

March 1, 2012

200 Civic Center Drive
Columbus, OH 43215

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Columbus, OH 43216-0117
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MAR 01 2012

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

**Re: Columbia Gas of Kentucky, Inc.
2012 Accelerated Main Replacement Program Filing**

Dear Mr. Derouen:

Pursuant to the Commission's Order dated October 26, 2009 in Case No. 2009-00141, Columbia Gas of Kentucky, Inc. ("Columbia") hereby encloses for filing with the Commission, an original and ten (10) copies of Columbia's 2012 annual update data submitted pursuant to the requirements of the Accelerated Main Replacement Program ("AMRP") Rider contained in Columbia's tariff. By updating the rider, Columbia proposes to increase its current rates to tariff customers effective May 30, 2012 (the beginning of Columbia's June billing cycle) as follows:

Rate GSR, Rate SVGTS – Residential Service	\$1.06
Rate GSO, Rate GDS, Rate SVGTS – Commercial or Industrial	\$3.98
Rate IUS, Rate IU DS	\$41.38
Rate IS, Rate DS ^{1/} , Rate SAS	\$237.59

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

Columbia has also included in this filing a breakdown of additions to Account 376.25, Mains-AMRP, showing the length of pipe for each size of pipe installed pursuant to the Commission's April 29, 2011 Order in case number 2011-00086.

Please feel free to contact me at bleslie@nisource.com or 614-460-5558 if there are any questions.

Sincerely,


Brooke E. Leslie
200 Civic Center Drive
P. O. Box 117
Columbus, Ohio 43216-0117

Richard S. Taylor
225 Capital Avenue
Frankfort, Kentucky 40601

Attorneys for COLUMBIA GAS OF KENTUCKY, INC.

Columbia Gas of Kentucky, Inc.
 Annual Adjustment to the Accelerated Main Replacement Program
 AMRP Rider by Rate Schedule

Line No.	Rate Schedule (1)	Base Revenue as Approved PSC Case No. 2009-00141 (2)	Allocation Percent 1/ (3)	Revenue Requirement (4)	Billing Determinant # of Bills 2/ (5)	Monthly AMRP Rider (6)
1	Rate GSR, Rate SVGTS - Residential Service	\$34,985,685	63.973%	\$1,511,765	1,427,993	\$1.06
2	Rate GSO, Rate GDS, Rate SVGTS - Com. or Ind. Service	\$15,193,128	27.781%	\$656,501	164,877	\$3.98
3	Rate IUS, Rate IUDS	\$22,785	0.042%	\$993	24	\$41.38
4	Rate IS, Rate DS ^{3/} , Rate SAS	\$4,486,725	8.204%	\$193,871	816	\$237.59
5	TOTAL	<u>\$54,688,323</u>	<u>100.000%</u>	<u>\$2,363,130</u>	<u>1,593,710</u>	

1/ Allocation percent is based on the overall base revenue distribution approved in PSC Case No. 2009-00141.

2/ Billing Determinants based on projected twelve months ending May 31, 2013 bills.

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

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Accelerated Main Replacement Program

Line No.		<u>Actual Thru</u> <u>December 31, 2010</u> (1)	<u>Activity Thru</u> <u>December 31, 2011</u> (2)	<u>Total As Of</u> <u>December 31, 2011</u> (3)	<u>Reference</u> (4)
Return on Investment					
<u>Rate Base</u>					
1	AMRP Investment-Property, Plant and Equipment	12,818,476	9,253,969	22,072,444	Form 2.0
2	Cost of Removal	743,288	505,369	1,248,657	Form 2.0
3	Accumulated Reserve for Depreciation	<u>2,300,893</u>	<u>862,208</u>	<u>3,163,101</u>	Form 2.0
4	Net PP&E	15,862,656	10,621,546	26,484,202	
5	Deferred Taxes on Liberalized Depreciation	<u>(3,426,933)</u>	<u>(3,582,328)</u>	<u>(7,009,261)</u>	Form 2.1
6	Net Rate Base	12,435,723	7,039,218	19,474,941	Line 4 + Line 5
7	Authorized Rate of Return, Adjusted for Income Taxes	<u>11.58%</u>	<u>11.58%</u>		Form 1.2
8	Return on AMRP Related Investment	<u>1,439,708</u>	<u>814,944</u>	<u>2,254,652</u>	Line 6 * Line 7
<u>Operating Expenses</u>					
9	Annualized Depreciation	251,708	175,156	426,864	Form 2.0
10	Current Year O & M Account 887	1,410,569		1,178,453	Per FERC Form 2 Pg. 324
11	O&M Account 887 as approved in Case No. 2009-00141	<u>1,496,839</u>		<u>1,496,839</u>	
12	O&M Savings Realized	(86,270)		(318,386)	Line 10 less Line 11
13	Total Operating Expenses	165,438		108,478	Line 9 + Line 12
14	<u>Total Annual Revenue Requirement</u>	<u>1,605,146</u>		<u>2,363,130</u>	Line 8 + Line 13

Columbia Gas of Kentucky, Inc.
 Annual Adjustment to the Accelerated Main Replacement Program
 Rate of Return

<u>Line No.</u>	<u>Capital Structure</u> (1)	<u>Ratio</u> (2)	<u>Cost</u> (3)	<u>Weighted Cost</u> (4)	<u>Pre-Tax @ Effect tax of 38.90%</u> (5)
1	Short term Debt	5.43%	3.24%	0.18%	0.18%
2	Long term Debt	42.56%	5.76%	2.45%	2.45%
3	Equity	<u>52.02%</u>	10.50%	<u>5.47%</u>	<u>8.95%</u>
4	Total	100.00%		8.10%	11.58%

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Accelerated Main Replacement Program
Book Depreciation

Line No.	Description (1)	Account Number (2)	2011 Beginning Plant Balance (3)	Depr Rates (4)	Depr on Beginning Balance (5)=(3)*(4)	2011 Additions & Retirements (6)	Current Year Depr on Adds/(Ret) (7)=(4)*(6)*50%	Current Year Annualized Depreciation (8)=(6)*(4)	2011 Ending Plant Balance (9)=(6)+(3)
Additions									
1	Regulating Structures	375	-	1.96%	-	690	7	14	690
2	Mains 1_/_	376	8,577,101	1.57%	134,660	6,499,928	51,024	102,049	15,077,029
3	Plant Regulators	378	52,581	2.35%	1,236	143,564	1,687	3,374	196,145
4	Service Lines	380	6,450,402	2.59%	167,065	3,746,669	48,519	97,039	10,197,071
5	Meter Installations	382	139,768	2.39%	3,340	36,311	434	868	176,079
6	House Regulators	383	171,025	1.39%	2,377	28,302	197	393	199,327
7	Total Additions		15,390,877		308,678	10,455,464	101,868	203,737	25,846,341
Retirements									
8	Regulating Structures	375	-	1.96%	-	-	-	-	-
9	Mains	376	(874,033)	1.57%	(13,722)	(222,975)	(1,750)	(3,501)	(1,097,008)
10	Plant Regulators	378	(50,651)	2.35%	(1,190)	(16,263)	(191)	(382)	(66,914)
11	Service Lines	380	(1,495,759)	2.59%	(38,740)	(906,971)	(11,745)	(23,491)	(2,402,730)
12	Meter Installations	382	(120,763)	2.39%	(2,886)	(43,793)	(523)	(1,047)	(164,556)
13	House Regulators	383	(31,196)	1.39%	(434)	(11,493)	(80)	(160)	(42,689)
14	Total Retirements		(2,572,402)		(56,972)	(1,201,495)	(14,289)	(28,581)	(3,773,897)
15	Total Plant		12,818,476		251,708	9,253,969	87,579	175,156	22,072,444
16 Cost of Removal									
17	Mains	376	54,038			41,317			95,355
18	Plant Regulators	378	14,091			-			14,091
19	Service Lines	380	675,158			464,052			1,139,210
20	Total Cost of Removal		743,288			505,369			1,248,657

Notes:

1_/_ See Attachment A for detail of 376 Main additions

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Accelerated Main Replacement Program

Ln. No.	2009-2010			2011			Year (7)	2009	2010	2011	Annual Tax Depreciation (11) (\$)	Cost of Removal (12) (\$)	Book Depreciation (13) (\$)	Difference (14) (\$)	1_/	Accumulated Deferred Inc. Taxes (16) (\$)	
	MACRS 15 Year 50% Bonus Depr Tax Depr Rates (1)	MACRS 15 Year 100% Bonus Depr Tax Depr Rates (2)	MACRS 15 Year No Bonus Depr Tax Depr Rates (3)	MACRS 20 Year 50% Bonus Depr Tax Depr Rates (4)	MACRS 20 Year 100% Bonus Depr Tax Depr Rates (5)	MACRS 20 Year No Bonus Depr Tax Depr Rates (6)		Year 1 Additions (8) (\$)	Year 2 Additions (9) (\$)	Year 3 Additions (10) (\$)					1_ Deferred Tax @ 38.9% (15) (\$)		
1	Additions Initiated Post 9/8/2010								1,170,333	7,894,600							
2	Additions Initiated Pre 9/8/2010							9,383,051	4,837,493	2,560,864							
3	Total							9,383,051	6,007,826	10,455,464							
Tax Depreciation																	
4	0.52500	1.00000	0.05000	0.51875	1.00000	0.03750	1	4,926,102			4,926,102	523,010	72,828	5,376,284	1,917,553	1,917,553	
5	0.04750	-	0.09500	0.03610		0.07219	2	445,695	3,710,017		4,155,712	220,278	198,681	4,177,309	1,509,380	3,426,933	
6	0.04275	-	0.08550	0.03339		0.06677	3	401,125	229,781	9,223,048	9,853,954	505,369	339,287	10,020,036	3,582,328	7,009,261	
7	0.03850	-	0.07700	0.03089		0.06177	4	361,247	206,803	92,434	660,484	-	-	660,484	308,816	7,318,077	
8	0.03465	-	0.06930	0.02857		0.05713	5	325,123	186,243	85,494	596,860	-	-	596,860	279,529	7,597,606	
9	0.03115	-	0.06230	0.02643		0.05285	6	292,282	167,619	79,092	538,993	-	-	538,993	252,870	7,850,476	
10	0.02950	-	0.05900	0.02444		0.04888	7	276,800	150,688	73,151	500,639	-	-	500,639	234,707	8,085,183	
11	0.02950	-	0.05900	0.02261		0.04522	8	276,800	142,706	67,671	487,177	-	-	487,177	227,477	8,312,660	
12	0.02955	-	0.05910	0.02231		0.04462	9	277,269	142,706	62,588	482,563	-	-	482,563	224,279	8,536,939	
13	0.02950	-	0.05900	0.02231		0.04461	10	276,800	142,948	57,901	477,649	-	-	477,649	221,054	8,757,993	
14	0.02955	-	0.05910	0.02231		0.04462	11	277,269	142,706	57,133	477,108	-	-	477,108	220,633	8,978,626	
15	0.02950	-	0.05900	0.02231		0.04461	12	276,800	142,948	57,120	476,868	-	-	476,868	220,532	9,199,158	
16	0.02955	-	0.05910	0.02231		0.04462	13	277,269	142,706	57,133	477,108	-	-	477,108	220,633	9,419,791	
17	0.02950	-	0.05900	0.02231		0.04461	14	276,800	142,948	57,120	476,868	-	-	476,868	220,532	9,640,324	
18	0.02955	-	0.05910	0.02231		0.04462	15	277,269	142,706	57,133	477,108	-	-	477,108	220,633	9,860,957	
19	0.01475	-	0.02950	0.02231		0.04461	16	138,400	142,948	57,120	338,468	-	-	338,468	161,297	10,022,253	
20	-	-	-	0.02231		0.04462	17	-	71,353	57,133	128,486	-	-	128,486	70,077	10,092,331	
21	-	-	-	0.02231		0.04461	18	-	-	57,120	57,120	-	-	57,120	38,183	10,130,513	
22	-	-	-	0.02231		0.04462	19	-	-	57,133	57,133	-	-	57,133	38,191	10,168,704	
23	-	-	-	0.02231		0.04461	20	-	-	57,120	57,120	-	-	57,120	38,183	10,206,887	
24	-	-	-	0.01116		0.02231	21	-	-	57,133	57,133	-	-	57,133	38,191	10,245,078	
25	-	-	-	-		-	22	-	-	57,120	57,120	-	-	57,120	38,183	10,283,261	
26	-	-	-	-		-	23	-	-	28,566	28,566	-	-	28,566	19,095	10,302,356	
27								9,383,051	6,007,826	10,455,464	25,846,339		610,796				

NOTES:
1_/ Includes Impact of State Disallowance on Bonus Tax Depreciation

Calculation of State Disallowance on Bonus Tax Depreciation for 2009 Additions

Ln	Year	State ADIT					Total	Cumulative
		State vs. Fed	on Disallowed	Fed Benefit	Total	Cumulative		
No.	Year	State Tax Depr	Tax Depr	Bonus	ADIT	ADIT Adj	ADIT Adj	
1	2009	469,153	4,456,949	267,417	(93,596)	173,821	173,821	
2	2010	891,390	(445,695)	(26,742)	9,360	(17,382)	156,439	
3	2011	802,251	(401,126)	(24,068)	8,424	(15,644)	140,795	
4	2012	722,495	(361,248)	(21,675)	7,586	(14,089)	126,706	
5	2013	650,245	(325,122)	(19,507)	6,828	(12,680)	114,027	
6	2014	584,564	(292,282)	(17,537)	6,138	(11,399)	102,628	
7	2015	553,600	(276,800)	(16,608)	5,813	(10,795)	91,832	
8	2016	553,600	(276,800)	(16,608)	5,813	(10,795)	81,037	
9	2017	554,538	(277,269)	(16,636)	5,823	(10,813)	70,224	
10	2018	553,600	(276,800)	(16,608)	5,813	(10,795)	59,428	
11	2019	554,538	(277,269)	(16,636)	5,823	(10,813)	48,615	
12	2020	553,600	(276,800)	(16,608)	5,813	(10,795)	37,820	
13	2021	554,538	(277,269)	(16,636)	5,823	(10,813)	27,006	
14	2022	553,600	(276,800)	(16,608)	5,813	(10,795)	16,211	
15	2023	554,538	(277,269)	(16,636)	5,823	(10,813)	5,398	
16	2024	276,801	(138,400)	(8,304)	2,906	(5,398)	0	
17		9,383,051	0	0	0	0		

Calculation of State Disallowance on Bonus Tax Depreciation for 2010 Additions

Ln	Year	State ADIT					Total	Cumulative
		State vs. Fed	on Disallowed	Fed Benefit	Total	Cumulative		
No.	Year	State Tax Depr	Tax Depr	Bonus	ADIT	ADIT Adj	ADIT Adj	
18	2010	300,391	3,409,626	204,578	(71,602)	132,976	132,976	
19	2011	570,743	(340,962)	(20,458)	7,160	(13,298)	119,678	
20	2012	513,669	(306,866)	(18,412)	6,444	(11,968)	107,710	
21	2013	462,603	(276,360)	(16,582)	5,804	(10,778)	96,932	
22	2014	416,342	(248,723)	(14,923)	5,223	(9,700)	87,232	
23	2015	374,288	(223,600)	(13,416)	4,696	(8,720)	78,512	
24	2016	354,462	(211,756)	(12,705)	4,447	(8,258)	70,253	
25	2017	354,462	(211,756)	(12,705)	4,447	(8,258)	61,995	
26	2018	355,063	(212,115)	(12,727)	4,454	(8,273)	53,723	
27	2019	354,462	(211,756)	(12,705)	4,447	(8,258)	45,464	
28	2020	355,063	(212,115)	(12,727)	4,454	(8,273)	37,192	
29	2021	354,462	(211,756)	(12,705)	4,447	(8,258)	28,933	
30	2022	355,063	(212,115)	(12,727)	4,454	(8,273)	20,661	
31	2023	354,462	(211,756)	(12,705)	4,447	(8,258)	12,403	
32	2024	355,063	(212,115)	(12,727)	4,454	(8,273)	4,130	
33	2025	177,228	(105,875)	(6,354)	2,224	(4,130)	0	
34		6,007,826	0	0	0	0		

Calculation of State Disallowance on Bonus Tax Depreciation for 2011 Additions

Ln	Year	State ADIT					Total	Cumulative
		State vs. Fed	on Disallowed	Fed Benefit	Total	Cumulative		
No.	Year	State Tax Depr	Tax Depr	Bonus	ADIT	ADIT Adj	ADIT Adj	
35	2011	392,080	8,830,968	529,858	(185,450)	344,408	344,408	
36	2012	754,780	(662,346)	(39,741)	13,909	(25,831)	318,576	
37	2013	698,111	(612,617)	(36,757)	12,865	(23,892)	294,684	
38	2014	645,834	(566,742)	(34,005)	11,902	(22,103)	272,581	
39	2015	597,321	(524,170)	(31,450)	11,008	(20,443)	252,139	
40	2016	552,571	(484,900)	(29,094)	10,183	(18,911)	233,228	
41	2017	511,063	(448,475)	(26,909)	9,418	(17,491)	215,737	
42	2018	472,796	(414,895)	(24,894)	8,713	(16,181)	199,556	
43	2019	466,523	(409,390)	(24,563)	8,597	(15,966)	183,590	
44	2020	466,418	(409,298)	(24,558)	8,595	(15,963)	167,627	
45	2021	466,523	(409,390)	(24,563)	8,597	(15,966)	151,661	
46	2022	466,418	(409,298)	(24,558)	8,595	(15,963)	135,698	
47	2023	466,523	(409,390)	(24,563)	8,597	(15,966)	119,732	
48	2024	466,418	(409,298)	(24,558)	8,595	(15,963)	103,770	
49	2025	466,523	(409,390)	(24,563)	8,597	(15,966)	87,803	
50	2026	466,418	(409,298)	(24,558)	8,595	(15,963)	71,841	
51	2027	466,523	(409,390)	(24,563)	8,597	(15,966)	55,875	
52	2028	466,418	(409,298)	(24,558)	8,595	(15,963)	39,912	
53	2029	466,523	(409,390)	(24,563)	8,597	(15,966)	23,946	
54	2030	466,418	(409,298)	(24,558)	8,595	(15,963)	7,983	
55	2031	233,262	(204,696)	(12,282)	4,299	(7,983)	(0)	
56		10,455,464	0	(0)	0	(0)		

Columbia Gas of Kentucky, Inc.
Accelerated Main Replacement Program
2011 Breakdown of Account 376 Main Line Additions

Pipe Breakdown	Sum of Quantity (Footage)	Sum of Cost of Materials	Sum of Cost of Labor	Sum of Non- Material Items	Sum of Total Charges
Csg Hy/Rrxing, 4"	992	2,225	8,164	33,137	43,526
Csg Hy/Rrxing, 6"	56	-	-	-	-
Csg Hy/Rrxing, 8"	49	2,756	4,283	24,833	31,872
Csg Hy/Rrxing, 12"	-	-	-	9	9
Csg Hy/Rrxing, 16"	-	-	-	25	25
Csg Hy/Rrxing, 18"	100	11,331	3,693	33,247	48,271
Pipe, Pl, 1"	15	6	18	145	169
Pipe, Pl, 2"	18,800	31,364	100,683	687,634	819,680
Pipe, Pl, 3"	76	653	125	5,195	5,973
Pipe, Pl, 4"	5,630	22,224	43,393	265,444	331,062
Pipe, Pl, 6"	1,386	7,607	18,180	119,534	145,321
Pipe, Pl, 8"	3,348	26,924	18,438	200,824	246,187
Pipe, St Tr Wl, 2"	15	125	879	2,863	3,868
Pipe, St Tr Wl, 3"	1	18	88	280	386
Pipe, St Tr Wl, 4"	7	140	376	1,649	2,164
Pipe, St Tr Wl, 6"	16	677	434	2,702	3,812
Pipe, St Tr Wl, 8"	7,420	293,592	78,383	498,751	870,725
Pipe, St Tr Wl, 12"	4,057	347,873	82,444	615,460	1,045,777
Pipe Total	41,968	747,517	359,580	2,491,731	3,598,828

Other Material Breakdown	Sum of Quantity (Footage)	Sum of Cost of Materials	Sum of Cost of Labor	Sum of Non- Material Items	Sum of Total Charges
Insr-Wld End, 3"	-	-	-	3	3
Insr-Wld End, 4"	-	-	-	3	3
Insr-Wld End, 8"	5	4,252	2,324	11,637	18,213
Insr-Wld End, 12"	3	17,682	5,881	45,528	69,091
Ss Fitting St, 2"	3	606	1,126	9,358	11,090
Ss Fitting St, 3"	1	655	419	2,024	3,097
Ss Fitting St, 4"	1	2,413	1,542	7,454	11,409
Ss Fitting St, 6"	-	342	-	89	431
Ss Fitting St, 8"	1	983	706	3,317	5,006
Ss Sph Tee St, 3"	2	4,662	8,887	59,461	73,010
Ss Sph Tee St, 6"	4	6,194	4,180	32,187	42,561
Ss Sph Tee St, 8"	2	3,478	1,662	8,632	13,772
Ss Sph Tee St, 10"	-	-	-	89	89
Ss Sph Tee St, 12"	4	25,007	6,225	52,110	83,342
Ss Tee 3w St, 2"	5	776	4,784	17,941	23,500
Ss Tee 3w St, 3"	4	2,598	4,314	22,333	29,245
Ss Tee 3w St, 4"	13	17,309	24,088	143,753	185,149
Ss Tee 3w St, 6"	1	997	394	1,980	3,371
Valv P Ball, 2"	3	292	1,411	9,315	11,017
Valv P Ball, 3"	1	336	640	4,280	5,255
Valv P Ball, 4"	2	1,276	1,375	10,391	13,042
Valv P Ball, 6"	-	-	-	2	2
Valv P Ball, 8"	1	684	424	4,622	5,730
Valve, Gate, 3"	-	-	-	5	5
Valve, Gate, 4"	-	-	-	5	5
Valve, Gate, 8"	1	2,812	2,019	9,488	14,319
Valve, Gate, 12"	2	23,842	7,770	69,958	101,571
Other Material Total	59	117,196	80,169	525,966	723,331

	Sum of Quantity (Footage)	Sum of Cost of Materials	Sum of Cost of Labor	Sum of Non- Material Items	Sum of Total Charges
Non-unitized					
Non-unitized 1 /	19	15,569	163,146	1,999,055	2,177,769
Non-unitized Total	19	15,569	163,146	1,999,055	2,177,769

Row Labels	Total Quantity (Footage)	Total Cost of Materials	Total Cost of Labor	Total Non- Material Items	Total Charges
GRAND TOTAL	42,046	880,282	602,895	5,016,751	6,499,928

Note:

1_ / Non-unitized charges represent projects that are complete and in service. However, pipe footage detail was not submitted to the accounting system by year end 2011.

COLUMBIA GAS OF KENTUCKY, INC.

**RIDER AMRP
ACCELERATED MAIN 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 ACCELERATED MAIN REPLACEMENT RIDER REVENUE REQUIREMENT

The AMRP Rider Revenue Requirement includes the following:

- a. AMRP-related Plant In-Service not included in base gas rates minus the associated AMRP-related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to AMRP 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 AMRP = related Plant In-Service less retirement and removals; and;
- e. Reduction for savings in Account No. 887 – Maintenance of Mains.

ACCELERATED MAIN REPLACEMENT PROGRAM FACTORS

All customers receiving service under Rate Schedules GSR, GSO, IS, IUS, SVGTS, DS, GDS and SAS shall be assessed a monthly charge in addition to the Customer Charge component of their applicable rate schedule that will enable the Company to complete the accelerated main replacement program.

Rider AMRP will be updated annually, in order to reflect the impact on the Company's revenue requirements of net plant additions as offset by operations and maintenance expense reductions during the most recent twelve months ended December. Such adjustment to the Rider will become effective with meter readings on and after the first billing cycle of June, and will reflect the allocation of the required revenue increase based on the revenue distribution approved by the Commission.

The charges for the respective gas service schedules for the revenue month beginning June 2011 per billing period are:

Rate GSR, Rate SVGTS - Residential Service	\$ <u>1,060.72</u>
Rate GSO, Rate GDS, Rate SVGTS - Commercial or Industrial Service	\$ <u>3,982.69</u>
Rate IUS, Rate IUDS	\$ <u>41,3832.10</u>
Rate IS, Rate DS ^{1/} , Rate SAS	\$ <u>237,59461.38</u>

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

DATE OF ISSUE: March 1May 10, 2012₄

DATE EFFECTIVE: May 30₄, 2012₄
(Unit 1 June 2012₄ Billing Cycle)

Issued by: Herbert A. Miller, Jr.

President

Issued by authority of an Order of the Public Service Commission in Case No. 2011-00086 dated April 29, 2011

COLUMBIA GAS OF KENTUCKY, INC.

**RIDER AMRP
ACCELERATED MAIN 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 ACCELERATED MAIN REPLACEMENT RIDER REVENUE REQUIREMENT

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- b. Retirement and removal of plant related to AMRP construction;
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- d. Depreciation expense on the AMRP = related Plant In-Service less retirement and removals; and;
- e. Reduction for savings in Account No. 887 – Maintenance of Mains.

ACCELERATED MAIN REPLACEMENT PROGRAM FACTORS

All customers receiving service under Rate Schedules GSR, GSO, IS, IUS, SVGTS, DS, GDS and SAS shall be assessed a monthly charge in addition to the Customer Charge component of their applicable rate schedule that will enable the Company to complete the accelerated main replacement program.

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The charges for the respective gas service schedules for the revenue month beginning June 2011 per billing period are:

Rate GSR, Rate SVGTS - Residential Service	\$ 1.06
Rate GSO, Rate GDS, Rate SVGTS - Commercial or Industrial Service	\$ 3.98
Rate IUS, Rate IUDS	\$ 41.38
Rate IS, Rate DS ^{1/} , Rate SAS	\$237.59

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

DATE OF ISSUE: March 1, 2012

DATE EFFECTIVE: May 30, 2012
(Unit 1 June 2012 Billing Cycle)

Issued by: *Herbert A. Miller Jr.*

President