

Columbia Gas[®]
of Kentucky

A NiSource Company

2001 Mercer Road
Lexington, KY 40511

July 31, 2007

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

RECEIVED

JUL 31 2007

PUBLIC SERVICE
COMMISSION

Re: Columbia Gas of Kentucky, Inc.
Gas Cost Adjustment Case No. 2007 - 00347

Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated January 30, 2001 in Administrative Case No. 384, Columbia Gas of Kentucky, Inc. ("Columbia") hereby encloses, for filing with the Commission, an original and six (6) copies of data submitted pursuant to the requirements of the Gas Cost Adjustment Provision contained in Columbia's tariff for its September quarterly Gas Cost Adjustment ("GCA").

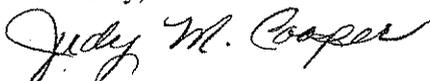
Columbia proposes to increase its current rates to tariff sales customers by \$3.0350 per Mcf effective with its September 2007 billing cycle on August 29, 2007. The increase is composed of a decrease of \$0.6493 per Mcf in the Average Commodity Cost of Gas, an increase of \$0.0080 per Mcf in the Average Demand Cost of Gas, an increase of \$1.1619 per Mcf in the Balancing Adjustment and an increase of \$2.5144 per Mcf in the Actual Cost Adjustment. There is no change in the Refund Adjustment or amount of the SAS Refund Adjustment.

The proposed tariffs included in this filing reflect Columbia's currently authorized base rates and the September GCA. Columbia's proposed base rates in Case No. 2007-00008 were suspended by the Commission through August 20, 2007. If the Commission issues an Order authorizing revised base rates prior to August 29, 2007 those rates should replace the currently authorized base rates.

Due to unforeseen technical difficulties, Columbia was unable to file its quarterly adjustment on the regularly scheduled filing date of July 30, 2007. Columbia respectfully requests a one-day waiver of the 30-day filing requirement so that the adjustment may become effective with Columbia's September billing cycle on August 29, 2007.

Please feel free to contact me at 859-288-0242 if there are any questions.

Sincerely,



Judy M. Cooper
Director, Regulatory Policy

Enclosures

BEFORE THE
PUBLIC SERVICE COMMISSION
OF KENTUCKY

COLUMBIA GAS OF KENTUCKY, INC.

CASE 2007 -00347

GAS COST ADJUSTMENT AND REVISED RATES OF
COLUMBIA GAS OF KENTUCKY, INC. PROPOSED TO BECOME
EFFECTIVE SEPTEMBER 2007 BILLINGS

Columbia Gas of Kentucky, Inc.
Comparison of Current and Proposed GCAs

<u>Line</u> <u>No.</u>	<u>June-07</u> <u>CURRENT</u>	<u>September-07</u> <u>PROPOSED</u>	<u>DIFFERENCE</u>
1 Commodity Cost of Gas	\$8.9201	\$8.2708	(\$0.6493)
2 Demand Cost of Gas	<u>\$1.3567</u>	<u>\$1.3647</u>	<u>\$0.0080</u>
3 Total: Expected Gas Cost (EGC)	\$10.2768	\$9.6355	(\$0.6413)
4 SAS Refund Adjustment	(\$0.0002)	(\$0.0002)	\$0.0000
5 Balancing Adjustment	(\$1.1408)	\$0.0211	\$1.1619
6 Supplier Refund Adjustment	(\$0.0065)	(\$0.0065)	\$0.0000
7 Actual Cost Adjustment	(\$1.9761)	\$0.5383	\$2.5144
8 Gas Cost Incentive Adjustment	<u>\$0.0051</u>	<u>\$0.0051</u>	<u>\$0.0000</u>
9 Cost of Gas to Tariff Customers (GCA)	\$7.1583	\$10.1933	\$3.0350
10 Transportation TOP Refund Adjustment	\$0.0000	\$0.0000	\$0.0000
11 Banking and Balancing Service	\$0.0208	\$0.0207	(\$0.0001)
12 Rate Schedule FI and GSO			
13 Customer Demand Charge	\$6.5814	\$6.5814	\$0.0000

Columbia Gas of Kentucky, Inc.
Gas Cost Adjustment Clause
Gas Cost Recovery Rate
 Sept. - Nov. 07

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC)	Schedule No. 1	\$9.6355	
2	Actual Cost Adjustment (ACA)	Schedule No. 2	\$0.5383	8-31-08
3	SAS Refund Adjustment (RA)	Schedule No. 5	(\$0.0002)	8-31-08
4	Supplier Refund Adjustment (RA)	Schedule No. 4	(\$0.0065)	05-31-08
		Total Refunds	<u>(\$0.0065)</u>	
5	Balancing Adjustment (BA)	Schedule No. 3	\$0.0211	2-28-08
6	Gas Cost Incentive Adjustment	Schedule No. 6	\$0.0051	2-28-08
		Total GCIA	<u>\$0.0051</u>	
7	Gas Cost Adjustment			
8	Sept. - Nov. 07		<u>\$10.1933</u>	
9	Expected Demand Cost (EDC) per Mcf			
10	(Applicable to Rate Schedule IS/SS and GSO) Schedule No. 1, Sheet 4		<u>\$6.5814</u>	

DATE FILED: July 30, 2007

BY: J. M. Cooper

Columbia Gas of Kentucky, Inc.
Expected Gas Cost for Sales Customers
 Sept. - Nov. 07

Schedule No. 1
 Sheet 1

Line No.	Description	Reference	Volume A/		Rate		Cost (5)
			Mcf (1)	Dth. (2)	Per Mcf (3)	Per Dth (4)	
Storage Supply							
Includes storage activity for sales customers only							
Commodity Charge							
1	Withdrawal			(1,115,000)		\$0.0153	\$17,060
2	Injection			1,480,000		\$0.0153	\$22,644
3	Withdrawals: gas cost includes pipeline fuel and commodity charges			1,114,000		\$7.8609	\$8,757,067
Total							
4	Volume	= 3		1,114,000			
5	Cost	sum(1:3)					\$8,796,771
6	Summary	4 or 5		1,114,000			\$8,796,771
Flowing Supply							
Excludes volumes injected into or withdrawn from storage.							
Net of pipeline retention volumes and cost. Add unit retention cost on line 17							
7	Non-Appalachian	Sch.1, Sht. 5, Ln. 4		925,000			\$6,160,952
8	Appalachian Supplies	Sch.1, Sht. 6, Ln. 4		84,000			\$583,000
9	Less Fuel Retention By Interstate Pipelines	Sch. 1,Sheet 7, Lines 21, 22		(131,000)			(\$1,010,373)
10	Total	7 + 8 + 9		878,000			\$5,733,579
Total Supply							
11	At City-Gate	Line 6 + 10		1,992,000			\$14,530,350
Lost and Unaccounted For							
12	Factor					-0.9%	
13	Volume	Line 11 * 12		(17,928)			
14	At Customer Meter	Line 11 + 13		1,974,072			
15	Sales Volume	Line 14	1,865,147	1,974,072			
Unit Costs \$/MCF							
Commodity Cost							
16	Excluding Cost of Pipeline Retention	Line 11 / Line 15				\$7.7905	
17	Annualized Unit Cost of Retention	Sch. 1,Sheet 7, Line 24				\$0.4803	
18	Including Cost of Pipeline Retention	Line 16 + 17				\$8.2708	
19	Demand Cost	Sch.1, Sht. 2, Line 9				\$1.3647	
20	Total Expected Gas Cost (EGC)	Line 18 + 19				\$9.6355	

A/ BTU Factor = 1.0584 Dth/MCF

Columbia Gas of Kentucky, Inc.
GCA Unit Demand Cost
Sept. - Nov. 07

Schedule No. 1
 Sheet 2

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	
1	Expected Demand Cost: Annual Sept. 2007 - Aug. 2008	Sch. No.1, Sheet 3, Ln. 41	\$20,064,742
2	Less Rate Schedule IS/SS and GSO Customer Demand Charge Recovery	Sch. No.1, Sheet 4, Ln. 10	-\$451,987
3	Less Storage Service Recovery from Delivery Service Customers		-\$154,540
4	Net Demand Cost Applicable 1 + 2 + 3		\$19,458,214
Projected Annual Demand: Sales + Choice			
5	At city-gate In Dth Heat content In MCF		15,228,000 Dth 1.0584 Dth/MCF 14,387,755 MCF
6	Lost and Unaccounted - For Factor		0.9%
7	Volume 5 * 6		<u>129,490</u> MCF
8	At Customer Meter 5 - 7		14,258,265 MCF
9	Unit Demand Cost (7 / 10) To Sheet 1, line 19		\$1.3647 per MCF

Columbia Gas of Kentucky, Inc.
Annual Demand Cost of Interstate Pipeline Capacity
 Sept. 2007 - Aug. 2008

Schedule No. 1
 Sheet 3

Line No.	Description	Dth	Monthly Rate \$/Dth	# Months	Expected Annual Demand Cost
Columbia Gas Transmission Corporation					
Firm Storage Service (FSS)					
1	FSS Max Daily Storage Quantity (MDSQ)	220,880	\$1.5050	12	\$3,989,093
2	FSS Seasonal Contract Quantity (SCQ)	11,264,911	\$0.0290	12	\$3,920,189
Storage Service Transportation (SST)					
3	Summer	110,440	\$4.1850	6	\$2,773,148
4	Winter	220,880	\$4.1850	6	\$5,546,297
5	Firm Transportation Service (FTS)	20,014	\$5.9670	12	\$1,433,082
6	Subtotal			sum(1:5)	\$17,661,809
Columbia Gulf Transmission Company					
11	FTS - 1 (Mainline)	28,991	\$3.1450	12	\$1,094,120
Tennessee Gas					
21	Firm Transportation	20,506	\$4.6238	12	\$1,137,788
Central Kentucky Transmission					
31	Firm Transportation	28,000	\$0.5090	12	\$171,024
41	Total. Used on Sheet 2, line 1				\$20,064,742

Expected Demand Costs Recovered Annually From Rate Schedule IS/SS and GSO Customers

Sept. 2007 - Aug. 2008

Line No.	Description	Capacity			Units	Annual Cost
		Daily Dth (1)	# Months (2)	Annualized Dth (3) = (1) x (2)		
1	Expected Demand Costs (Per Sheet 3)					\$20,064,742
	City-Gate Capacity:					
	Columbia Gas Transmission					
2	Firm Storage Service - FSS	220,880	12	2,650,560		
3	Firm Transportation Service - FTS	20,014	12	240,168		
4	Central Kentucky Transportation	28,000	12	336,000		
5	Total	2 + 3 + 4		3,226,728	Dth	
6	Divided by Average BTU Factor			1.0584	Dth/MCF	
7	Total Capacity - Annualized	Line 5 / Line 6		3,048,685	Mcf	
	Monthly Unit Expected Demand Cost (EDC) of Daily Capacity					
8	Applicable to Rate Schedules IS/SS and GSO			\$6.5814	/Mcf	
	Line 1 / Line 7					
9	Firm Volumes of IS/SS and GSO Customers	5,723	12	68,676	Mcf	
10	Expected Demand Charges to be Recovered Annually from Rate Schedule IS/SS and GSO Customers	Line 8 * Line 9			to Sheet 2, line 2	\$451,987

Columbia Gas of Kentucky, Inc.
Non-Appalachian Supply: Volume and Cost
Sept. - Nov. 07

Schedule No. 1
 Sheet 5

Cost includes transportation commodity cost and retention by the interstate pipelines,
 but excludes pipeline demand costs.
 The volumes and costs shown are for sales customers only.

Line No.	Month	Total Flowing Supply Including Gas Injected Into Storage			Net Storage Injection Dth (4)	Net Flowing Supply for Current Consumption	
		Volume A/ Dth (1)	Cost (2)	Unit Cost \$/Dth (3) = (2) / (1)		Volume Dth (5) = (1) + (4)	Cost (6) = (3) x (5)
1	Sep-07	1,511,000	\$9,784,000	\$6.48	(1,196,000)	315,000	\$2,039,682
2	Oct-07	885,000	\$5,797,000	\$6.55	(283,000)	602,000	\$3,943,270
3	Nov-07	8,000	\$178,000	\$22.25	0	8,000	\$178,000
4	Total 1+2+3	2,404,000	\$15,759,000	\$6.56	(1,479,000)	925,000	\$6,160,952

A/ Gross, before retention.

Columbia Gas of Kentucky, Inc.
Appalachian Supply: Volume and Cost
Sept. - Nov. 07

Schedule No. 1
Sheet 6

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Dth</u> (2)	<u>Cost</u> (3)
1	Sep-07	19,000	\$123,000
2	Oct-07	24,000	\$156,000
3	Nov-07	41,000	\$304,000
4	Total 1 + 2 + 3	84,000	\$583,000

Columbia Gas of Kentucky, Inc.
Annualized Unit Charge for Gas Retained by Upstream Pipelines
Sept. - Nov. 07

Schedule No. 1
 Sheet 7

Retention costs are incurred proportionally to the volumes purchased, but recovery of the costs is allocated to quarter by volume consumed.

							Annual	
			Sept. - Nov.	Dec. 07 - Feb.	Mar. 08 -	June - Aug.	Sept. 2007 -	
			07	08	May 08	08	Aug. 2008	
			<u>Units</u>					
Gas purchased by CKY for the remaining sales customers								
1	Volume	Dth	2,488,000	1,706,000	3,470,000	4,605,000	12,269,000	
2	Commodity Cost Including Transportation		\$16,342,000	\$14,717,000	\$27,159,000	\$36,410,000	\$94,628,000	
3	Unit cost	\$/Dth					\$7.7128	
Consumption by the remaining sales customers								
11	At city gate	Dth	1,992,000	6,161,000	2,675,000	731,000	11,559,000	
12	Lost and unaccounted for portion		0.90%	0.90%	0.90%	0.90%		
At customer meters								
13	In Dth	(100% - 12) * 11	Dth	1,974,072	6,105,551	2,650,925	724,421	11,454,969
14	Heat content		Dth/MCF	1.0584	1.0584	1.0584	1.0584	
15	In MCF	13 / 14	MCF	1,865,147	5,768,661	2,504,653	684,449	10,822,911
16	Portion of annual	line 15, quarterly / annual		17.2%	53.3%	23.1%	6.3%	100.0%
Gas retained by upstream pipelines								
21	Volume		Dth	131,000	193,000	162,000	188,000	674,000
Cost								
22	Quarterly. Deduct from Sheet 1	3 * 21		To Sheet 1, line 9				
23	Allocated to quarters by consumption			\$1,010,373	\$1,488,565	\$1,249,469	\$1,450,001	\$5,198,408
				\$895,859	\$2,770,775	\$1,203,023	\$328,751	\$5,198,408
24	Annualized unit charge	23 / 15		To Sheet 1, line 17				
			\$/MCF	\$0.4803	\$0.4803	\$0.4803	\$0.4803	\$0.4803

COLUMBIA GAS OF KENTUCKY, INC.

Schedule No. 1

Sheet 8

**DETERMINATION OF THE BANKING AND
BALANCING CHARGE
FOR THE PERIOD BEGINNING June 2007**

<u>Line No.</u>	<u>Description</u>	<u>Dth</u>	<u>Detail</u>	<u>Amount For Transportation Customers</u>
1	Total Storage Capacity. Sheet 3, line 4	11,264,911		
2	Net Transportation Volume	7,892,589		
3	Contract Tolerance Level @ 5%	394,629		
4	Percent of Annual Storage Applicable to Transportation Customers		3.50%	
6	Seasonal Contract Quantity (SCQ)			
7	Rate		\$0.0290	
8	SCQ Charge - Annualized		<u>\$3,920,189</u>	
9	Amount Applicable To Transportation Customers			<u>\$137,207</u>
10	FSS Injection and Withdrawal Charge			
11	Rate		0.0306	
12	Total Cost		<u>\$344,706</u>	
13	Amount Applicable To Transportation Customers			<u>\$12,065</u>
14	SST Commodity Charge			
15	Rate		0.0162	
16	Total Cost		<u>\$150,540</u>	
17	Amount Applicable To Transportation Customers			<u>\$5,269</u>
18	Total Cost Applicable To Transportation Customers			<u>\$154,540</u>
19	Total Transportation Volume - Mcf			18,658,484
20	Flex and Special Contract Transportation Volume - Mcf			(11,201,389)
21	Net Transportation Volume - Mcf	line 19 + line 20		7,457,095
22	Banking and Balancing Rate - Mcf.	Line 18 / line 21. To line 11 of the GCA Comparison		<u>\$0.0207</u>

ACTUAL COST ADJUSTMENT

STATEMENT SHOWING COMPUTATION OF
ACTUAL GAS COST ADJUSTMENT (ACA)
BASED ON THE TWELVE MONTHS ENDED JUNE 30, 2007

LINE NO.	MONTH	Total Sales Volumes Per Books	Standby Service Volumes	Net Applicable Sales Volumes	Average Expected Gas Cost Rate	Gas Cost Recovery	Standby Service Recovery	Total Gas Cost Recovery	Cost of Gas Purchased	(OVER)/ UNDER RECOVERY	Off System Sales (Accounting)
		Mcf (1)	Mcf (2)	Mcf (3)=(1)-(2)	\$/Mcf (4) = (5/3)	\$ (5)	\$ (6)	\$ (7)=(5)+(6)	\$ (8)	\$ (9)=(8)-(7)	(10)
1	July 2006	208,746	(184)	208,930	\$10.7034	\$2,236,269	\$32,783	\$2,269,053	(\$2,939,714)	(\$5,208,766)	\$94,977.39
2	August 2006	191,837	(242)	192,079	\$10.7035	\$2,055,909	33,033.52	\$2,088,943	\$13,823,911	\$11,734,968	\$7,659.37
3	September 2006	231,546	422	231,124	\$10.0616	2,325,486.30	38,779.39	\$2,364,266	\$974,205	(\$1,390,061)	\$87,159.37
4	October 2006	387,447	(171)	387,618	\$10.0239	3,885,446.08	33,571.56	\$3,919,018	\$4,191,116	\$272,098	\$117,981.21
5	November 2006	982,871	674	982,197	\$10.0239	9,845,447.51	39,673.38	9,885,120.89	\$13,376,221	\$3,491,100	\$119,875.37
6	December 2006	1,462,708	2,755	1,459,953	\$10.3968	15,178,844.45	53,708.46	\$15,232,553	\$16,307,190	\$1,074,638	\$14,735.34
7	January 2007	1,603,433	(1,461)	1,604,894	\$10.4012	16,692,815.15	25,297.85	\$16,718,113	\$21,431,056	\$4,712,943	\$594,482.64
8	February 2007	2,500,088	1,105	2,498,983	\$10.4012	25,992,411.58	42,872.05	\$26,035,284	\$33,655,976	\$7,620,692	\$413,249.39
9	March 2007	1,946,655	1,921	1,944,734	\$9.4278	18,334,549.17	48,591.00	\$18,383,140.17	\$9,700,564	(\$8,682,576)	\$550,334.21
10	April 2007	947,899	(644)	948,543	\$9.4131	8,928,731.99	34,211.35	\$8,962,943	\$13,351,145	\$4,388,202	\$75,730.20
11	May 2007	566,800	2,378	564,422	\$9.4131	5,312,956.02	44,645.35	\$5,357,601	(\$295,770)	(\$5,653,371)	\$289,029.19
12	June 2007	269,820	(1,026)	270,846	\$10.2613	2,779,228.41	30,166.76	\$2,809,395	\$826,308	(\$1,983,087)	\$111,667.85
13	TOTAL	11,299,850	5,527	11,294,323		\$113,568,095	\$457,334	\$114,025,429	\$124,402,208	\$10,376,779	\$2,456,881.53
14	Off-System Sales									(\$2,456,882)	
15	Capacity Release									(\$175,755)	
16	Gas Cost Audit									\$0	
17	TOTAL (OVER)/UNDER-RECOVERY									\$7,744,143	
18	Demand Revenues Received									\$15,778,136	
19	Demand Cost of Gas									\$19,059,444	
20	Demand Under Recovery									\$3,281,308	
21	Expected Sales + Choice Volumes for the Twelve Months End Aug. 30, 2008									14,388,000	
22	DEMAND ACA TO EXPIRE AUGUST 31, 2008									\$0,2281	
23	Commodity Revenues Received									\$98,247,315	
24	Commodity Cost of Gas									\$102,710,128	
25	Commodity Under Recovery									\$4,462,814	
26	Expected Sales + Choice Volumes for the Twelve Months End Aug. 30, 2008									14,388,000	
27	COMMODITY ACA TO EXPIRE AUGUST 31, 2008									\$0,3102	
28	TOTAL ACA TO EXPIRE AUGUST 31, 2008									\$0,5383	

**STATEMENT SHOWING ACTUAL COST
RECOVERY FROM CUSTOMERS TAKING STANDBY
SERVICE UNDER RATE SCHEDULE IS AND GSO
FOR THE TWELVE MONTHS ENDED JUNE 30, 2007**

<u>LINE NO.</u>	<u>MONTH</u>	<u>SS Commodity Volumes</u> (1) Mcf	<u>Average SS Recovery Rate</u> (2) \$/Mcf	<u>SS Commodity Recovery</u> (3) \$
1	July 2006	(184)	\$12.4493	(\$2,291)
2	August 2006	(242)	\$8.6534	(\$2,094)
3	September 2006	422	\$8.6534	\$3,652
4	October 2006	(171)	\$9.0999	(\$1,556)
5	November 2006	674	\$6.7444	\$4,546
6	December 2006	2,755	\$6.7444	\$18,581
7	January 2007	(1,461)	\$6.7281	(\$9,830)
8	February 2007	1,105	\$7.0085	\$7,744
9	March 2007	1,921	\$7.0085	\$13,463
10	April 2007	(644)	\$8.9789	(\$5,782)
11	May 2007	2,378	\$4.9077	\$11,671
12	June 2007	(1,026)	\$4.9077	(\$5,035)
13	Total SS Commodity Recovery			<u>\$33,068</u>

<u>LINE NO.</u>	<u>MONTH</u>	<u>SS Demand Volumes</u> (1) Mcf	<u>Average SS Demand Rate</u> (2) \$/Mcf	<u>SS Demand Recovery</u> (3) \$
14	July 2006	5,363	\$6.5400	\$35,074
15	August 2006	5,363	\$6.5500	\$35,128
16	September 2006	5,363	\$6.5500	\$35,128
17	October 2006	5,363	\$6.5500	\$35,128
18	November 2006	5,363	\$6.5500	\$35,128
19	December 2006	5,363	\$6.5500	\$35,128
20	January 2007	5,363	\$6.5500	\$35,128
21	February 2007	5,363	\$6.5500	\$35,128
22	March 2007	5,363	\$6.5500	\$35,128
23	April 2007	6,071	\$6.5877	\$39,994
24	May 2007	5,019	\$6.5700	\$32,975
25	June 2007	5,358	\$6.5700	\$35,202
26	Total SS Demand Recovery			<u>\$424,266</u>
27	TOTAL SS AND GSO RECOVERY			<u><u>\$457,334</u></u>

BALANCING ADJUSTMENT

COLUMBIA GAS OF KENTUCKY, INC.

**CALCULATION OF BALANCING ADJUSTMENT
TO BE EFFECTIVE September 1, 2007**

<u>Line No.</u>	<u>Description</u>	<u>Detail</u>	<u>Amount</u>
		\$	\$
1	<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND ADJUSTMENT</u>		
2	Total adjustment to have been distributed to		
3	customers in Case No. 2006-00062	(\$67,545)	
4	Less: actual amount distributed	<u>(\$125,672)</u>	
5	REMAINING AMOUNT		\$58,127
6	<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND ADJUSTMENT</u>		
7	Total adjustment to have been distributed to		
8	customers in Case No. 2006-00062	(\$1,017)	
9	Less: actual amount distributed	<u>(\$2,060)</u>	
10	REMAINING AMOUNT		\$1,043
11	<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND ADJUSTMENT</u>		
12	Total adjustment to have been distributed to		
13	customers in Case No. 2006-00179	(\$11,426)	
14	Less: actual amount distributed	<u>(\$7,635)</u>	
15	REMAINING AMOUNT		(\$3,791)
16	<u>RECONCILIATION OF GAS COST INCENTIVE ADJUSTMENT</u>		
17	Total adjustment to have been collected from		
18	customers in Case No. 2006-00179	\$368,262	
19	Less: actual amount collected	<u>\$261,237</u>	
20	REMAINING AMOUNT		\$107,025
21	<u>RECONCILIATION OF A PREVIOUS BALANCING ADJUSTMENT</u>		
22	Total adjustment to have been collected from		
22	customers in Case No. 2006-00366	\$4,806	
23	Less: actual amount collected	<u>\$4,304</u>	
24	REMAINING AMOUNT		\$502
25	TOTAL BALANCING ADJUSTMENT AMOUNT		<u><u>\$162,906</u></u>
26	Divided by: Projected Sales Volumes for the six months ended		
27	ended February 28, 2008		<u>7,703,000</u>
28	BALANCING ADJUSTMENT (BA) TO		
29	EXPIRE February 28, 2008		<u><u>\$ 0.0211</u></u>

**Columbia Gas of Kentucky, Inc.
Supplier Refund Adjustment
Supporting Data**

Case No. 2006-00179

Expires 05/31/07

	Volume	Refund Rate	Refund Amount	Refund Balance
				(\$11,425.95)
June 2006	242,611	(\$0.0007)	(\$169.83)	(\$11,256.12)
July 2006	187,752	(\$0.0007)	(\$131.43)	(\$11,124.70)
August 2006	169,594	(\$0.0007)	(\$118.72)	(\$11,005.98)
September 2006	199,642	(\$0.0007)	(\$139.75)	(\$10,866.23)
October 2006	373,387	(\$0.0007)	(\$261.37)	(\$10,604.86)
November 2006	958,530	(\$0.0007)	(\$670.97)	(\$9,933.89)
December 2006	1,417,266	(\$0.0007)	(\$992.09)	(\$8,941.80)
January 2007	1,575,596	(\$0.0007)	(\$1,102.92)	(\$7,838.89)
February 2007	2,422,747	(\$0.0007)	(\$1,695.92)	(\$6,142.96)
March 2007	1,890,033	(\$0.0007)	(\$1,323.02)	(\$4,819.94)
April 2007	920,870	(\$0.0007)	(\$644.61)	(\$4,175.33)
May 2007	548,582	(\$0.0007)	(\$384.01)	(\$3,791.32)
June 2007	133	(\$0.0007)	(\$0.09)	(\$3,791.23)
			(\$7,634.72)	

SUMMARY:

REFUND AMOUNT (\$11,425.95)

AMOUNT ACTUALLY REFUNDED (\$7,634.72)

TOTAL REMAINING TO BE
COLLECTED (\$3,791.23)

Columbia Gas of Kentucky, Inc.
Supplier Refund Adjustment
Supporting Data

Case No. 2006-00062

Expires 02/28/07

	Volume	Refund Rate	Refund Amount	Refund Balance
				(\$67,544.92)
March 2006	1,412,981	(\$0.0122)	(\$17,238.37)	(\$50,306.55)
April 2006	900,150	(\$0.0122)	(\$10,981.83)	(\$39,324.72)
May 2006	418,455	(\$0.0122)	(\$5,105.15)	(\$34,219.57)
June 2006	241,714	(\$0.0122)	(\$2,948.91)	(\$31,270.66)
July 2006	187,752	(\$0.0122)	(\$2,290.57)	(\$28,980.09)
August 2006	169,594	(\$0.0122)	(\$2,069.05)	(\$26,911.04)
September 2006	199,642	(\$0.0122)	(\$2,435.63)	(\$24,475.41)
October 2006	373,387	(\$0.0122)	(\$4,555.32)	(\$19,920.09)
November 2006	958,530	(\$0.0122)	(\$11,694.07)	(\$8,226.02)
December 2006	1,417,266	(\$0.0122)	(\$17,290.65)	\$9,064.63
January 2007	1,575,596	(\$0.0122)	(\$19,222.27)	\$28,286.90
February 2007	2,422,747	(\$0.0122)	(\$29,557.51)	\$57,844.41
March 2007	23,148	(\$0.0122)	(\$282.41)	\$58,126.82
			(\$125,671.74)	

SUMMARY:

REFUND AMOUNT (\$67,544.92)

AMOUNT ACTUALLY REFUNDED (\$125,671.74)

TOTAL REMAINING TO BE
COLLECTED

\$58,126.82

**Columbia Gas of Kentucky, Inc.
Supplier Refund Adjustment
Supporting Data**

Case No. 2006-00062

Expires 02/28/07

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$1,017.26)
March 2006	1,412,981	(\$0.0002)	(\$282.60)	(\$734.66)
April 2006	900,150	(\$0.0002)	(\$180.03)	(\$554.63)
May 2006	418,455	(\$0.0002)	(\$83.69)	(\$470.94)
June 2006	241,714	(\$0.0002)	(\$48.34)	(\$422.60)
July 2006	187,752	(\$0.0002)	(\$37.55)	(\$385.05)
August 2006	169,594	(\$0.0002)	(\$33.92)	(\$351.13)
September 2006	199,642	(\$0.0002)	(\$39.93)	(\$311.20)
October 2006	373,387	(\$0.0002)	(\$74.68)	(\$236.53)
November 2006	958,530	(\$0.0002)	(\$191.71)	(\$44.82)
December 2006	1,417,266	(\$0.0002)	(\$283.45)	\$238.63
January 2007	1,575,596	(\$0.0002)	(\$315.12)	\$553.75
February 2007	2,422,747	(\$0.0002)	(\$484.55)	\$1,038.30
March 2007	23,148	(\$0.0002)	(\$4.63)	\$1,042.93
			(\$2,060.19)	

SUMMARY:

REFUND AMOUNT	(\$1,017.26)
AMOUNT ACTUALLY REFUNDED	(\$2,060.19)
TOTAL REMAINING TO BE COLLECTED	<u>\$1,042.93</u>

**Columbia Gas of Kentucky, Inc.
Balancing Adjustment
Supporting Data**

Case No. 2006-00366

Expires:	<u>Volume</u>	<u>Surcharge Rate</u>	<u>Surcharge Amount</u>	<u>Surcharge Balance</u>
Beginning Balance				\$4,805.80
September 2006	194,189	\$0.0006	\$116.51	\$4,689.29
October 2006	386,460	\$0.0006	\$231.88	\$4,457.41
November 2006	991,141	\$0.0006	\$594.68	\$3,862.73
December 2006	1,470,278	\$0.0006	\$882.17	\$2,980.56
January 2007	1,631,470	\$0.0006	\$978.88	\$2,001.68
February 2007	2,472,710	\$0.0006	\$1,483.63	\$518.05
March 2007	26,466	\$0.0006	\$15.88	\$502.17
 TOTAL SURCHARGE COLLECTED			 \$4,303.63	

SUMMARY:

SURCHARGE AMOUNT	\$4,805.80
 AMOUNT ACTUALLY COLLECTED	 <u>\$4,303.63</u>
 AMOUNT TO BE COLLECTED	 <u><u>\$502.17</u></u>

**Columbia Gas of Kentucky, Inc.
Gas Cost Incentive Adjustment
Supporting Data**

Case No. 2006-00179

Expires 05/31/07

	<u>Volume</u>	<u>Surcharge Rate</u>	<u>Surcharge Amount</u>	<u>Surcharge Balance</u>
				\$368,262.42
June 2006	364,459	\$0.0230	\$8,382.55	\$359,879.87
July 2006	223,886	\$0.0230	\$5,149.38	\$354,730.48
August 2006	194,643	\$0.0230	\$4,476.78	\$350,253.70
September 2006	205,701	\$0.0230	\$4,731.44	\$345,522.26
October 2006	387,685	\$0.0230	\$8,916.76	\$336,605.50
November 2006	1,000,925	\$0.0230	\$23,021.28	\$313,584.22
December 2006	1,477,093	\$0.0230	\$33,973.14	\$279,611.08
January 2007	1,605,472	\$0.0230	\$36,925.86	\$242,685.23
February 2007	2,472,710	\$0.0230	\$56,872.33	\$185,812.90
March 2007	1,929,372	\$0.0230	\$44,375.56	\$141,437.34
April 2007	936,063	\$0.0230	\$21,529.45	\$119,907.89
May 2007	559,995	\$0.0230	\$12,879.89	\$107,028.01
June 2007	133	\$0.0230	\$3.06	\$107,024.95
			\$261,237.47	

SUMMARY:

SURCHARGE AMOUNT \$368,262.42

AMOUNT ACTUALLY COLLECTED \$261,237.47

TOTAL REMAINING TO BE
COLLECTED \$107,024.95

SAS ADJUSTMENT

COLUMBIA GAS OF KENTUCKY, INC.

**SPECIAL AGENCY SERVICE
ACTUAL SAS VOLUMES DELIVERED
FOR THE TWELVE MONTHS ENDED JUNE 30, 2007**

Line No.	Month	SAS Volumes Delivered (Mcf)
1	July 2006	1,166
2	August 2006	1,149
3	September 2006	1,227
4	October 2006	4,700
5	November 2006	6,356
6	December 2006	6,835
7	January 2007	7,508
8	February 2007	8,135
9	March 2007	5,613
10	April 2007	4,690
11	May 2007	1,235
12	June 2007	1,195
13	TOTAL SAS VOLUMES DELIVERED	49,809
14	TOTAL AGENCY FEE TO BE REFUNDED	(\$2,490.45)
15	(Line No. 13 * \$0.05 per MCF)	
16	DIVIDED BY: Projected Sales and Choice Volumes for the TME August 31, 2008	14,388,000
17	ANNUAL AGENCY FEE REFUND ADJUSTMENT	(\$0.0002)
18	(EXPIRES AUGUST 31, 2008)	

DETAIL SUPPORTING
DEMAND/COMMODITY SPLIT

COLUMBIA GAS OF KENTUCKY
CASE NO. 2007- Effective September 2007 Billing Cycle

CALCULATION OF DEMAND/COMMODITY SPLIT OF GAS COST ADJUSTMENT FOR TARIFFS

	\$/MCF	
Demand Component of Gas Cost Adjustment		
Demand Cost of Gas (Schedule No. 1, Sheet 1, Line 19)	\$1.3647	
Demand ACA (Schedule No. 2, Sheet 1, Line 26)	0.2281	
Refund Adjustment (Schedule No. 4)	-0.0065	
SAS Refund Adjustment (Schedule No. 5)	<u>-0.0002</u>	
Total Demand Rate per Mcf	\$1.5861	<--- to Att. E, line 21

Commodity Component of Gas Cost Adjustment

Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 18)	\$8.2708
Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	\$0.3102
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	\$0.0211
Gas Cost Incentive Adjustment (Schedule No. 6)	<u>\$0.0051</u>
Total Commodity Rate per Mcf	\$8.6072

CHECK:	\$1.5861
	<u>\$8.6072</u>
COST OF GAS TO TARIFF CUSTOMERS (GCA)	\$10.1933

Calculation of Rate Schedule SVGTS - Actual Gas Cost Adjustment

Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	\$0.3102
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	\$0.0211
Gas Cost Incentive Adjustment (Schedule No. 6)	<u>\$0.0051</u>
Total Commodity Rate per Mcf	\$0.3364

Columbia Gas of Kentucky, Inc.
CKY Choice Program
100% Load Factor Rate of Assigned FTS Capacity
Balancing Charge
Sept. - Nov. 07

Line No.	Description	Contract Volume Dth Sheet 3 (1)	Retention (2)	Monthly demand charges \$/Dth Sheet 3 (3)	# months A/ (4)	Assignment proportions lines 4, 5 (5)	Adjustment for retention on downstream pipe, if any (6) = 1 / (100% - col2)	Annual costs	
								\$/Dth (7) = 3 * 4 * 5 * 6	\$/MCF

City gate capacity assigned to Choice marketers

Contract			
1	CKT FTS/SST	28,000	0.644%
2	TCO FTS	<u>20,014</u>	2.007%
3	Total	48,014	

Assignment Proportions			
4	CKT FTS/SST	1 / 3	58.32%
5	TCO FTS	2 / 3	41.68%

Annual demand cost of capacity assigned to choice marketers

6	CKT FTS		\$0.5090	12	0.5832	1.0000	\$3.5620	
7	TCO FTS		\$5.9670	12	0.4168	1.0000	\$29.8472	
8	Gulf FTS-1, upstream to CKT FTS		\$3.1450	12	0.5832	1.0065	\$22.1512	
9	TGP FTS-A, upstream to TCO FTS		\$4.6238	12	0.4168	1.0205	\$23.6021	
10	Total Demand Cost of Assigned FTS, per unit						\$79.1625	\$83.7856
11	100% Load Factor Rate (10 / 365 days)							\$0.2295

Balancing charge, paid by Choice marketers

12	Demand Cost Recovery Factor in GCA, per Mcf per CKY Tariff Sheet No. 5						\$1.5861	
13	Less credit for cost of assigned capacity						(\$0.2295)	
14	Plus storage commodity costs incurred by CKY for the Choice marketer						\$0.1280	
15	Balancing Charge, per Mcf sum(12:14)						\$1.4846	

PROPOSED TARIFF SHEETS

CURRENTLY EFFECTIVE BILLING RATES					
	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment^{1/} Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$	
<u>RATE SCHEDULE GSR</u>					
First 1 Mcf or less per billing period	6.95	1.5861	8.6072	17.1433	
Over 1 Mcf per billing period	1.8715	1.5861	8.6072	12.0648	
<u>RATE SCHEDULE GSO</u>					
<u>Commercial or Industrial</u>					
First 1 Mcf or less per billing period	18.88	1.5861	8.6072	29.0733	
Next 49 Mcf per billing period	1.8715	1.5861	8.6072	12.0648	
Next 350 Mcf per billing period	1.8153	1.5861	8.6072	12.0086	
Next 600 Mcf per billing period	1.7296	1.5861	8.6072	11.9229	
Over 1000 Mcf per billing period	1.5802	1.5861	8.6072	11.7735	
<u>Delivery Service</u>					
Administrative Charge	55.90			55.90	
<u>Standby Service Demand Charge</u>					
Demand Charge times Daily Firm Vol. (Mcf) in Cust. Serv. Agrmt.		6.5814		6.5814	
<u>Delivery Rate Per Mcf</u>					
First 400 Mcf per billing period	1.8153			1.8153	
Next 600 Mcf per billing period	1.7296			1.7296	
All Over 1000 Mcf per billing period	1.5802			1.5802	
Former IN8 Rate Per Mcf	1.0575			1.0575	
Banking and Balancing Service		0.0207		0.0207	R
(continued on following sheet)					
<p>1/ The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff. The Gas Cost Adjustment applicable to a customer who is receiving service under Rate Schedule GS, IN6, or IUS and received service under Rate Schedule SVGTS shall be \$10.1933 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS</p>					
(I) Increase					

DATE OF ISSUE: July 30, 2007

DATE EFFECTIVE: September 2007 Billing Cycle
(August 29, 2007)

ISSUED BY: Herbert A. Miller, Jr.

President

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

CURRENTLY EFFECTIVE BILLING RATES

(Continued)

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment^{1/} Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$
<u>RATE SCHEDULE GPR^{3/}</u>				
First 1 Mcf or less per billing period	6.95	N/A	N/A	N/A
Over 1 Mcf per billing period	1.8715	N/A	N/A	N/A
<u>RATE SCHEDULE GPO^{3/}</u>				
<u>Commercial or Industrial</u>				
First 1 Mcf or less per billing period	18.88	N/A	N/A	N/A
Next 49 Mcf per billing period	1.8715	N/A	N/A	N/A
Next 350 Mcf per billing period	1.8153	N/A	N/A	N/A
Next 600 Mcf per billing period	1.7296	N/A	N/A	N/A
Over 1000 Mcf per billing period	1.5802	N/A	N/A	N/A
<u>RATE SCHEDULE IS</u>				
<u>Customer Charge per billing period</u>	116.55			116.55
First 30,000 Mcf	0.5467		8.6072 ^{2/}	9.1539
Over 30,000 Mcf	0.2905		8.6072 ^{2/}	8.8977
<u>Standby Service Demand Charge</u>				
Demand Charge times Daily Firm Volume (Mcf) in Customer Service Agreement		6.5814		6.5814
<u>Delivery Service¹</u>				
Administrative Charge	55.90			55.90
First 30,000 Mcf	0.5467			
Over 30,000 Mcf	0.2905			0.2905
Banking and Balancing Service (continued on following sheet)	0.0207			0.0207

- ^{1/} The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff.
- ^{2/} IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.
- ^{3/} Currently, there are no customers on this rate schedule.

(I) – Increase

DATE OF ISSUE: July 30, 2007

DATE EFFECTIVE: September 2007 Billing Cycle
(August 29, 2007)

ISSUED BY: Herbert A. Miller, Jr.

President

CURRENTLY EFFECTIVE BILLING RATES
(Continued)

	<u>Base Rate Charge</u> \$	<u>Gas Cost Demand</u> \$	<u>Adjustment^{1/} Commodity</u> \$	<u>Total Billing Rate</u> \$	
<u>RATE SCHEDULE IUS</u>					
For All Volumes Delivered Per Mcf	0.3038	1.5861	8.6072	10.4971	I
<u>Delivery Service</u>					
Administrative Charge	55.90			55.90	
Delivery Rate Per Mcf	0.3038	1.5861		1.8899	I
Banking and Balancing Service		0.0207		0.0207	R
<u>MAINLINE DELIVERY SERVICE</u>					
Administrative Charge	55.90			55.90	
Delivery Rate Per Mcf	0.0858			0.0858	R
Banking and Balancing Service		0.0207		0.0207	

^{1/} The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff.

R – Reduction I- Increase

DATE OF ISSUE: July 30, 2007

DATE EFFECTIVE: September 2007 Billing Cycle
(August 29, 2007)

ISSUED BY: Herbert A. Miller, Jr.

President

CURRENTLY EFFECTIVE BILLING RATES	
<u>RATE SCHEDULE SVGTS</u>	<u>Delivery Charge per Mcf</u>
<u>General Service Residential</u>	
First 1 Mcf or less per billing period	\$ 6.95 (Minimum Bill)
Over 1 Mcf per billing period	1.8715
<u>General Service Other</u>	
First 1 Mcf or less per billing period	\$18.88 (Minimum Bill)
Next 49 Mcf per billing period	1.8715
Next 350 Mcf per billing period	1.8153
Next 600 Mcf per billing period	1.7296
Over 1000 Mcf per billing period	1.5802
<u>Intrastate Utility Service</u>	
For all volumes per billing period	\$ 0.038
<u>Actual Gas Cost Adjustment</u>	
For all volumes per billing period	\$ 0.3364
<u>Rate Schedule SVAS</u>	
Balancing Charge – per Mcf	\$ 1.4846

DATE OF ISSUE: July 30, 2007

DATE EFFECTIVE: September 2007 Billing Cycle
(August 29, 2007)

ISSUED BY: Herbert A. Miller, Jr.

President