	-	-	-	-
23	0.02231	21	600,370	-	-	-	-		600,370	-	-	-	-	-
24		22		-	-	-	-		-	-	-	-	-	-
25		23		-	-	-	-		-	-	-	-	-	-
26		24		-	-	-	-		-	-	-	-	-	-
27									-	-	-	-	-	-
28			43,947,674	-	-	-	-	-	43,947,674	2,051,397	417,391			

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⁾		
1	Net SMRP Investment-Property, Plant and Equipment	-	Form 3.0 and 4.0
	<u>Operating Expenses</u>		
2	Property Tax ⁽²⁾	<u>-</u>	Line 1 * 1.418%

Notes:

⁽¹⁾ 2023 Plant balances are not part of property tax returns for 2023 calendar year property tax expense, therefore no plant balances are included in Line 1.

⁽²⁾ 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>
	(\$)
2023 O&M Account 887 Costs	3,488,186
2022 O&M Account 887 per Case No. 2021-00183	<u>2,978,227</u>
Difference	509,959

If the difference is negative, O&M savings are included in the Revenue Requirement. If the difference is positive, the O&M savings are zero.

O&M Savings to include in Revenue Requirement 0

**SMRP RIDER
 SAFETY MODIFICATION AND REPLACEMENT PROGRAM RIDER**

APPLICABILITY

Applicable to all customers receiving service under the Company's Rate Schedules GS, IS, IUS, SVGTS, DS and SAS.

CALCULATION OF SAFETY MODIFICATION AND REPLACEMENT RIDER REVENUE REQUIREMENT

The SMRP Rider Revenue Requirement includes the following:

- a. SMRP-related Plant In-Service not included in base gas rates minus the associated SMRP-related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to SMRP construction;
- c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- d. Depreciation expense on the SMRP = related Plant In-Service less retirement and removals;
- e. Property taxes related to the SMRP; and
- f. Reduction for savings in Account No. 887 – Maintenance of Mains,

SAFETY MODIFICATION AND REPLACEMENT PROGRAM FACTORS

All customers receiving service under Rate Schedules GSR, GSO, IS, IUS, SVGTS, DS, GDS and SAS shall be assessed a volumetric charge in addition to the charges of their applicable rate schedule that will enable the Company to complete the safety modification and replacement program. ✚

Rider SMRP will be updated annually in order to reflect the expected impact on the Company's revenue requirements of forecasted net plant additions and subsequently adjusted to true up the actual costs with the projected costs. A filing to update the projected costs for the upcoming calendar year will be submitted annually by October 15 to become effective with meter readings on and after the first billing cycle of January. The allocation of the program costs shall be based on the revenue distribution approved by the Commission. Company will submit a balancing adjustment annually by March 31 to true-up the actual costs, as offset by operations and maintenance expense reductions, during the most recent twelve months ended December with the projected program costs for the same period. The balancing adjustment true-up to the rider will become effective with meter readings on and after the first billing cycle of June.

The volumetric rates for the respective gas service schedules effective ~~May 30, 2024~~^{January 2, 2024}~~December 30, 2022~~ are: ✚

	Rate per MCF	
Rate GSR, Rate SVGTS - Residential Service	\$0. 5733 ⁵³⁰¹ 1224	✚
Rate GSO, Rate GDS, Rate SVGTS - Commercial or Industrial Service	\$0. 3472 ³²¹⁰ 0732	
Rate IUS, Rate IUDS	\$0. 2175 ²⁰¹¹ 0447	
Rate IS, Rate DS ^{1/} , Rate SAS	\$0. 0634 ⁰⁵⁸⁷ 0139	

^{1/} - Excluding customers subject to Flex Provisions of Rate Schedule DS

DATE OF ISSUE: ~~March 29, 2024~~^{October 13, 2023}
 DATE EFFECTIVE: ~~May 30, 2024~~^{January 2, 2024} ~~December 30, 2022~~
 ISSUED BY: /s/ Kimra H. Cole
 TITLE: President & Chief Operating Officer

~~Issued pursuant to an Order of the Public Service Commission in Case No. 2022-00342 dated December 28, 2022.~~

**SMRP RIDER
SAFETY MODIFICATION AND REPLACEMENT PROGRAM RIDER**

APPLICABILITY

Applicable to all customers receiving service under the Company's Rate Schedules GS, IS, IUS, SVGTS, DS and SAS.

CALCULATION OF SAFETY MODIFICATION AND REPLACEMENT RIDER REVENUE REQUIREMENT

The SMRP Rider Revenue Requirement includes the following:

- a. SMRP-related Plant In-Service not included in base gas rates minus the associated SMRP-related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to SMRP construction;
- c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- d. Depreciation expense on the SMRP = related Plant In-Service less retirement and removals;
- e. Property taxes related to the SMRP; and
- f. Reduction for savings in Account No. 887 – Maintenance of Mains,

SAFETY MODIFICATION AND REPLACEMENT PROGRAM FACTORS

All customers receiving service under Rate Schedules GSR, GSO, IS, IUS, SVGTS, DS, GDS and SAS shall be assessed a volumetric charge in addition to the charges of their applicable rate schedule that will enable the Company to complete the safety modification and replacement program.

Rider SMRP will be updated annually in order to reflect the expected impact on the Company's revenue requirements of forecasted net plant additions and subsequently adjusted to true up the actual costs with the projected costs. A filing to update the projected costs for the upcoming calendar year will be submitted annually by October 15 to become effective with meter readings on and after the first billing cycle of January. The allocation of the program costs shall be based on the revenue distribution approved by the Commission. Company will submit a balancing adjustment annually by March 31 to true-up the actual costs, as offset by operations and maintenance expense reductions, during the most recent twelve months ended December with the projected program costs for the same period. The balancing adjustment true-up to the rider will become effective with meter readings on and after the first billing cycle of June.

The volumetric rates for the respective gas service schedules effective May 30, 2024 are:

	Rate per MCF	
Rate GSR, Rate SVGTS - Residential Service	\$0.5733	
Rate GSO, Rate GDS, Rate SVGTS - Commercial or Industrial Service	\$0.3472	
Rate IUS, Rate IUDS	\$0.2175	
Rate IS, Rate DS ^{1/} , Rate SAS	\$0.0634	
^{1/} - Excluding customers subject to Flex Provisions of Rate Schedule DS		

DATE OF ISSUE: March 29, 2024
DATE EFFECTIVE: May 30, 2024
ISSUED BY: /s/ Kimra H. Cole
TITLE: President & Chief Operating Officer