COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COLUMBIA GAS OF KENTUCKY) CASE NO. INC. TO EXTEND ITS GAS COST INCENTIVE) 2012-00593 AND REVENUE SHARING MECHANISM

ORDER

Columbia Gas of Kentucky, Inc. ("Columbia") tendered its application in this matter with the Commission on December 28, 2012. In its application, Columbia requested that its current Gas Cost Incentive Mechanism ("GCIM"), which expired October 31, 2012, be extended for four years to be used April through October each year through October 31, 2016. Columbia also requested that its Off-System Sales and Capacity Release Sharing Mechanism ("OSS/CR RSM"), which expires March 31, 2013, be extended for four years through March 31, 2017. The Commission finds that Columbia's current GCIM and OSS/CR RSM mechanisms, with no change to any aspect of their calculations, should be approved for continued use pending a final Order in this proceeding.

IT IS THEREFORE ORDERED that Columbia shall continue to use its current GCIM and OSS/CR RSM mechanisms pending the Commission's Final Order addressing Columbia's requests for four-year extensions of both mechanisms.

¹ As the GCIM operates only during the months of April through October, the impact of the October 31, 2012 expiration was no different for Columbia than that of the regular seasonal suspension of the program at the end of every October.

By the Commission

ENTERED

MAR 2 7 2013

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST

Executive Director

Judy M Cooper Director, Regulatory Services Columbia Gas of Kentucky, Inc. 2001 Mercer Road P. O. Box 14241 Lexington, KY 40512-4241

Honorable Stephen B Seiple Attorney at Law Columbia Gas of Kentucky, Inc. 200 Civic Center Drive P.O. Box 117 Columbus, OHIO 43216-0117