

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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**PUBLIC SERVICE  
COMMISSION**

IN THE MATTER OF AN ADJUSTMENT )  
OF GAS RATES OF COLUMBIA GAS )  
OF KENTUCKY, INC. )

CASE NO. 2007-00008

VOLUME 6

SCHEDULES A THROUGH N

**Columbia Gas of Kentucky**  
**Case No. 2007-00008**  
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SCHEDULE A

REVENUE REQUIREMENTS

COMPANY : COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

HISTORIC TEST PERIOD: TWELVE MONTHS SEPTEMBER 30, 2006

BASE PERIOD : TWELVE MONTHS SEPTEMBER 30, 2006

SCHEDULE

DESCRIPTION

A

OVERALL FINANCIAL SUMMARY

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
OVERALL FINANCIAL SUMMARY  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

SCHEDULE A  
PAGE 1 OF 1

WITNESS: K. L. HUMRICHOUSE

LINE NO.	DESCRIPTION	SUPPORTING SCHEDULE REFERENCE	HISTORIC JURISDICTIONAL REVENUE REQUIREMENT
1	RATE BASE	B-1	171,447,599
2	OPERATING INCOME	C-1	7,311,266
3	EARNED RATE OF RETURN (2 / 1)		4.26%
4	RATE OF RETURN	J	8.71%
5	REQUIRED OPERATING INCOME (1 x 4)		14,933,086
6	OPERATING INCOME DEFICIENCY (5 - 2)		7,621,820
7	GROSS REVENUE CONVERSION FACTOR	H	1.659121
8	REVENUE DEFICIENCY (6 x 7)		12,645,522
9	REVENUE INCREASE REQUESTED	C-1	12,645,522
10	ADJUSTED OPERATING REVENUES	C-1	158,276,796
11	REVENUE REQUIREMENTS (9 + 10)		170,922,318

SCHEDULE B

RATE BASE

COMPANY : COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO : CASE NO. 2007-00008  
HISTORIC TEST PERIOD: TWELVE MONTHS SEPTEMBER 30, 2006  
BASE PERIOD : TWELVE MONTHS SEPTEMBER 30, 2006

SCHEDULE

DESCRIPTION

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COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
JURISDICTIONAL RATE BASE SUMMARY  
AS OF SEPTEMBER 30, 2006

Data:  Historic Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_ SCHEDULE B-1  
Type of Filing:  Original \_\_\_\_\_ Updated \_\_\_\_\_ SHEET 1 OF 1  
Workpaper Reference No(s): \_\_\_\_\_ WITNESS: K. L. HUMRICHOUSE

LINE NO.	RATE BASE COMPONENT	SUPPORTING SCHEDULE REFERENCE	BASE PERIOD	\$
1	PLANT IN SERVICE	B-2	249,594,250	
2	PROPERTY HELD FOR FUTURE USE	B-2.6	0	
3	PLANT ACQUISITION ADJUSTMENTS	B-2.4	0	
4	ACCUMULATED DEPRECIATION AND AMORTIZATION	B-3	(112,159,509)	
5	NET PLANT IN SERVICE (1 THRU 4)		137,434,741	
6	CONSTRUCTION WORK IN PROGRESS ( IN SERVICE )	B-4	416,315	
7	CASH WORKING CAPITAL ALLOWANCE	B-5.2	3,473,737	
8	OTHER WORKING CAPITAL ALLOWANCES	B-5.1	48,222,713	
9	CUSTOMER ADVANCES FOR CONSTRUCTION	B-6	(163,698)	
10	DEFERRED INC. TAXES AND INVESTMENT TAX CREDITS	B-6	(17,936,208)	
11	OTHER ITEMS		0	
12	RATE BASE (5 THRU 11)		171,447,599	

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
PLANT IN SERVICE BY MAJOR PROPERTY GROUPINGS  
AS OF SEPTEMBER 30, 2006

SCHEDULE B-2  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s): \_\_\_\_\_

LINE NO.	MAJOR PROPERTY GROUPINGS	BASE PERIOD		JURISDICTIONAL PERCENT	BASE PERIOD		ADJUSTMENTS	BASE PERIOD	
		TOTAL COMPANY	TOTAL		TOTAL	ADJUSTED JURISDICTIONAL			
		\$		\$		\$		\$	
1	INTANGIBLES	1,019,059	1,019,059	100.00%	1,019,059	0	0	1,019,059	
2	PRODUCTION	7,678	7,678	100.00%	7,678	0	0	7,678	
3	STORAGE AND PROCESSING	0	0	100.00%	0	0	0	0	
4	TRANSMISSION	0	0	100.00%	0	0	0	0	
5	DISTRIBUTION	238,727,275	238,727,275	100.00%	238,727,275	0	0	238,727,275	
6	GENERAL	4,803,449	4,803,449	100.00%	4,803,449	0	0	4,803,449	
7	COMMON	0	0	100.00%	0	0	0	0	
8	COMPLETED CONSTRUCTION NOT CLASSIFIED	5,036,788	5,036,788	100.00%	5,036,788	0	0	5,036,788	
9	OTHER	0	0	100.00%	0	0	0	0	
10	TOTAL	249,594,250	249,594,250		249,594,250	0	0	249,594,250	

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS

INCLUDES ACCOUNTS 101 & 106

AS OF SEPTEMBER 30, 2006

SCHEDULE B-2.1

SHEET 1 OF 2

WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
 Type of Filing:  Original  Updated

Worksheet Reference No(s): \_\_\_\_\_

LINE NO.	ACCT. NO.	SUBACCOUNT TITLES	JURISDICTIONAL JURISDICTIONAL		ADJUSTMENTS	ADJUSTED JURISDICTION
			TOTAL COMPANY	PERCENT		
			\$		\$	\$
1		INTANGIBLE PLANT				
2	301.00	ORGANIZATION	521	100.00%	521	521
3	303.00	MISCELLANEOUS INTANGIBLE PLANT	149,443		149,443	149,443
4	303.10	MISC INTANGIBLE PLANT-DIS SOFTWARE	0		0	0
5	303.20	MISC INTANGIBLE PLANT-FARA SOFTWARE	0		0	0
6	303.30	MISC INTANGIBLE PLANT-OTHER SOFTWARE	1,260,242		1,260,242	1,260,242
7		TOTAL INTANGIBLE PLANT	1,410,206		1,410,206	1,410,206
8		PRODUCTION PLANT - LPG				
9	304.10	LAND	7,678		7,678	7,678
10		TOTAL PRODUCTION PLANT - LPG	7,678		7,678	7,678
11		DISTRIBUTION PLANT				
12	374.10	LAND-CITY GATE & MAIN LINE IND. M & R	206		206	206
13	374.20	LAND-OTHER DISTRIBUTION SYSTEMS	879,349		879,349	879,349
14	374.40	LAND RIGHTS-OTHER DISTR SYSTEMS	476,253		476,253	476,253
15	374.50	RIGHTS OF WAY	2,668,347		2,668,347	2,668,347
16	375.20	STRUC & IMPROV-CITY GATE M & R	5,249		5,249	5,249
17	375.30	STRUC & IMPROV-GENERAL M & R	10,848		10,848	10,848
18	375.40	STRUC & IMPROV-REGULATING	562,596		562,596	562,596
19	375.60	STRUC & IMPROV-DISTR. IND. M & R	88,210		88,210	88,210
20	375.70	STRUC & IMPROV-OTHER DISTR. SYSTEMS	7,169,454		7,169,454	7,169,454
21	375.71	STRUC & IMPROV-OTHER DISTR SYS-ILP	74,308		74,308	74,308
22	375.80	STRUC & IMPROV-COMMUNICATIONS	33,261		33,261	33,261
23	376.10	MAINS - CAST IRON	294,824		294,824	294,824
24	376.20	MAINS - BARE STEEL	18,778,362		18,778,362	18,778,362
25	376.30	MAINS - COATED STEEL	32,864,697		32,864,697	32,864,697
26	376.40	MAINS - PLASTIC	70,560,248		70,560,248	70,560,248
27	378.10	M & R STATION EQUIP-GENERAL	251,745		251,745	251,745
28	378.20	M & R STA EQUIP-GENERAL-REGULATING	4,288,594		4,288,594	4,288,594
29	378.30	M & R STA EQUIP-GEN-LOCAL GAS PURCH	45,006		45,006	45,006
30	379.10	M & R STA EQUIP-CITY GATE CHECK STA	257,909		257,909	257,909
31	380.20	SERVICES - BARE STEEL	2,608,651		2,608,651	2,608,651
32	380.30	SERVICES - COATED STEEL	1,267,773		1,267,773	1,267,773
33	380.40	SERVICES - PLASTIC	70,399,248		70,399,248	70,399,248

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
INCLUDES ACCOUNTS 101 & 106  
AS OF SEPTEMBER 30, 2006

SCHEDULE B-2.1  
SHEET 2 OF 2

WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period \_\_\_\_\_ Forecasted Period  
Type of Filing:  Original \_\_\_\_\_ Updated  
Workpaper Reference No(s): \_\_\_\_\_

LINE NO.	ACCT. NO.	SUBACCOUNT TITLES	ACCOUNT /	JURISDICTIONAL JURISDICTIONAL		ADJUSTMENTS	ADJUSTED
				TOTAL COMPANY PERCENT	TOTAL JURISDICTION		
				\$	%	\$	\$
1	381.00	METERS		11,091,529	100.00%		11,091,529
2	382.00	METER INSTALLATIONS		7,538,571			7,538,571
3	383.00	HOUSE REGULATORS		2,782,287			2,782,287
4	384.00	HOUSE REGULATOR INSTALLATIONS		2,364,403			2,364,403
5	385.00	INDUSTRIAL M & R STATION EQUIPMENT		2,580,210			2,580,210
6	387.20	OTHER EQUIP-ODORIZATION		186,974			186,974
7	387.41	OTHER EQUIP-TELEPHONE		711,146			711,146
8	387.42	OTHER EQUIPMENT-RADIO		891,834			891,834
9	387.44	OTHER EQUIP-OTHER COMMUNICATION		126,460			126,460
10	387.45	OTHER EQUIP-TELEMETERING		1,111,983			1,111,983
11	387.46	OTHER EQUIP-CUST INFO SERVICE		127,355			127,355
12		TOTAL DISTRIBUTION PLANT		243,097,891		0	243,097,891
GENERAL PLANT							
13		OFFICE FURN & EQUIP-UNSPECIFIED		1,258,848			1,258,848
14	391.10	OFFICE FURN & EQUIP-DATA HANDLING		38,508			38,508
15	391.11	OFFICE FURN & EQUIP-INFO SYSTEMS		665,848			665,848
16	391.12	TRANS EQUIP-TRAILERS \$1,000 or LESS		129,060			129,060
17	392.21	STORES EQUIPMENT		3,399			3,399
18	393.00	TOOLS,SHOP, & GAR EQ-GARAGE & SERV		0			0
19	394.10	TOOLS,SHOP, & GAR EQ-CNG STATIONARY		26,580			26,580
20	394.11	TOOLS,SHOP, & GAR EQ-CNG PORTABLE		335,308			335,308
21	394.12	TOOLS,SHOP, & GAR EQ-SHOP EQUIP		1,374			1,374
22	394.20	TOOLS,SHOP, & GAR EQ-TOOLS & OTHER		1,827,958			1,827,958
23	394.30	LABORATORY		10,308			10,308
24	395.00	POWER OPERATED EQUIP-GENERAL TOOLS		681,429			681,429
25	396.00	MISCELLANEOUS EQUIPMENT		99,854			99,854
26	398.00	TOTAL GENERAL PLANT		5,078,475		0	5,078,475
27		TOTAL PLANT IN SERVICE *		249,594,250		0	249,594,250
28		* TOTAL AMOUNT OF ACCOUNT 106 DOLLARS INCLUDED		5,036,788			5,036,788

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
INCLUDES ACCOUNTS 101 & 106  
AS OF SEPTEMBER 30, 2006

SCHEDULE B-2.1a  
SHEET 1 OF 2

WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s): \_\_\_\_\_

LINE NO.	ACCT. NO.	SUBACCOUNT TITLES	JURISDICTIONAL				TOTAL
			101-1000	101-2000	101-4000	106	
			\$	\$	\$	\$	
<u>INTANGIBLE PLANT</u>							
1		ORGANIZATION	521	0	0	0	521
2	301.00	MISCELLANEOUS INTANGIBLE PLANT	149,443	0	0	0	149,443
3	303.00	MISC INTANGIBLE PLANT-DIS SOFTWARE	0	0	0	0	0
4	303.10	MISC INTANGIBLE PLANT-FARA SOFTWARE	0	0	0	0	0
5	303.20	MISC INTANGIBLE PLANT-OTHER SOFTWARE	869,095	0	0	391,147	1,260,242
6	303.30	TOTAL INTANGIBLE PLANT	1,019,059	0	0	391,147	1,410,206
<u>PRODUCTION PLANT - LPG</u>							
8		LAND	7,678	0	0	0	7,678
9	304.10	TOTAL PRODUCTION PLANT - LPG	7,678	0	0	0	7,678
10							
<u>DISTRIBUTION PLANT</u>							
11		LAND-CITY GATE & MAIN LINE IND. M & R	206	0	0	0	206
12	374.10	LAND-OTHER DISTRIBUTION SYSTEMS	879,349	0	0	0	879,349
13	374.20	LAND RIGHTS-OTHER DISTR SYSTEMS	462,276	0	0	13,977	476,253
14	374.40	RIGHTS OF WAY	2,673,208	(6,250)	0	1,389	2,668,347
15	374.50	STRUC & IMPROV-CITY GATE M & R	5,249	0	0	0	5,249
16	375.20	STRUC & IMPROV-GENERAL M & R	10,848	0	0	0	10,848
17	375.30	STRUC & IMPROV-REGULATING	563,987	(1,900)	0	510	562,596
18	375.40	STRUC & IMPROV-DISTR. IND. M & R	88,210	0	0	0	88,210
19	375.60	STRUC & IMPROV-OTHER DISTR. SYSTEMS	7,181,697	(20,000)	0	7,757	7,169,454
20	375.70	STRUC & IMPROV-OTHER DISTR SYS-ILP	74,308	0	0	0	74,308
21	375.71	STRUC & IMPROV-COMMUNICATIONS	33,261	0	0	0	33,261
22	375.80	MAINS	131,095,417	(9,554,116)	(1,449,150)	2,405,980	122,498,131
23	376.00	M & R STATION EQUIP-GENERAL	251,815	(70)	0	0	251,745
24	378.10	M & R STA EQUIP-GENERAL-REGULATING	4,268,414	0	0	20,180	4,288,594
25	378.20	M & R STA EQUIP-GEN-LOCAL GAS PURCH	54,310	(9,304)	0	0	45,006
26	378.30	M & R STA EQUIP-CITY GATE CHECK STA	257,909	(144,040)	0	0	257,909
27	379.10	SERVICES	74,401,413	0	0	18,299	74,275,672
28	380.00						

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
INCLUDES ACCOUNTS 101 & 106  
AS OF SEPTEMBER 30, 2006

SCHEDULE B-2.1a  
SHEET 2 OF 2  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	ACCT. NO.	SUBACCOUNT TITLES	JURISDICTIONAL				TOTAL
			101-1000	101-2000	101-4000	106	
			\$	\$	\$	\$	
1	381.00	METERS	9,813,831	0	0	1,277,688	11,091,529
2	382.00	METER INSTALLATIONS	7,539,163	(593)	0	0	7,538,571
3	383.00	HOUSE REGULATORS	2,865,231	(82,944)	0	0	2,782,287
4	384.00	HOUSE REGULATOR INSTALLATIONS	2,364,403	0	0	0	2,364,403
5	385.00	INDUSTRIAL M & R STATION EQUIPMENT	2,135,544	(70,300)	0	514,965	2,580,210
6	387.20	OTHER EQUIP-ODORIZATION	183,023	0	0	3,951	186,974
7	387.41	OTHER EQUIP-TELEPHONE	711,146	0	0	0	711,146
8	387.42	OTHER EQUIP-RADIO	867,132	0	0	24,702	891,834
9	387.44	OTHER EQUIP-OTHER COMMUNICATION	126,365	0	0	95	126,460
10	387.45	OTHER EQUIP-TELEMETERING	1,030,870	0	0	81,113	1,111,983
11	387.46	OTHER EQUIP-CUST INFO SERVICE	127,355	0	0	0	127,355
12		TOTAL DISTRIBUTION PLANT	250,065,940	(9,889,515)	(1,449,150)	4,370,616	243,097,891
13		GENERAL PLANT					
14	391.10	OFFICE FURN & EQUIP-UNSPECIFIED	1,252,321	0	0	6,527	1,258,848
15	391.11	OFFICE FURN & EQUIP-DATA HANDLING	38,508	0	0	0	38,508
16	391.12	OFFICE FURN & EQUIP-INFO SYSTEMS	466,875	0	0	198,973	665,848
17	392.20	TRANS EQUIP-TRAILERS OVER \$1,000	129,060	0	0	0	129,060
18	392.21	TRANS EQUIP-TRAILERS \$1,000 or LESS	3,399	0	0	0	3,399
19	393.00	STORES EQUIPMENT	0	0	0	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	26,580	0	0	0	26,580
21	394.11	TOOLS,SHOP, & GAR EQ-CNG STATIONARY	335,308	0	0	0	335,308
22	394.20	TOOLS,SHOP, & GAR EQ-SHOP EQUIP	1,374	0	0	0	1,374
23	394.30	TOOLS,SHOP, & GAR EQ-TOOLS & OTHER LABORATORY	1,758,433	0	0	69,526	1,827,958
24	395.00	POWER OPERATED EQUIP-GENERAL TOOLS	10,308	0	0	0	10,308
25	396.00	MISCELLANEOUS EQUIPMENT	681,429	0	0	0	681,429
26	398.00	TOTAL GENERAL PLANT	4,803,449	0	0	275,026	5,078,475
27		TOTAL PLANT IN SERVICE *	255,896,127	(9,889,515)	(1,449,150)	5,036,788	249,594,250

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

PROPOSED ADJUSTMENTS TO PLANT IN SERVICE  
FOR THE HISTORIC PERIOD SEPTEMBER 30, 2006

SCHEDULE B-2.2  
SHEET 1 OF 1

WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s): \_\_\_\_\_

LINE NO.	ACCT. NO.	ACCOUNT TITLE	TOTAL		JURISDICTIONAL PERCENT	JURISDICTIONAL ADJUSTMENTS	WORKPAPER REFERENCE NO.	DESCRIPTION AND PURPOSE OF ADJUSTMENT
			COMPANY ADJUSTMENT	\$				
\$								

THERE ARE NO PROPOSED ADJUSTMENTS TO PLANT IN SERVICE IN THIS FILING.

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
GROSS ADDITIONS, RETIREMENTS AND TRANSFERS  
FROM SEPTEMBER 30, 2005 TO SEPTEMBER 30, 2006

SCHEDULE B-2.3  
SHEET 1 OF 3  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s):

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	AMOUNT	TRANSFERS/RECLASSIFICATIONS		ENDING BALANCE
							EXPLANATION OF TRANSFERS *	OTHER ACCOUNTS INVOLVED	
			\$	\$	\$	\$			\$
1		<u>ACCOUNT 101-1000 GAS PLANT IN SERVICE - GENERAL</u>							
		<u>INTANGIBLE PLANT</u>							
2		Organization	521	0	0	0			521
3	301.00	Misc. Intangible Plant	149,443	0	0	0			149,443
4	303.00	Misc. Intangible Plant-DIS Software	13,030	0	13,030	0			0
5	303.10	Misc. Intangible Plant-FARA Software	0	0	0	0			0
6	303.20	Misc. Intangible Plant-Other Software	1,164,047	198,154	493,106	0			869,095
7	303.30	TOTAL INTANGIBLE PLANT	1,327,041	198,154	506,135	0			1,019,059
8									
9		<u>PRODUCTION PLANT - LPG</u>	7,678	0	0	0			7,678
10	304.10	Land	7,678	0	0	0			7,678
11		TOTAL PRODUCTION PLANT - LPG	7,678	0	0	0			7,678
12		<u>DISTRIBUTION PLANT</u>	206	0	0	0			206
13	374.10	Land-City Gate & Main Line Ind.	880,461	0	1,112	0			879,349
14	374.20	Land-Other Distribution System	437,470	24,913	107	0			462,276
15	374.40	Land Rights-Other Distr. System	2,673,194	14	0	0			2,673,208
16	374.50	Rights-of-Way	5,249	0	0	0			5,249
17	375.20	Struc.&Improv.-City Gate & Ind.	10,848	0	0	0			10,848
18	375.30	Struc.&Improv.-General M&R	546,190	22,196	4,399	0			563,987
19	375.40	Struc.&Improv.-Regulating	88,210	0	0	0			88,210
20	375.60	Struc.&Improv.-Distr. Ind. M&R	7,145,487	36,211	0	0			7,181,697
21	375.70	Struc.&Improv.-Other Dist. System	74,308	0	0	0			74,308
22	375.71	Struc.&Improv. Other Dist. System Impr.	33,261	0	0	0			33,261
23	375.80	Struc.&Improv.-Communications	128,550,915	2,744,065	199,564	0			131,095,417
24	376.00	Mains	251,815	0	0	0			251,815
25	378.10	M&R Station Equip. - General	4,219,252	71,221	22,060	0			4,268,414
26	378.20	M&R Station Equip.-General-Regulating	54,747	0	437	0			54,310
27	378.30	M&R Station Equip.-General-Local Gas Purch	257,909	0	0	0			257,909
28	379.10	M&R Equip.-City Gate Check Station	71,505,221	3,536,760	640,568	0			74,401,413
29	380.00	Services	9,774,291	102,839	63,299	0			9,813,831
30	381.00	Meters	7,273,223	303,838	37,897	0			7,539,163
31	382.00	Meter Installations	2,430,555	438,651	3,975	0			2,865,231
32	383.00	House Regulators	2,392,132	0	27,729	0			2,364,403
33	384.00	House Regulator Installations							

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

GROSS ADDITIONS, RETIREMENTS AND TRANSFERS  
FROM SEPTEMBER 30, 2005 TO SEPTEMBER 30, 2006

SCHEDULE B-2.3  
SHEET 2 OF 3  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s):

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	AMOUNT	TRANSFERS/RECLASSIFICATIONS		ENDING BALANCE
							EXPLANATION OF TRANSFERS *	OTHER ACCOUNTS INVOLVED	
			\$	\$	\$	\$			\$
1	385.00	Industrial M & R Station Equip.	1,960,995	213,947	39,398	0			2,135,544
2	387.20	Other Equipment-Odorization	183,023	0	0	0			183,023
3	387.41	Other Equipment-Telephone	711,146	0	0	0			711,146
4	387.42	Other Equipment-Radio	864,419	3,691	978	0			867,132
5	387.44	Other Equipment-Other Communication	121,471	4,894	0	0			126,365
6	387.45	Other Equipment-Telemetering	937,803	100,743	7,676	0			1,030,870
7	387.46	Other Equipment-Customer Information Service	127,355	0	0	0			127,355
8		TOTAL DISTRIBUTION PLANT	243,511,156	7,603,982	1,049,198	0			250,065,940
9		GENERAL PLANT							
10	391.10	Office Furniture and Equipment-Unspecified	1,256,159	0	3,838	0			1,252,321
11	391.11	Office Furniture and Equipment-Data Handling	47,388	0	8,880	0			38,508
12	391.12	Office Furniture and Equipment-Information	460,292	29,815	23,232	0			466,875
13	391.20	Transportation Equipment-Trailers Over \$1,000	129,060	0	0	0			129,060
14	392.21	Transportation Equipment-Trailers \$1,000 / Less	3,399	0	0	0			3,399
15	393.00	Stores Equipment	0	0	0	0			0
16	394.10	Tools, Shop, and Garage Equipment-Garage	32,037	0	5,457	0			26,580
17	394.11	Garage Equipment-CNG-Stationary	521,282	0	185,974	0			335,308
18	394.20	Tools, Shop and Garage Equipment-Shop Equip.	1,374	0	0	0			1,374
19	394.30	Tools, Shop and Garage Equipment-Tools	1,790,184	513	32,264	0			1,758,433
20	395.00	Laboratory Equipment	10,308	0	0	0			10,308
21	396.00	Power Operated Equipment-General Tools	681,429	0	0	0			681,429
22	398.00	Miscellaneous Equipment	101,132	0	1,278	0			99,854
23		TOTAL GENERAL PLANT	5,034,044	30,328	260,923	0			4,803,449
24		TOTAL GAS PLANT IN SERVICE 101-1000	249,879,918	7,832,464	1,816,256	0			255,896,127

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

GROSS ADDITIONS, RETIREMENTS AND TRANSFERS  
FROM SEPTEMBER 30, 2005 TO SEPTEMBER 30, 2006

SCHEDULE B-2.3  
SHEET 3 OF 3  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period \_\_\_\_\_ Forecasted Period  
Type of Filing:  Original \_\_\_\_\_ Updated  
Workpaper Reference No(s): \_\_\_\_\_

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BEGINNING BALANCE \$	ADDITIONS \$	RETIREMENTS \$	AMOUNT \$	TRANSFERS/RECLASSIFICATIONS		ENDING BALANCE \$
							EXPLANATION OF TRANSFERS *	OTHER ACCOUNTS INVOLVED	
1		CONTRIBUTIONS IN AID OF CONSTRUCTION							
2		ACCOUNT 101-2000							
3		DISTRIBUTION PLANT							
4	374.50	Rights of Way	(6,250)	0	0	0			(6,250)
5	375.40	Struc.&Improv.-Regulating	(1,900)	0	0	0			(1,900)
6	375.70	Struc.&Improv.-Other Structures	(20,000)	0	0	0			(20,000)
7	376.00	Mains	(9,554,189)	73	0	0			(9,554,116)
8	378.10	M&R. Station Equip.-General	(70)	0	0	0			(70)
9	378.30	M&R. Station Equip.-General-Local Gas Purch	(9,304)	0	0	0			(9,304)
10	380.00	Services	(144,040)	0	0	0			(144,040)
11	382.00	Meter Installations	(593)	0	0	0			(593)
12	383.00	House Regulators	(82,944)	0	0	0			(82,944)
13	385.00	Industrial M&R Station Equip.	(70,300)	0	0	0			(70,300)
14		TOTAL DISTRIBUTION PLANT	(9,889,588)	73	0	0			(9,889,515)
15		TOTAL CONTRIBUTIONS 101-2000	(9,889,588)	73	0	0			(9,889,515)
16		CONTRIBUTIONS IN AID OF CONSTRUCTION							
17		ACCOUNT 101-4000 NON-TAXABLE RELOCATION							
18		REIMBURSEMENTS							
19		DISTRIBUTION PLANT							
20	376.00	Mains	(1,449,153)	0	0	3			(1,449,150)
21		TOTAL DISTRIBUTION PLANT	(1,449,153)	0	0	3			(1,449,150)
22		TOTAL CONTRIBUTIONS 101-4000	(1,449,153)	0	0	3			(1,449,150)
23		TOTAL GENERAL LEDGER 101	238,541,177	7,832,538	1,816,256	3			244,557,462

24 \* TRANSFERS ARE A NORMAL COURSE OF EVENTS IN ALL ACCOUNTS AND  
25 REPRESENT CHANGES IN FUNCTION OF EQUIPMENT OR A CHOICE IN  
26 PREVIOUS YEAR CLOSINGS.

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

PROPERTY MERGED OR ACQUIRED

FROM OCTOBER 1, 2005 TO SEPTEMBER 30, 2006

SCHEDULE B-2.4  
SHEET 1 OF 1

WITNESS: K. L. HUMRICHOUSE  
EXPLANATION OF TREATMENT

Data:  Historic Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
Type of Filing:  Original \_\_\_\_\_ Updated \_\_\_\_\_  
Worksheet Reference No(s): \_\_\_\_\_

LINE NO.	ACCT. NO.	DESCRIPTION OF PROPERTY	ACQUISITION COST	COST BASIS	ACQUISITION ADJUSTMENT	APPROVAL DATE (DOCKET NO.)	COMMISSION	DATE OF ACQUISITION	OF TREATMENT	EXPLANATION

NONE

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

LEASED PROPERTY

FOR THE HISTORIC PERIOD SEPTEMBER 30, 2006

SCHEDULE B-2.5  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s):

LINE NO.	IDENTIFICATION OR REFERENCE NUMBER	DESCRIPTION OF TYPE AND USE OF PROPERTY	NAME OF LESSEE	FREQUENCY OF PAYMENT	AMOUNT OF LEASE PAYMENT	DOLLAR VALUE OF PROPERTY INVOLVED	EXPLAIN METHOD OF CAPITALIZATION
1	B13005830	Office and Service Center Building located at - 325 Moody Drive P O Box 506 Maysville KY 41056	Kenneth E Conway P O Box 475 Norwalk OH 44857	Monthly	3,555	319,419	According to GAAP

Note: This capitalized lease is not included in the company's rate base claim.

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE  
FOR THE HISTORIC PERIOD SEPTEMBER 30, 2006

SCHEDULE B-2.6  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
Type of Filing:  Original \_\_\_\_\_ Updated \_\_\_\_\_  
Workpaper Reference No(s): \_\_\_\_\_

LINE NO.	DESCRIPTION AND LOCATION OF PROPERTY	ACQUISITION DATE	ORIGINAL COST	ACCUMULATED DEPRECIATION	ORIGINAL COST	NET REVENUE REALIZED		REVENUE REALIZED		DESCRIPTION	AMOUNT	ACCT. NO.	DESCRIPTION	AMOUNT	ACCT. NO.	DESCRIPTION	
						AMOUNT	ACCT. NO.	AMOUNT	ACCT. NO.								

NONE

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

PROPERTY EXCLUDED FROM RATE BASE  
 (FOR REASONS OTHER THAN JURISDICTIONAL ALLOCATION)  
 FOR THE HISTORIC PERIOD SEPTEMBER 30, 2006

SCHEDULE B-2.7  
 SHEET 1 OF 1  
 WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period \_\_\_\_\_ Forecasted Period  
 Type of Filing:  Original \_\_\_\_\_ Updated  
 Workpaper Reference No(s): \_\_\_\_\_

LINE NO.	ACCT. NO.	ACCOUNT TITLE OR DESCRIPTION OF EXCLUDED PROPERTY	IN-SERVICE DATE	ORIGINAL COST	ACCUMULATED DEPRECIATION	NET ORIGINAL COST	PERIOD		REASONS FOR EXCLUSION
							REVENUE	EXPENSE	
				AMOUNT	ACCT. NO.	DESCRIPTION			

NONE

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

ACCUMULATED DEPRECIATION & AMORTIZATION

AS OF SEPTEMBER 30, 2006

SCHEDULE B-3

SHEET 1 OF 2

WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
 Type of Filing:  Original  Updated  
 Workpaper Reference No(s):

LINE NO. (A)	ACCT. NO. (B)	ACCOUNT TITLES (C)	BASE PERIOD		RESERVE BALANCES		ADJUSTED
			TOTAL COMPANY INVESTMENT (D)	TOTAL COMPANY (E)	JURISDICTIONAL PERCENT (F)	TOTAL JURISDICTIONAL (G)	
						100	
1		INTANGIBLE PLANT					0
2	301.00	ORGANIZATION	521	0			0
3	303.00	MISCELLANEOUS INTANGIBLE PLANT	149,443	102,097			102,097
4	303.10	MISC INTANGIBLE PLANT-DIS SOFTWARE	0	0			0
5	303.20	MISC INTANGIBLE PLANT-FARA SOFTWARE	0	0			0
6	303.30	MISC INTANGIBLE PLANT-OTHER SOFTWARE	1,260,242	559,800			559,800
7		TOTAL INTANGIBLE PLANT	1,410,206	661,898			661,898
8		PRODUCTION PLANT - LPG					0
9	304.10	LAND	7,678	0			0
10	305.00	STRUCTURES & IMPROVEMENTS	0	0			0
11	311.00	LIQUIFIED PETROLEUM GAS EQUIPMENT	0	0			0
12		TOTAL PRODUCTION PLANT - LPG	7,678	0			0
13		DISTRIBUTION PLANT					0
14	374.10	LAND-CITY GATE & MAIN LINE IND. M & R	206	0			0
15	374.20	LAND-OTHER DISTRIBUTION SYSTEMS	879,349	0			107,284
16	374.40	LAND RIGHTS-OTHER DISTR SYSTEMS	476,253	107,284			600,467
17	374.50	RIGHTS OF WAY	2,668,347	600,467			5,523
18	375.20	STRUC & IMPROV-CITY GATE M & R	5,249	5,523			10,948
19	375.30	STRUC & IMPROV-GENERAL M & R	10,848	10,948			296,213
20	375.40	STRUC & IMPROV-REGULATING	562,596	296,213			36,468
21	375.60	STRUC & IMPROV-DISTR. IND. M & R	88,210	36,468			1,832,185
22	375.70	STRUC & IMPROV-OTHER DISTR. SYS-ILP	7,169,454	1,832,185			62,460
23	375.71	STRUC & IMPROV-OTHER DISTR. SYS-ILP	74,308	62,460			21,805
24	375.80	STRUC & IMPROV-COMMUNICATIONS	33,261	21,805			43,358,060
25	376.00	MAINS	122,498,131	43,358,060			264,333
26	378.10	M & R STATION EQUIP-GENERAL	251,745	264,333			2,049,544
27	378.20	M & R STA EQUIP-GENERAL-REGULATING	4,288,594	2,049,544			24,509
28	378.30	M & R STA EQUIP-GEN-LOCAL GAS PURCH	45,006	24,509			248,640
29	379.10	M & R STA EQUIP-CITY GATE CHECK STA	257,909	248,640			48,523,518
30	380.00	SERVICES	74,275,672	48,523,518			

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
ACCUMULATED DEPRECIATION & AMORTIZATION  
AS OF SEPTEMBER 30, 2006

SCHEDULE B-3  
SHEET 2 OF 2  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s): \_\_\_\_\_

LINE NO. (A)	ACCT. NO. (B)	ACCOUNT TITLES (C)	BASE PERIOD			RESERVE BALANCES			ADJUSTED JURISDICTION (I)
			TOTAL COMPANY INVESTMENT (D)	TOTAL COMPANY (E)	JURISDICTIONAL PERCENT (F)	TOTAL JURISDICTIONAL (G)	ADJUSTMENTS (H)		
1	381.00	METERS	11,091,529	3,709,949			3,709,949	3,709,949	
2	382.00	METER INSTALLATIONS	7,538,571	3,068,495			3,068,495	3,068,495	
3	383.00	HOUSE REGULATORS	2,782,287	943,205			943,205	943,205	
4	384.00	HOUSE REGULATOR INSTALLATIONS	2,364,403	1,621,811			1,621,811	1,621,811	
5	385.00	INDUSTRIAL M & R STATION EQUIPMENT	2,580,210	941,308			941,308	941,308	
6	387.20	OTHER EQUIP-ODORIZATION	186,974	105,197			105,197	105,197	
7	387.41	OTHER EQUIP-TELEPHONE	711,146	206,416			206,416	206,416	
8	387.42	OTHER EQUIP-RADIO	891,834	450,670			450,670	450,670	
9	387.44	OTHER EQUIP-OTHER COMMUNICATION	126,460	48,564			48,564	48,564	
10	387.45	OTHER EQUIP-TELEMETERING	1,111,983	363,811			363,811	363,811	
11	387.46	OTHER EQUIP-CUST INFO SERVICE	127,355	96,637			96,637	96,637	
12		TOTAL DISTRIBUTION PLANT	243,097,891	108,998,021			108,998,021	108,998,021	
13		<u>GENERAL PLANT</u>							
14	391.10	OFFICE FURN & EQUIP-UNSPECIFIED	1,258,848	493,713			493,713	493,713	
15	391.11	OFFICE FURN & EQUIP-DATA HANDLING	38,508	(4,522)			(4,522)	(4,522)	
16	391.12	OFFICE FURN & EQUIP-INFO SYSTEMS	665,848	346,828			346,828	346,828	
17	392.20	TRANS EQUIP-TRAILERS OVER \$1,000	129,060	47,535			47,535	47,535	
18	392.21	TRANS EQUIP-TRAILERS \$1,000 or LESS	3,399	3,399			3,399	3,399	
19	393.00	STORES EQUIPMENT	0	833			833	833	
20	394.10	TOOLS.SHOP, & GAR EQ-GARAGE & SERV	26,580	(213)			(111,721)	(111,721)	
21	394.11	TOOLS.SHOP, & GAR EQ-CNG STATIONARY	335,308	106,588			74,802	74,802	
22	394.13	TOOLS.SHOP, & GAR EQ-UND TANK CLEANUP	0	37,937			181,232	181,232	
23	394.20	TOOLS.SHOP, & GAR EQ-SHOP EQUIP	1,374	1,539			1,539	1,539	
24	394.30	TOOLS.SHOP, & GAR EQ-TOOLS & OTHER LABORATORY	1,827,958	894,405			894,405	894,405	
25	395.00	POWER OPERATED EQUIP-GENERAL TOOLS	10,308	3,536			3,536	3,536	
26	396.00	MISCELLANEOUS EQUIPMENT	681,429	575,431			575,431	575,431	
27	398.00	TOTAL GENERAL PLANT	99,854	51,309			51,309	51,309	
28			5,078,475	2,558,319			2,558,319	2,558,319	
29		RETIREMENT WORK IN PROGRESS - GAS		(58,729)			(58,729)	(58,729)	
30		TOTAL PLANT IN SERVICE	249,594,250	112,159,509			112,159,509	112,159,509	

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

ADJUSTMENTS TO ACCUMULATED DEPRECIATION & AMORTIZATION  
AS OF SEPTEMBER 30, 2006

SCHEDULE B-3.1  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s): \_\_\_\_\_

LINE NO. (A)	ACCT. NO. (B)	ACCOUNT TITLES (C)	BASE PERIOD		JURISDICTIONAL ADJUSTMENT (F)	JURISDICTIONAL PERCENT (E)	WORKPAPER REFERENCE (G)	DESCRIPTION AND PURPOSE OF ADJUSTMENT (H)
			TOTAL COMPANY ADJUSTMENT (D)					
----- NONE -----								

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

DEPRECIATION ACCRUAL RATES & ACCUMULATED BALANCES BY ACCOUNT  
HISTORIC PERIOD ENDING SEPTEMBER 30, 2006

SCHEDULE B-3.2  
SHEET 1 OF 2  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s):

LINE NO. (A)	ACCT. NO. (B)	ACCOUNT TITLES (C)	TOTAL COMPANY ADJUSTED JURISDICTION			PROPOSED ANN. ACC. RATES (G)	AS OF SEPTEMBER 30, 2006		FORM (J)
			INVESTMENT (D)	RESERVE (E)	CALC DEP/AMORT EXPENSE (F)		% NET SALVAGE (H)	AVG. REMAINING SERV. LIFE (I)	
1	301.00	ORGANIZATION COSTS	521	0	0	AMORT.	0		
2	303.00	MISCELLANEOUS INTANGIBLE PLANT	149,443	102,097	5,884	AMORT.	0		
3	303.10	MISC INTANGIBLE PLANT-DIS SOFTWARE	0	0	109	AMORT.	0		
4	303.20	MISC INTANGIBLE PLANT-FARA SOFTWARE	0	0	0	AMORT.	0		
5	303.30	MISC INTANGIBLE PLANT-OTHER SOFTWARE	1,260,242	559,800	217,401	AMORT.	0		
6	305.00	STRUCTURES & IMPROVEMENTS	0	0	0	0.00	0		
7	311.00	LIQUIFIED PETROLEUM GAS EQUIPMENT	0	0	0	0.00	0		
8	374.40	LAND RIGHTS-OTHER DISTR SYSTEMS	476,253	107,284	8,954	1.88	0	41.8	65-R2.5
9	374.50	RIGHTS OF WAY	2,668,347	600,467	37,090	1.39	0	56.5	70-S4
10	375.20	STRUC & IMPROV-CITY GATE M & R	5,249	5,523	156	2.98	(10)	20.9	42-S0.5
11	375.30	STRUC & IMPROV-GENERAL M & R	10,848	10,948	323	2.98	(10)	20.9	42-S0.5
12	375.40	STRUC & IMPROV-REGULATING	562,596	296,213	16,765	2.98	(10)	20.9	42-S0.5
13	375.60	STRUC & IMPROV-DISTR. IND. M & R	88,210	36,468	2,629	2.98	(10)	20.9	42-S0.5
14	375.70	STRUC & IMPROV-OTHER DISTR. SYSTEMS	7,169,454	1,832,185	144,106	2.01	0	38.1 & 17.8	30-S0.5 & SQ *
15	375.71	STRUC & IMPROV-OTHER DISTR SYS-ILP	74,308	62,460	10,156	AMORT.	0	1.5	Square *
16	375.80	STRUC & IMPROV-COMMUNICATIONS	33,261	21,805	1,540	4.63	0	8.3	30-R3
17	376.10	MAINS - CAST IRON	294,824	104,353	7,194	2.44	(15)	16.2	65-R1.5
18	376.20	MAINS - BARE STEEL	18,778,362	6,646,578	499,504	2.66	(15)	16.6	65-R1.5
19	376.30	MAINS - COATED STEEL	32,864,697	11,632,418	673,726	2.05	(15)	40.0	65-R1.5
20	376.40	MAINS - PLASTIC	70,560,248	24,974,711	1,545,267	2.19	(15)	40.4	65-R1.5
21	378.10	M & R STATION EQUIP-GENERAL	251,745	264,333	8,031	3.19	(5)	18.8	32-S0
22	378.20	M & R STA EQUIP-GENERAL-REGULATING	4,288,594	2,049,544	136,806	3.19	(5)	18.8	32-S0
23	378.30	M & R STA EQUIP-GEN-LOCAL GAS PURCH	45,006	24,509	1,436	3.19	(5)	18.8	32-S0
24	379.10	M & R STA EQUIP-CITY GATE CHECK STA	257,909	248,640	4,565	1.77	(5)	8.6	22-R2.5
25	380.20	SERVICES - BARE STEEL	2,608,651	1,704,204	77,216	2.96	(50)	9.5	38-R1.5
26	380.30	SERVICES - COATED STEEL	1,267,773	828,223	45,386	3.58	(50)	23.3	38-R1.5
27	380.40	SERVICES - PLASTIC	70,399,248	45,991,091	2,597,732	3.69	(50)	23.2	38-R1.5
28	381.00	METERS	11,091,529	3,709,949	383,767	3.46	0	19.6	38-R2.5
29	382.00	METER INSTALLATIONS	7,538,571	3,068,495	230,680	3.06	(5)	22.7	39-S1.5
30	383.00	HOUSE REGULATORS	2,782,287	943,205	77,626	2.79	(5)	24.5	34-S1.5
31	384.00	HOUSE REGULATOR INSTALLATIONS	2,364,403	1,621,811	33,575	1.42	0	22.7	35-S2.5
32	385.00	INDUSTRIAL M & R STATION EQUIPMENT	2,580,210	941,308	126,946	4.92	(5)	14.0	30-O.1
33	387.20	OTHER EQUIP-ODORIZATION	186,974	105,197	12,415	6.64	0	8.0	25-R2.5
34	387.41	OTHER EQUIP-TELEPHONE	711,146	206,416	26,739	3.76	0	16.5	27-R2
35	387.42	OTHER EQUIPMENT-RADIO	891,834	450,670	33,533	3.76	0	16.5	27-R2
36	387.44	OTHER EQUIP-OTHER COMMUNICATION	126,460	48,564	4,755	3.76	0	16.5	27-R2

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

DEPRECIATION ACCRUAL RATES & ACCUMULATED BALANCES BY ACCOUNT  
HISTORIC PERIOD ENDING SEPTEMBER 30, 2006

SCHEDULE B-3.2  
SHEET 2 OF 2

WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period \_\_\_\_\_ Forecasted Period  
Type of Filing:  Original \_\_\_\_\_ Updated  
Worksheet Reference No(s): \_\_\_\_\_

LINE NO. (A)	ACCT. NO. (B)	ACCOUNT TITLES (C)	TOTAL COMPANY ADJUSTED JURISDICTION		PROPOSED ANN. ACC. RATES (G)	AS OF SEPTEMBER 30, 2006		CURVE FORM (J)		
			INVESTMENT (D)	RESERVE (E)		CALC DEPR/AMORT EXPENSE (F)	% NET SALVAGE (H)		AVG. REMAINING SERV. LIFE (I)	
1	387.45	OTHER EQUIP-TELEMETERING	1,111,983	363,811	41,811	41,811	3.76	0	16.5	27-R2
2	387.46	OTHER EQUIP-CUST INFO SERVICE	127,355	96,637	4,789	4,789	3.76	0	16.5	27-R2
3	391.10	OFFICE FURN & EQUIP-UNSPECIFIED	1,258,848	493,713	62,982	62,982	AMORT.	0	7.7	20-SQ
4	391.11	OFFICE FURN & EQUIP-DATA HANDLING	38,508	(4,522)	2,691	2,691	AMORT.	0	2.9	15-SQ
5	391.12	OFFICE FURN & EQUIP-INFO SYSTEMS	665,848	346,828	133,392	133,392	AMORT.	0	3.2	5-SQ
6	392.20	TRANS EQUIP-TRAILERS OVER \$1,000	129,060	47,535	5,653	5,653	4.38	0	14.6	22-S3
7	392.21	TRANS EQUIP-TRAILERS \$1,000 or LESS	3,399	3,399	149	149	4.38	0	14.6	22-S3
8	393.00	STORES EQUIPMENT	0	833	0	0	AMORT.	0	15.0	25-SQ
9	394.10	TOOLS.SHOP, & GAR EQ-GARAGE & SERV	26,580	(213)	1,109	1,109	AMORT.	0	2.8	12-S3
10	394.11	TOOLS.SHOP, & GAR EQ-CNG STATIONARY	335,308	106,588	81,580	81,580	24.33	0	15.0	25-SQ
11	394.13	TOOLS.SHOP, & GAR EQ-UND TANK CLEANUP	0	37,937	0	0	AMORT.	0	15.0	25-SQ
12	394.20	TOOLS.SHOP, & GAR EQ-SHOP EQUIP	1,374	1,539	55	55	AMORT.	0	15.0	25-SQ
13	394.30	TOOLS.SHOP, & GAR EQ-TOOLS & OTHER	1,827,958	894,405	73,112	73,112	AMORT.	0	19.2	25-SQ
14	395.00	LABORATORY	10,308	3,536	515	515	AMORT.	0	19.2	15-S1
15	396.00	POWER OPERATED EQUIP-GENERAL TOOLS	681,429	575,431	0	0	AMORT.	25	4.5	15-SQ
16	398.00	MISCELLANEOUS EQUIPMENT	99,854	51,309	6,675	6,675	AMORT.	0		
17		TOTAL PLANT IN SERVICE	248,707,017	112,218,238	7,386,524	7,386,524				

NOTE: COLUMN (D) - INCLUDES ACCOUNTS 101 & 106 (IN SERVICE).  
COLUMNS (H,I,&J) - DATA FROM LATEST DEPRECIATION STUDY.  
ACCOUNT NUMBERS 303.00-303.30 - OUTSIDE SCOPE OF DEPRECIATION STUDY.  
\* INDICATES THE USE OF AN INTERIM SURVIVOR CURVE AND RETIREMENT DATE.

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
CONSTRUCTION WORK IN PROGRESS  
AS OF SEPTEMBER 30, 2006

SCHEDULE B-4  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s):

LINE NO. (A)	PROJECT NO. (B)	DESCRIPTION OF PROJECT (C)	ACCUMULATED COSTS				TOTAL JURISDICTIONAL COST (I) \$
			TOTAL CWIP AMOUNT (D) \$	CONSTRUCTION AMOUNT (E) \$	INDIRECT COSTS OTHER (F) \$	CWIP AMOUNT IN SERVICE (G=D-E+F) \$	
1	303.00	MISC INTANGIBLE PLANT	15,397	15,397	0	0	0
2	303.30	MISC INTANGIBLE PLANT	87,010	25,252	0	61,758	61,758
3		SUBTOTAL	102,407	40,649	0	61,758	61,758
4	374.40	LAND RIGHTS - OTHER DIST	69,237	69,237	0	0	0
5	374.50	RIGHTS-OF-WAY	0	0	0	0	0
6	375.40	REGULATING STRUCTURES	23,004	23,004	0	0	0
7	375.70	OTHER STRUCTURES	3,324	3,324	0	0	0
8	376.00	MAINS	2,308,886	2,234,089	0	74,797	74,797
9	378.20	M&R EQUIP-GENERAL-REG	147,019	132,594	0	14,425	14,425
10	380.00	SERVICES	71,431	1,962	0	69,469	69,469
11	381.00	METERS	501	0	0	501	501
12	382.00	METER INSTALLATIONS	94,258	0	0	94,258	94,258
13	383.00	HOUSE REGULATORS	48,282	0	0	48,282	48,282
14	385.00	IND M&R EQUIPMENT	68,865	66,630	0	2,235	2,235
15	387.42	OTHER EQ-RADIO	0	0	0	0	0
16	387.45	OTHER EQ-TELEMETERING	67,178	34,127	0	33,051	33,051
17		SUBTOTAL	2,901,984	2,564,966	0	337,018	337,018
18	391.10	OFF FUR & EQ UNSPECIF	0	0	0	0	0
19	391.12	OFFICE EQUIP INFO SYST	300	0	0	300	300
20	394.30	TOOLS & OTHER EQUIPMENT	17,239	0	0	17,239	17,239
21	398.00	MISC EQUIPMENT	0	0	0	0	0
22		SUBTOTAL	17,539	0	0	17,539	17,539
23		TOTAL	3,021,930	2,605,615	0	416,315	416,315

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

ALLOWANCE FOR WORKING CAPITAL

FOR THE HISTORIC PERIOD SEPTEMBER 30, 2006

SCHEDULE B-5  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s):

LINE NO.	WORKING CAPITAL COMPONENT	DESCRIPTION OF METHODOLOGY USED TO DETERMINE JURISDICTIONAL REQUIREMENT			WORKPAPER REFERENCE NO.	TOTAL COMPANY	JURISDICTIONAL PERCENT	JURISDICTIONAL AMOUNT
1	CASH WORKING CAPITAL	1 / 8	O & M METHOD		B-5.2	3,473,737	100.00%	3,473,737
2	FUEL STOCK	13 MONTH	AVERAGE BALANCE		B-5.1	0		0
3	MATERIAL & SUPPLIES	13 MONTH	AVERAGE BALANCE		B-5.1	88,123		88,123
4	GAS STORED UNDERGROUND	13 MONTH	AVERAGE BALANCE		B-5.1	47,790,396		47,790,396
5	PREPAYMENTS	13 MONTH	AVERAGE BALANCE		B-5.1	344,194		344,194
6	TOTAL WORKING CAPITAL REQUIREMENTS					51,696,449		51,696,449

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
WORKING CAPITAL COMPONENTS - 13 MONTH AVERAGE BALANCES  
AS OF SEPTEMBER 30, 2006

SCHEDULE B-5.1  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s): WPB-5.1

LINE NO.	DESCRIPTION	13 MONTH AVERAGE FOR PERIOD			PERIOD BALANCE		
		TOTAL COMPANY	JURISDICTIONAL PERCENT	JURISDICTIONAL AMOUNT	TOTAL COMPANY	JURISDICTIONAL PERCENT	JURISDICTIONAL AMOUNT
		\$		\$	\$		\$
1	FUEL STOCK	0	100.00%	0	0	100.00%	0
2	MATERIAL & SUPPLIES	88,123	100.00%	88,123	104,159	100.00%	104,159
3	GAS STORED UNDERGROUND	47,790,396	100.00%	47,790,396	70,324,844	100.00%	70,324,844
4	PREPAYMENTS	344,194	100.00%	344,194	452,172	100.00%	452,172
5	TOTAL OTHER WORKING CAPITAL ALLOWANCES	48,222,713		48,222,713	70,881,175		70,881,175

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

WORKING CAPITAL COMPONENTS - 1 / 8 O&M EXPENSES  
FOR THE HISTORIC PERIOD SEPTEMBER 30, 2006

SCHEDULE B-5.2  
SHEET 1 OF 1

WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s): SCH.C-2.1

LINE NO.	DESCRIPTION	TOTAL COMPANY (1)	1 / 8 METHOD PERCENT (2)	JURISDICTIONAL AMOUNT (3)
1	CASH WORKING CAPITAL			
2	PURCHASED GAS EXPENSE	25,748	12.50%	3,219
3	LIQUEFIED PETROLEUM GAS EXPENSE	1,032	12.50%	129
4	DISTRIBUTION EXPENSE	8,577,286	12.50%	1,072,161
5	CUSTOMER ACCOUNTING & COLLECTING	4,194,571	12.50%	524,321
6	CUSTOMER SERVICE & INFORMATION	143,642	12.50%	17,955
7	SALES EXPENSE	0	12.50%	0
8	A & G EXPENSE	14,847,613	12.50%	1,855,952
9	TOTAL O & M EXPENSES	27,789,892		3,473,737

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

SCHEDULE B-6  
SHEET 1 OF 1  
WITNESS: P. FISCHER

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s): WPB-6

Line No.	Sub Acct	Workpaper Reference	Total Company	Jurisdictional Percent	Jurisdictional Amount
1	15560		163,698	100.00%	163,698
2					
			356,470		356,470
3	2851		67,508		67,508
4	4851		3,171,890		3,171,890
5	1938	a/	597,384		597,384
6	3938	a/	4,193,252		4,193,252
7					
			(15,165,904)		(15,165,904)
8			(3,800,620)		(3,800,620)
9	2205		(3,519,378)		(3,519,378)
10	4205		(885,711)		(885,711)
11	2211		(304,975)		(304,975)
12	4211		(77,533)		(77,533)
13	2231		1,393,418		1,393,418
14	4231		335,206		335,206
15	2232		(22,025,497)		(22,025,497)
16	4232				
17					
			(85,237)		(85,237)
18			(18,726)		(18,726)
19	2951		(103,963)		(103,963)
20	4951				
21			(17,936,208)		(17,936,208)
22					

a/ represents 13 month Average balance at September 30, 2006

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008

JURISDICTIONAL PERCENTAGE  
FOR THE HISTORIC PERIOD SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s): \_\_\_\_\_  
WITNESS: K. L. HUMRICHOUSE

SCHEDULE B-7  
SHEET 1 OF 1

LINE NO.	ACCT. NO.	ACCOUNT TITLE	JURISDICTIONAL PERCENT	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
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ALL DATA 100.00% JURISDICTIONAL.

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

JURISDICTIONAL STATISTICS - RATE BASE  
FOR THE HISTORIC PERIOD SEPTEMBER 30, 2006

SCHEDULE B-7.1  
SHEET 1 OF 1

Data:  Base Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s): \_\_\_\_\_

WITNESS: K. L. HUMRICHOUSE

LINE NO. (A)	DESCRIPTION BY MAJOR GROUPINGS OR ACCOUNT (B)	STATISTIC TOTAL COMPANY (C)	ADJUSTMENT		STATISTIC FOR RATE AREA (F)	ALLOCATION FACTOR (G=F+E)
			TO TOTAL COMPANY STATISTIC (D)	ADJUSTED STATISTIC FOR TOTAL COMPANY (E=C+D)		

ALL DATA 100.00% JURISDICTIONAL.

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES  
FOR THE HISTORIC PERIOD SEPTEMBER 30, 2006

SCHEDULE B-7.2

SHEET 1 OF 1

WITNESS: K. L. HUMRICHOUSE

Data:  Base Period  Forecasted Period

Type of Filing:  Original  Updated

Workpaper Reference No(s): \_\_\_\_\_

LINE NO.	ACCOUNT NO.	DESCRIPTION	PROCEDURES APPROVED IN PRIOR CASE	RATIONALE FOR CHANGE
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NO CHANGE SINCE THE LAST CASE.



COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008

COMPARATIVE BALANCE SHEETS

SEPTEMBER 30, 2006 - DECEMBER 31, 2001 - 2005

SCHEDULE B-8  
SHEET 2 OF 2  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s):

LINE NO.	DESCRIPTION	MOST RECENT FIVE CALENDAR YEARS				
		BASE PERIOD SEP. 30, 2006 (\$)	2005 (\$)	2004 (\$)	2003 (\$)	2002 (\$)
		% CHANGE	% CHANGE	% CHANGE	% CHANGE	% CHANGE
1	<u>CAPITALIZATION</u>					
2	<u>COMMON STOCK EQUITY</u>					
3	COMMON STOCK, AT PAR VALUE	23,806,202	23,806,202	23,806,202	23,806,202	23,806,202
4	ADDITIONAL PAID IN CAPITAL	4,749,592	4,749,593	4,684,375	4,151,242	2,943,185
5	RETAINED EARNINGS	57,369,746	52,977,027	49,057,807	49,797,927	43,886,650
6	TOTAL COMMON STOCK EQUITY	85,925,540	81,532,822	77,548,384	77,755,371	70,636,037
		0.00%	0.00%	0.00%	0.00%	0.00%
		0.00%	1.39%	12.84%	13.47%	-6.88%
		8.29%	7.99%	-1.49%	10.08%	-17.32%
		5.39%	5.14%	-0.27%		-11.76%
7	<u>LONG-TERM DEBT</u>					
8	INSTALL. PROMISSORY NOTES & LOANS	42,055,011	28,250,012	36,250,012	42,055,011	42,055,011
9	TOTAL CAPITALIZATION	127,980,551	109,782,834	113,798,396	119,810,382	112,691,048
		0.00%	-22.07%	-3.53%	-5.02%	-7.71%
10	<u>CURRENT LIABILITIES</u>					
11	CURRENT MATURITIES OF L-T DEBT	15,397,382	21,250,724	19,403,168	13,453,362	13,169,689
12	ACCOUNTS PAYABLE	5,652,243	44,881,742	10,367,379	9,230,588	5,782,498
13	ACCOUNTS PAYABLE TO ASSOC. CO.'S	2,835,321	4,002,213	(1,192,970)	4,033,298	5,074,394
14	ACCRUED TAXES	92,209	17,834	22,684	15,135	629,809
15	ACCRUED INTEREST	33,814	190,793	28,961	(51,907)	823,214
16	ESTIMATED RATE REFUNDS	1,573,730	6,191,935	5,045,485	10,699,827	4,969,301
17	DEFERRED INCOME TAXES	34,250,353	53,832,936	26,097,577	20,319,834	43,850,674
18	OTHER CURRENT LIABILITIES	59,835,052	130,368,177	59,772,284	57,700,137	74,299,579
19	TOTAL CURRENT LIABILITIES	118.11%	118.11%	3.59%	-22.34%	21.65%
		-27.54%	9.52%	44.23%	2.15%	58.79%
		-87.41%	332.91%	12.32%	59.63%	-59.15%
		-29.16%	-435.48%	-129.58%	-20.52%	60.44%
		417.04%	-21.38%	49.88%	-97.60%	22.93%
		-82.28%	558.79%	-155.79%	-106.31%	152.15%
		-74.58%	22.72%	-52.85%	115.32%	-41.08%
		-36.38%	106.28%	28.43%	-53.66%	67.41%
		-54.10%	118.11%	3.59%	-22.34%	21.65%
20	OTHER LIABILITIES AND DEF. CREDITS	19,537,312	18,553,139	17,874,845	16,797,048	13,823,420
21	INCOME TAXES AND NONCURRENT	963,300	1,029,081	1,117,579	1,206,900	1,302,382
22	INVESTMENT TAX CREDITS	2,708,049	3,512,085	2,761,038	2,158,127	2,264,158
23	OTHER REGULATORY LIAB.'S LONG TERM	4,464,211	8,181,061	7,356,134	3,559,428	2,304,776
24	OTHER LIABILITIES & DEF. CREDITS	27,672,872	31,275,366	29,109,596	23,721,503	19,694,736
25	TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	215,488,475	271,426,377	202,680,276	201,232,022	206,685,363
26	TOTAL CAPITALIZATION AND LIABILITIES	215,488,475	271,426,377	202,680,276	201,232,022	206,685,363
		-20.61%	-20.61%	33.92%	0.72%	-2.64%
		-11.52%	7.44%	22.71%	20.45%	0.50%
		5.30%	3.79%	6.42%	21.51%	13.77%
		-6.39%	-7.92%	-7.40%	-7.33%	-7.33%
		-22.89%	27.20%	27.94%	-4.68%	16.08%
		-45.43%	11.21%	106.67%	54.44%	-43.66%
		-11.52%	7.44%	22.71%	20.45%	0.50%
		-20.61%	-20.61%	33.92%	0.72%	-2.64%
27	TOTAL CAPITALIZATION	215,488,475	271,426,377	202,680,276	201,232,022	206,685,363
28	AND LIABILITIES	215,488,475	271,426,377	202,680,276	201,232,022	206,685,363
		-20.61%	-20.61%	33.92%	0.72%	-2.64%

SCHEDULE C

OPERATING INCOME SUMMARY

COMPANY :

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

HISTORIC TEST PERIOD:

TWELVE MONTHS SEPTEMBER 30, 2006

BASE PERIOD :

TWELVE MONTHS SEPTEMBER 30, 2006

SCHEDULE

DESCRIPTION

C-1	OPERATING INCOME SUMMARY
C-2	ADJUSTED OPERATING INCOME STATEMENT
C-2.1	OPERATING REVENUES AND EXPENSES BY ACCOUNTS - JURISDICTIONAL
C-2.2	COMPARISON OF TOTAL COMPANY ACCOUNT BALANCES

COLUMBIA GAS OF KENTUCKY  
CASE NO. 2007-00008  
OPERATING INCOME SUMMARY  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

SCHEDULE C-1  
SHEET 1 OF 1

WITNESS: K. L. HUMRICHOUSE

LINE NO.	DESCRIPTION	RETURN AT CURRENT RATES \$	PROPOSED INCREASE \$	FORECASTED RETURN AT PROPOSED RATES \$
1	OPERATING REVENUES	158,276,796	12,645,522	170,922,318
2	OPERATING EXPENSES			
3	GAS SUPPLY EXPENSES	112,218,147		112,218,147
4	OTHER OPERATING EXPENSES	27,764,144	171,185	27,935,329
5	DEPRECIATION EXPENSE	7,396,787		7,396,787
6	TAXES OTHER THAN INCOME	2,324,860		2,324,860
7	OPERATING INCOME BEFORE INCOME TAXES	8,572,858	12,474,337	21,047,195
8	FEDERAL INCOME TAXES	1,032,899	4,104,057	5,136,956
	STATE INCOME TAXES	228,692	748,460	977,152
10	TOTAL INCOME TAXES	1,261,592	4,852,517	6,114,109
11	OPERATING INCOME	7,311,266	7,621,820	14,933,086
12	RATE BASE	171,447,599		171,447,599
13	RATE OF RETURN	4.26%		8.71%

COLUMBIA GAS OF KENTUCKY  
CASE NO. 2007-00008  
ADJUSTED OPERATING INCOME STATEMENT  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

SCHEDULE C-2  
SHEET 1 OF 1

WITNESS: K. L. HUMRICHOUSE

LINE NO.	MAJOR GROUP CLASSIFICATION	UNADJUSTED REVENUE & EXPENSES	SCHEDULE D ADJUSTMENTS	ADJUSTED REVENUE & EXPENSES
		\$	\$	\$
1	OPERATING REVENUE	187,667,052	(29,390,256)	158,276,796
2	OPERATING EXPENSES			
3	GAS SUPPLY EXPENSES	141,191,508	(28,973,361)	112,218,147
4	LIQUEFIED PETROLEUM GAS PRODUCTION EXPENSE	1,032	0	1,032
5	DISTR. O&M EXPENSE	8,577,286	0	8,577,286
6	CUSTOMER ACCTING. & COLL. EXP.	4,255,025	(60,454)	4,194,571
7	CUSTOMER SERV. & INFORM. EXP.	143,642	0	143,642
8	SALES EXPENSE	0	0	0
9	ADMIN. & GENERAL EXPENSE	12,520,335	2,327,278	14,847,613
10	DEPRECIATION EXPENSE	5,316,841	2,079,946	7,396,787
11	TAXES			
12	PROPERTY	1,679,516	111,502	1,791,018
	PAYROLL	508,868	21,891	530,759
14	OTHER	3,083	0	3,083
15	FEDERAL INCOME	4,197,283	(3,164,384)	1,032,899
16	STATE INCOME	977,440	(748,748)	228,692
17	TOTAL OPERATING EXPENSES	179,371,859	(28,406,329)	150,965,530
18	NET OPERATING INCOME	8,295,193	(983,927)	7,311,266

COLUMBIA GAS OF KENTUCKY, INC  
CASE NO. 2007-00008  
OPERATING REVENUE AND EXPENSES BY ACCOUNTS - JURISDICTION  
FOR THE HISTORIC PERIOD 12 MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s): \_\_\_\_\_

SCHEDULE C-2.1  
SHEET 1 of 2  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	ACCOUNT NO. (S)	ACCOUNT TITLE	UNADJUSTED		UNADJUSTED JURISDICTION	JURISDICTIONAL METHOD/ DESCRIPTION
			TOTAL UTILITY	ALLOCATION PERCENTAGE		
			(1)	(2)	(3)	(4)
			\$	%	\$	
1		<u>OPERATING REVENUE</u>				
2		<u>SALES OF GAS</u>				
3	480	RESIDENTIAL	101,366,918	100.00	101,366,918	100%
4	481.1	COMMERCIAL	57,325,114	100.00	57,325,114	
5	481.2	INDUSTRIAL	3,471,107	100.00	3,471,107	
6	481.9	OTHER	274,024	100.00	274,024	
7		TOTAL SALES OF GAS	<u>162,437,163</u>		<u>162,437,163</u>	
8		<u>OTHER OPERATING INCOME</u>				
9	487	FORFEITED DISCOUNTS	388,732	100.00	388,732	
10	488	MISC. SERVICE REVENUES	118,856	100.00	118,856	
11	489	REVENUE FROM TRANSPORTATION OF GAS OF OTHERS	15,601,328	100.00	15,601,328	
12	495	OTHER GAS REVENUES (MISC./OFF SYSTEM SALES)	9,120,973	100.00	9,120,973	
		TOTAL OTHER OPERATING INCOME	<u>25,229,889</u>		<u>25,229,889</u>	
13		TOTAL OPERATING REVENUE	<u>187,667,052</u>		<u>187,667,052</u>	
14		<u>OPERATING EXPENSES</u>				
15		<u>LIQUEFIED PETROLEUM GAS PRODUCTION EXPENSE</u>				
16	717	LIQUEFIED PETROLEUM GAS EXPENSE	1,015	100.00	1,015	
17	723	FUEL FOR LIQUEFIED PETROLEUM GAS PROCESS	0	100.00	0	
18	728	LIQUEFIED PETROLEUM GAS	0	100.00	0	
19	741	STRUCTURES & IMPROVEMENTS	0	100.00	0	
20	742	PRODUCTION EQUIPMENT	17	100.00	17	
		TOTAL LIQUEFIED PETROLEUM GAS PRODUCTION EXPENSE	<u>1,032</u>		<u>1,032</u>	
22		<u>OPERATION AND MAINTENANCE EXPENSE ACCOUNTS</u>				
23		<u>OTHER GAS SUPPLY EXPENSES - OPERATION</u>				
24	801-803	NATURAL GAS FIELD & TRANSMISSION LINE PURCHASES	125,263,991	100.00	125,263,991	100%
25	804	NATURAL GAS CITY GATE PURCHASES	4,437,715	100.00	4,437,715	
26	805	OTHER GAS PURCHASES	24,423,800	100.00	24,423,800	
27	806	EXCHANGE GAS	(9,394,728)	100.00	(9,394,728)	
28	807	PURCHASED GAS EXPENSE	25,748	100.00	25,748	
29	808	GAS WITHDRAWN FROM STORAGE	(3,415,747)	100.00	(3,415,747)	
30	812	GAS USED FOR OTHER UTILITY OPERATIONS	(152,270)	100.00	(152,270)	
31	813	EXCHANGE FEES	2,999	100.00	2,999	
32		TOTAL OTHER GAS SUPPLY EXPENSES - OPERATION	<u>141,191,508</u>		<u>141,188,509</u>	
33		<u>DISTRIBUTION EXPENSES - OPERATION</u>				
34	870	SUPERVISION AND ENGINEERING	325,223	100.00	325,223	
35	871	DISTRIBUTION LOAD DISPATCHING	16,043	100.00	16,043	
36	874	MAINS AND SERVICES EXPENSES	1,619,717	100.00	1,619,717	
37	875	MEASURING AND REGULATION STA. EXPENSE - GEN.	179,366	100.00	179,366	
38	876	MEASURING AND REGULATION STA. EXPENSE - IND.	36,303	100.00	36,303	
39	877	MEASURING AND REGULATION STA. EXP. - CITY GATE	0	100.00	0	
40	878	METERS AND HOUSE REGULATOR EXPENSE	1,516,785	100.00	1,516,785	
41	879	CUSTOMER INSTALLATIONS EXPENSE	1,044,203	100.00	1,044,203	
42	880	OTHER EXPENSE	1,545,793	100.00	1,545,793	
43	881	TELECOMMUNICATION EXPENSE - ENGINEERING	114,036	100.00	114,036	
44		TOTAL DISTRIBUTION EXPENSES - OPERATION	<u>6,397,469</u>		<u>6,397,469</u>	
45		<u>DISTRIBUTION EXPENSES - MAINTENANCE</u>				
46	885	SUPERVISION AND ENGINEERING	156,683	100.00	156,683	
47	886	STRUCTURES AND IMPROVEMENTS	105,946	100.00	105,946	
48	887	MAINS	1,109,766	100.00	1,109,766	
49	889	MEASURING AND REGULATION STA. EXPENSE - GEN.	141,516	100.00	141,516	
50	890	MEASURING AND REGULATION STA. EXPENSE - IND.	120,000	100.00	120,000	
51	891	MEASURING AND REGULATION STA. EXP. - CITY GATE	0	100.00	0	
52	892	SERVICES	296,975	100.00	296,975	
53	893	METERS AND HOUSE REGULATORS	148,060	100.00	148,060	
54	894	OTHER EQUIPMENT	100,871	100.00	100,871	
55		TOTAL DISTRIBUTION EXPENSES - MAINTENANCE	<u>2,179,817</u>		<u>2,179,817</u>	

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
OPERATING REVENUE AND EXPENSES BY ACCOUNTS - JURISDICTION  
FOR THE HISTORIC PERIOD 12 MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s):

SCHEDULE C-2.1  
SHEET 2 of 2  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	ACCOUNT NO. (S)	ACCOUNT TITLE	UNADJUSTED	ALLOCATION PERCENTAGE	UNADJUSTED	JURISDICTIONAL METHOD/ DESCRIPTION
			TOTAL UTILITY		JURISDICTION	
			(1)	(2)	(3)	(4)
<u>CUSTOMER ACCOUNTS EXPENSES - OPERATION</u>						
56	901	SUPERVISION	6,706	100.00	6,706	100%
57	902	METER READING EXPENSES	1,105,664	100.00	1,105,664	
58	903	CUSTOMER RECORDS & COLLECTIONS - UTILITY SERVICES	1,427,727	100.00	1,427,727	
59	904	UNCOLLECTIBLE ACCOUNTS	1,707,449	100.00	1,707,449	
60	905	MISCELLANEOUS CUSTOMER ACCOUNT EXPENSES	6,561	100.00	6,561	
61	921	OFFICE SUPPLIES AND EXPENSES	521	100.00	521	
62	931	RENTS	0	100.00	0	
63	935	MAINTENANCE OF GENERAL PLANT	397	100.00	397	
64		TOTAL CUSTOMER ACCOUNTS EXPENSE	<u>4,255,025</u>		<u>4,255,025</u>	
<u>CUSTOMER SERVICE &amp; INFORMATION - OPERATION</u>						
65		SUPERVISION	30,215	100.00	30,215	
66	907	CUSTOMER ASSISTANCE EXPENSES	105,967	100.00	105,967	
67	908	INFORMATIONAL AND INSTR. ADVERT. EXPENSES	0	100.00	0	
68	909	MISCELLANEOUS CUSTOMER ACCOUNT EXPENSE	165	100.00	165	
69	910	OFFICE SUPPLIES AND EXPENSES	7,172	100.00	7,172	
70	921	RENTS	0	100.00	0	
71	931	MAINTENANCE OF GENERAL PLANT	123	100.00	123	
72	935	TOTAL CUSTOMER ACCOUNTS EXPENSES - OPERATION	<u>143,642</u>		<u>143,642</u>	
73						
<u>SALES EXPENSES</u>						
74		SUPERVISION	0	100.00	0	
75	911	DEMONSTRATING AND SELLING EXPENSES	0	100.00	0	
76	912	ADVERTISING EXPENSE	0	100.00	0	
77	913	MISCELLANEOUS SALES EXPENSE	0	100.00	0	
78	916	TOTAL SALES EXPENSES	<u>0</u>		<u>0</u>	
79						
<u>ADMINISTRATIVE AND GENERAL EXPENSES - OPERATION</u>						
80		ADMINISTRATIVE AND GENERAL SALARIES	330,574	100.00	330,574	
81	920	OFFICE SUPPLIES AND EXPENSES	240,947	100.00	240,947	
82	921	ADMINISTRATIVE EXPENSE TRANSFERRED	0	100.00	0	
83	922	OUTSIDE SERVICES EMPLOYED	9,129,743	100.00	9,129,743	
84	923	PROPERTY INSURANCE PREMIUMS	160,537	100.00	160,537	
85	924	INJURIES AND DAMAGES	720,513	100.00	720,513	
86	925	EMPLOYEE PENSIONS AND BENEFITS	1,980,872	100.00	1,980,872	
87	926	UTILITY AND FUEL	0	100.00	0	
88	927	REGULATORY COMMISSION EXPENSE	303,410	100.00	303,410	
89	928	DUPLICATE CHARGES	0	100.00	0	
90	929	GENERAL MISCELLANEOUS GENERAL	41,683	100.00	41,683	
91	930	RENTS	(388,169)	100.00	(388,169)	
92	931	TOTAL ADMINISTRATIVE AND GENERAL EXP. - OPERATION	<u>12,520,110</u>		<u>12,520,110</u>	
93						
<u>ADMINISTRATIVE AND GENERAL EXPENSES - MAINTENANCE</u>						
94		MAINTENANCE OF GENERAL PLANT	225	100.00	225	100%
95	935	TOTAL ADMINISTRATIVE AND GEN. EXP. - MAINTENANCE	<u>225</u>	100.00	<u>225</u>	
96						
97		TOTAL OPERATION AND MAINTENANCE EXPENSE ACCOUNTS	<u>166,688,828</u>	100.00	<u>166,688,828</u>	
98		DEPRECIATION AND AMORTIZATION	5,316,841	100.00	5,316,841	
99	403-404	TAXES OTHER THAN INCOME TAXES	2,191,467	100.00	2,191,467	
100	408	FEDERAL INCOME TAXES	4,197,283	100.00	4,197,283	
101	409, 410	STATE INCOME TAXES	977,440	100.00	977,440	
102		TOTAL OPERATING EXPENSES	<u>179,371,859</u>	100.00	<u>179,371,859</u>	
103		NET OPERATING INCOME	<u>8,295,193</u>	100.00	<u>8,295,193</u>	

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

COMPARISON OF TOTAL COMPANY ACCOUNT ACTIVITY

FOR THE HISTORIC PERIOD 12 MONTHS ENDED SEPTEMBER 30, 2006 AND PRIOR PERIOD SEPTEMBER 30, 2005

SCHEDULE C-2.2

SHEET 1 of 11

WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
 Type of Filing:  Original  Updated  
 Worksheet Reference No(s):

ACCOUNT NO. & TITLE	OCT 05	NOV	DEC	JAN 06	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP 06	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>403 DEPRECIATION EXPENSE</b>													
BASE PERIOD	394,960	396,160	397,204	398,291	398,886	399,429	399,987	400,632	402,272	404,091	405,226	405,624	4,802,762
PRIOR PERIOD	386,065	387,383	390,576	393,180	393,462	393,888	393,368	392,570	393,052	393,853	394,570	394,499	4,706,468
DIFFERENCE	8,895	8,776	6,628	5,111	5,424	5,542	6,619	8,061	9,220	10,238	10,656	11,125	96,295
													2.0
													PERCENT CHANGE:
<b>404 AMORTIZATION EXPENSE</b>													
BASE PERIOD	40,090	57,589	42,349	41,430	41,477	41,486	41,487	41,487	41,487	41,487	41,487	42,222	514,079
PRIOR PERIOD	40,054	41,697	40,874	35,819	36,996	49,697	31,060	40,083	40,086	40,087	40,089	40,090	476,633
DIFFERENCE	36	15,892	1,475	5,611	4,481	(8,211)	10,427	1,404	1,401	1,400	1,398	2,133	37,447
													7.9
													PERCENT CHANGE:
<b>406 AMORTIZATION-GAS PLANT ACQUISITION ADJUSTMENTS</b>													
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0.0
													PERCENT CHANGE:
<b>408 TAXES OTHER THAN INCOME TAXES</b>													
BASE PERIOD	156,523	172,286	190,516	190,507	190,371	207,416	200,792	273,841	204,567	197,187	198,777	8,684	2,191,467
PRIOR PERIOD	193,620	173,181	242,942	192,606	191,064	190,299	201,131	172,245	178,585	172,659	170,646	188,719	2,267,697
DIFFERENCE	(37,097)	(895)	(52,426)	(2,099)	(693)	17,117	(339)	101,596	25,982	24,528	28,131	(180,035)	(76,230)
													(3.4)
													PERCENT CHANGE:
<b>409,410, 411 FEDERAL INCOME TAXES</b>													
BASE PERIOD	(1,770)	514,797	1,496,288	1,395,204	1,046,419	549,475	16,193	(35,776)	(322,253)	(100,622)	(228,449)	(44,519)	4,284,987
PRIOR PERIOD	47	397,361	1,297,777	1,664,086	1,172,029	848,808	276,568	(86,863)	(748,763)	(455,649)	(386,374)	(455,071)	3,523,956
DIFFERENCE	(1,817)	117,436	198,511	(268,882)	(125,610)	(299,333)	(260,375)	51,087	426,510	355,027	157,925	410,552	761,031
													21.6
													PERCENT CHANGE:
<b>409,410,411 STATE INCOME TAXES</b>													
BASE PERIOD	(96,580)	182,700	(18,236)	301,956	226,720	681,263	(19,809)	(31,252)	(93,113)	(45,472)	(72,975)	(37,762)	977,440
PRIOR PERIOD	(140,242)	103,193	282,474	427,619	300,930	223,709	111,859	17,870	(137,756)	(75,968)	(61,069)	(62,031)	990,588
DIFFERENCE	43,662	79,507	(300,710)	(125,663)	(74,210)	457,554	(131,668)	(49,122)	44,643	30,496	(11,906)	24,269	(13,148)
													(1.3)
													PERCENT CHANGE:
<b>419 INTEREST AND DIVIDEND INCOME</b>													
BASE PERIOD	(4,222)	(4,394)	(3,056)	(3,991)	(10,459)	(24,351)	(53,876)	(78,911)	(100,213)	(93,026)	(106,028)	(58,720)	(541,247)
PRIOR PERIOD	(7,489)	(9,294)	(11,138)	(24,409)	(33,002)	(41,070)	(66,442)	(77,765)	(72,045)	(48,561)	(37,025)	(7,073)	(435,313)
DIFFERENCE	3,267	4,900	8,082	20,418	22,543	16,719	12,566	(1,146)	(28,168)	(44,465)	(69,003)	(51,647)	(105,934)
													24.3
													PERCENT CHANGE:

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

COMPARISON OF TOTAL COMPANY ACCOUNT ACTIVITY

FOR THE HISTORIC PERIOD 12 MONTHS ENDED SEPTEMBER 30, 2006 AND PRIOR PERIOD SEPTEMBER 30, 2005

SCHEDULE C-2.2  
SHEET 2 of 11

WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s):

ACCOUNT NO. & TITLE	NOV	DEC	JAN 06	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP 06	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>421 MISCELLANEOUS NONOPERATING INCOME-GAIN ON THE DISPOSAL OF PROPERTY</b>												
BASE PERIOD	(106,796)	(74,825)	(75,632)	(54,482)	(74,493)	(147,008)	(234,039)	(196,196)	(204,578)	(210,676)	(310,119)	(1,900,325)
PRIOR PERIOD	(2,626)	(24,156)	(15,249)	(3,670)	(7,803)	(199,661)	(232,478)	(219,422)	(75,098)	(74,273)	(92,106)	(970,921)
DIFFERENCE	(104,170)	(50,669)	(60,383)	(50,812)	(66,690)	52,653	(1,561)	23,226	(129,480)	(136,403)	(218,013)	(929,404)
												95.7
												PERCENT CHANGE:
<b>426 OTHER MISCELLANEOUS DEDUCTIONS</b>												
BASE PERIOD	74,285	17,529	19,213	17,533	31,408	50,829	17,754	62,545	17,705	(6,772)	73,269	277,445
PRIOR PERIOD	19,441	8,313	19,544	21,741	20,960	28,130	27,084	51,670	56,066	83,101	22,532	383,221
DIFFERENCE	54,844	(122,492)	(331)	(4,208)	10,448	22,699	(9,330)	10,875	(38,361)	(89,873)	50,737	(105,776)
												(27.6)
												PERCENT CHANGE:
<b>430 INTEREST EXPENSE-PARENT COMPANY DEBT</b>												
BASE PERIOD	271,108	236,794	203,117	178,037	197,112	190,753	197,113	190,754	197,112	197,112	190,754	2,516,343
PRIOR PERIOD	271,108	271,108	271,109	271,108	271,109	271,109	271,109	271,108	271,107	271,108	271,108	3,253,299
DIFFERENCE	0	(35,314)	(67,992)	(93,071)	(73,997)	(80,356)	(73,996)	(80,354)	(73,995)	(73,996)	(80,354)	(736,956)
												(22.7)
												PERCENT CHANGE:
<b>431 INTEREST EXPENSE OTHER-CONTINGENT TAXES, RATE REFUNDS, CUSTOMER DEPOSITS</b>												
BASE PERIOD	47,260	80,646	89,509	36,142	32,104	28,605	28,722	28,414	28,698	29,130	29,956	604,064
PRIOR PERIOD	15,972	17,194	19,636	19,042	20,711	21,468	22,351	22,026	21,962	23,404	26,880	294,964
DIFFERENCE	31,288	63,452	69,873	17,100	11,393	7,137	6,371	6,388	6,736	5,726	3,076	309,100
												104.8
												PERCENT CHANGE:
<b>432 AFUDC</b>												
BASE PERIOD	(2,047)	(8,364)	(9,401)	(10,469)	(11,856)	(12,821)	(12,514)	(70,567)	(23,911)	(22,818)	(17,347)	(205,653)
PRIOR PERIOD	(8,008)	(4,756)	50,387	(115)	(1,514)	(1,236)	(1,696)	(2,068)	(1,382)	(1,362)	(1,836)	19,352
DIFFERENCE	5,961	3,524	(59,788)	(10,354)	(10,342)	(11,585)	(10,818)	(68,499)	(22,529)	(21,456)	(15,511)	(225,005)
												(1,162.7)
												PERCENT CHANGE:
<b>480 RESIDENTIAL REVENUE</b>												
BASE PERIOD	2,097,865	19,165,906	23,084,750	16,175,392	13,863,961	8,907,375	3,973,384	2,388,085	1,734,992	1,695,266	1,627,086	101,439,915
PRIOR PERIOD	2,110,668	11,059,441	16,107,566	16,131,135	12,721,559	8,228,355	4,303,187	2,280,685	1,748,522	1,560,386	1,657,721	81,760,604
DIFFERENCE	(12,803)	8,106,465	6,977,184	44,257	1,142,402	679,020	(329,803)	107,400	(13,530)	134,880	(30,635)	19,679,311
												24.1
												PERCENT CHANGE:
<b>481.1 COMMERCIAL REVENUE</b>												
BASE PERIOD	1,432,024	9,565,116	12,342,668	8,340,416	7,386,043	4,917,091	2,786,670	1,731,341	1,348,738	1,295,352	1,326,289	57,101,114
PRIOR PERIOD	1,186,297	4,864,899	7,416,054	7,155,358	5,850,691	3,848,869	1,778,362	1,423,757	1,017,713	1,131,520	1,120,456	38,789,487
DIFFERENCE	245,727	4,700,217	4,926,614	1,185,058	1,535,352	1,068,222	1,008,308	307,584	331,025	163,832	205,833	18,311,627
												47.2
												PERCENT CHANGE:

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

COMPARISON OF TOTAL COMPANY ACCOUNT ACTIVITY

FOR THE HISTORIC PERIOD 12 MONTHS ENDED SEPTEMBER 30, 2006 AND PRIOR PERIOD SEPTEMBER 30, 2005

SCHEDULE C-2.2  
SHEET 3 of 11

WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s):

ACCOUNT NO. & TITLE	OCT 05	NOV	DEC	JAN 06	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP 06	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
481.2 INDUSTRIAL REVENUE													
BASE PERIOD	381,486	364,412	534,045	912,378	96,315	252,648	165,941	171,849	90,861	165,291	111,859	224,022	3,471,107
PRIOR PERIOD	139,595	148,486	331,085	410,885	333,933	216,863	322,879	151,459	165,887	93,284	140,225	553,461	3,007,042
DIFFERENCE	242,891	215,926	202,960	501,493	(237,618)	35,785	(156,938)	20,390	(75,026)	72,007	(28,366)	(329,439)	464,065
													15.4
													PERCENT CHANGE:
483 PUBLIC UTILITIES													
BASE PERIOD	6,940	10,079	26,925	22,971	56,539	40,761	13,870	42,858	25,535	6,559	6,668	14,319	274,024
PRIOR PERIOD	6,568	8,335	13,820	33,806	33,102	32,661	24,320	10,313	9,162	7,439	6,591	7,671	193,788
DIFFERENCE	372	1,744	13,105	(10,835)	23,437	8,100	(10,450)	32,545	16,373	(880)	77	6,648	80,236
													41.4
													PERCENT CHANGE:
487 FORFEITED DISCOUNTS													
BASE PERIOD	8,777	10,806	14,658	51,662	70,574	52,876	44,683	43,867	29,658	19,419	22,590	19,162	388,732
PRIOR PERIOD	13,205	11,978	11,260	24,453	43,232	40,368	29,325	25,320	15,064	21,604	10,736	8,122	254,667
DIFFERENCE	(4,428)	(1,172)	3,398	27,209	27,342	12,508	15,358	18,547	14,594	(2,185)	11,854	11,040	134,065
													52.6
													PERCENT CHANGE:
488 MISCELLANEOUS SERVICE REVENUE													
BASE PERIOD	30,491	11,817	(28,912)	11,149	10,062	19,168	11,742	13,129	8,403	15,473	8,705	7,629	118,856
PRIOR PERIOD	17,573	11,615	12,534	11,940	11,949	13,093	15,936	17,149	14,038	7,786	8,175	11,307	153,095
DIFFERENCE	12,918	202	(41,446)	(791)	(1,887)	6,075	(4,194)	(4,020)	(5,635)	7,687	530	(3,678)	(34,239)
													(22.4)
													PERCENT CHANGE:
489 TRANSPORTATION REVENUE - COMMERCIAL													
BASE PERIOD	246,190	452,645	726,035	680,936	809,891	567,871	330,875	279,137	177,905	202,988	241,938	231,566	4,947,997
PRIOR PERIOD	332,585	415,180	933,687	1,147,427	1,097,519	914,939	571,425	445,458	277,017	296,759	241,364	268,436	6,941,796
DIFFERENCE	(86,395)	37,465	(207,652)	(466,491)	(287,628)	(347,068)	(240,550)	(166,321)	(99,112)	(93,771)	574	(36,850)	(1,993,799)
													(28.7)
													PERCENT CHANGE:
489 TRANSPORTATION REVENUE - INDUSTRIAL													
BASE PERIOD	414,908	450,180	542,898	494,123	516,662	501,434	362,499	357,715	341,759	311,940	329,280	335,284	4,958,682
PRIOR PERIOD	473,452	430,213	522,720	500,623	490,434	506,888	336,393	353,933	319,432	258,526	455,899	347,434	4,995,947
DIFFERENCE	(58,544)	19,967	20,178	(6,500)	26,228	(5,454)	26,106	3,782	22,327	53,414	(126,619)	(12,150)	(37,265)
													(0.7)
													PERCENT CHANGE:
489 TRANSPORTATION REVENUE - RESIDENTIAL													
BASE PERIOD	225,850	404,996	742,169	1,025,210	962,175	775,768	525,445	300,327	226,516	213,416	194,833	205,933	5,802,638
PRIOR PERIOD	345,123	495,693	1,040,629	1,469,825	1,401,250	1,110,110	777,434	491,260	309,687	275,448	272,106	260,947	8,249,512
DIFFERENCE	(119,273)	(90,697)	(298,460)	(444,615)	(439,075)	(334,342)	(251,989)	(190,933)	(83,171)	(62,032)	(77,273)	(55,014)	(2,446,874)
													(29.7)
													PERCENT CHANGE:

Note: September, 2006 gas revenue also includes an unbilled revenue of 151,003 for a total gas revenue of 162,437,163.

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008

COMPARISON OF TOTAL COMPANY ACCOUNT ACTIVITY

FOR THE HISTORIC PERIOD 12 MONTHS ENDED SEPTEMBER 30, 2006 AND PRIOR PERIOD SEPTEMBER 30, 2005

SCHEDULE C-2.2  
SHEET 4 of 11  
WITNESS: K. L. HUMRICHOWSE

Date:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s): \_\_\_\_\_

ACCOUNT NO. & TITLE	OCT 05	NOV	DEC	JAN 06	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP 06	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
495 OTHER GAS REVENUE													9,120,973
BASE PERIOD	207,857	381,421	281,889	77,195	452,596	2,753,673	3,443,426	310,221	22,018	1,158,554	21,315	10,808	9,120,973
PRIOR PERIOD	9,231	151,866	456,772	666,234	219,113	207,614	71,772	46,068	21,324	97,070	18,808	26,201	1,992,073
DIFFERENCE	198,626	229,555	(174,883)	(689,039)	233,483	2,546,059	3,371,654	264,153	694	1,061,484	2,507	(15,393)	7,128,900
													357.9
													PERCENT CHANGE:
													42
													1,015
717 LIQUEFIED PETROLEUM GAS EXPENSES													1,618
BASE PERIOD	192	0	70	188	194	79	130	129	17	226	267	46	(603)
PRIOR PERIOD	151	115	132	157	162	86	(55)	(129)	73	(226)	(182)	(4)	(37.3)
DIFFERENCE	41	(115)	(62)	31	32	(7)							
													PERCENT CHANGE:
													0
													0
													0
													0.0
723 FUEL FOR LIQUEFIED PETROLEUM GAS PROCESS													0
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
													PERCENT CHANGE:
													0
													0
													0.0
728 LIQUEFIED PETROLEUM GAS													0
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
													PERCENT CHANGE:
													0
													0
													0.0
741 STRUCTURES & IMPROVEMENTS													0
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0
													PERCENT CHANGE:
													0
													0
													0.0
742 PRODUCTION EQUIPMENT													17
BASE PERIOD	0	0	0	0	0	0	0	0	17	0	0	0	11
PRIOR PERIOD	0	0	0	11	0	0	0	0	0	0	0	0	6
DIFFERENCE	0	0	0	(11)	0	0	0	0	17	0	0	0	0.0
													PERCENT CHANGE:
													0
													0
													0.0
801-803 NATURAL GAS FIELD & TRANSMISSION LINE PURCHASES													125,263,991
BASE PERIOD	14,309,387	14,123,619	11,226,832	11,399,089	6,410,102	5,914,308	7,755,080	4,547,459	2,125,877	8,527,508	24,640,805	14,283,925	103,051,895
PRIOR PERIOD	4,996,131	3,951,583	12,304,352	11,081,786	3,357,360	3,527,150	18,559,394	12,078,723	3,775,119	10,148,059	9,089,008	10,183,230	22,212,096
DIFFERENCE	9,313,256	10,172,036	(1,077,520)	317,303	3,052,742	2,387,158	(10,804,314)	(7,531,264)	(1,649,242)	(1,620,551)	15,551,797	4,100,695	21.6

Note: September, 2006 transportation revenue also includes an unbilled revenue of (107,989) for a total transportation revenue of 15,601,328.



COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008

COMPARISON OF TOTAL COMPANY ACCOUNT ACTIVITY  
FOR THE HISTORIC PERIOD 12 MONTHS ENDED SEPTEMBER 30, 2006 AND PRIOR PERIOD SEPTEMBER 30, 2005

SCHEDULE C-2.2  
SHEET 6 of 11  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s):

ACCOUNT NO. & TITLE	OCT 05	NOV	DEC	JAN 06	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP 06	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
870 SUPERVISION AND ENGINEERING													
BASE PERIOD	38,225	67,820	(3,761)	82,085	(19,353)	13,844	44,557	51,273	(70,736)	34,526	91,401	(4,658)	325,223
PRIOR PERIOD	(41,587)	48,346	18,903	30,629	22,353	57,282	(20,805)	51,581	42,036	(16,962)	84,158	(23,122)	252,812
DIFFERENCE	79,812	19,474	(22,664)	51,456	(41,706)	(43,438)	65,362	(308)	(112,772)	51,488	7,243	18,464	72,411
											PERCENT CHANGE:		28.6
871 DISTRIBUTION LOAD DISPATCHING													
BASE PERIOD	545	2,667	3,735	383	846	864	1,328	613	2,666	62	1,489	845	16,043
PRIOR PERIOD	1,606	1,347	10,396	632	1,160	254	1,203	36	352	618	362	1,304	19,270
DIFFERENCE	(1,061)	1,320	(6,661)	(249)	(314)	610	125	577	2,314	(556)	1,127	(459)	(3,227)
											PERCENT CHANGE:		(16.7)
874 MAINS AND SERVICES EXPENSES													
BASE PERIOD	133,713	100,576	282,673	58,976	123,106	141,916	111,881	113,908	144,071	110,450	102,074	196,373	1,619,717
PRIOR PERIOD	107,131	105,480	170,460	139,076	91,848	110,437	135,407	96,165	125,084	156,275	108,155	116,627	1,462,145
DIFFERENCE	26,582	(4,904)	112,213	(80,100)	31,258	31,479	(23,526)	17,743	18,987	(45,825)	(6,081)	79,746	157,572
											PERCENT CHANGE:		10.8
875 MEASURING AND REGULATION STA. EXPENSE - GEN.													
BASE PERIOD	11,425	17,768	13,397	13,004	15,239	17,461	17,746	12,521	17,599	12,486	15,823	14,897	179,366
PRIOR PERIOD	17,549	10,218	16,622	15,217	13,356	15,442	19,006	13,009	12,064	11,774	11,682	17,061	173,000
DIFFERENCE	(6,124)	7,550	(3,225)	(2,213)	1,883	2,019	(1,260)	(488)	5,535	712	4,141	(2,164)	6,366
											PERCENT CHANGE:		3.7
876 MEASURING AND REGULATION STA. EXPENSE - IND.													
BASE PERIOD	2,118	2,248	2,905	2,113	6,636	4,017	2,954	1,789	4,778	1,949	2,070	2,726	36,303
PRIOR PERIOD	2,513	2,672	3,028	1,608	2,344	3,153	4,594	2,646	5,149	3,075	2,049	2,092	34,923
DIFFERENCE	(395)	(424)	(123)	505	4,292	864	(1,640)	(857)	(371)	(1,126)	21	634	1,380
											PERCENT CHANGE:		4.0
878 METERS AND HOUSE REGULATOR EXPENSE													
BASE PERIOD	132,479	127,939	119,463	90,816	153,022	118,639	108,490	128,896	145,896	125,529	135,806	129,810	1,516,785
PRIOR PERIOD	167,705	142,298	134,319	110,678	117,748	120,929	122,726	115,199	111,607	116,689	106,459	132,066	1,498,423
DIFFERENCE	(35,226)	(14,359)	(14,856)	(19,862)	35,274	(2,290)	(14,236)	13,697	34,289	8,840	29,347	(2,256)	18,362
											PERCENT CHANGE:		1.2
879 CUSTOMER INSTALLATIONS EXPENSE													
BASE PERIOD	88,923	80,514	100,378	74,648	74,270	73,565	83,965	86,754	107,210	73,050	92,934	107,992	1,044,203
PRIOR PERIOD	128,974	106,370	120,120	95,947	88,547	86,365	92,148	89,708	90,621	85,065	91,877	90,386	1,166,128
DIFFERENCE	(40,051)	(25,856)	(19,742)	(21,299)	(14,277)	(12,800)	(8,183)	(2,954)	16,589	(12,015)	1,057	17,606	(121,925)
											PERCENT CHANGE:		(10.5)



COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008

COMPARISON OF TOTAL COMPANY ACCOUNT ACTIVITY  
FOR THE HISTORIC PERIOD 12 MONTHS ENDED SEPTEMBER 30, 2006 AND PRIOR PERIOD SEPTEMBER 30, 2005

SCHEDULE C-2.2  
SHEET 8 of 11  
WITNESS: K. L. HUMRICHHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s): \_\_\_\_\_

ACCOUNT NO. & TITLE	OCT 05	NOV	DEC	JAN 06	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP 06	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
892 SERVICES													
BASE PERIOD	25,057	23,318	5,451	21,031	33,099	36,901	13,434	23,645	33,006	32,614	21,006	28,413	296,975
PRIOR PERIOD	26,635	16,222	39,918	39,154	31,009	26,586	25,362	28,799	22,737	23,247	19,517	28,075	327,261
DIFFERENCE	(1,578)	7,096	(34,467)	(18,123)	2,090	10,315	(11,928)	(5,154)	10,269	9,367	1,489	338	(30,286)
										PERCENT CHANGE:			(9.3)
893 METERS AND HOUSE REGULATORS													
BASE PERIOD	13,198	14,180	7,175	6,244	17,261	9,000	10,826	11,276	16,000	14,883	17,212	10,805	148,060
PRIOR PERIOD	18,435	15,086	10,976	10,781	13,627	8,592	13,505	15,698	15,606	11,822	8,988	13,651	156,767
DIFFERENCE	(5,237)	(906)	(3,801)	(4,537)	3,634	408	(2,679)	(4,422)	394	3,061	8,224	(2,846)	(8,707)
										PERCENT CHANGE:			(5.6)
894 OTHER EQUIPMENT													
BASE PERIOD	10,179	9,197	2,119	5,578	13,344	10,215	8,100	8,804	5,241	10,291	5,504	12,299	100,871
PRIOR PERIOD	17,907	9,142	9,120	22,766	13,239	13,536	13,593	8,986	15,586	13,989	10,832	8,841	157,537
DIFFERENCE	(7,728)	55	(7,001)	(17,188)	105	(3,321)	(5,493)	(182)	(10,345)	(3,698)	(5,328)	3,458	(56,666)
										PERCENT CHANGE:			(36.0)
901 SUPERVISION													
BASE PERIOD	755	728	465	479	565	729	356	491	562	468	542	566	6,706
PRIOR PERIOD	787	1,096	971	711	679	780	642	716	589	607	723	823	9,124
DIFFERENCE	(32)	(368)	(506)	(232)	(114)	(51)	(286)	(225)	(27)	(139)	(181)	(257)	(2,418)
										PERCENT CHANGE:			(26.5)
902 METER READING EXPENSES													
BASE PERIOD	97,769	68,456	65,461	144,913	158,862	31,412	80,996	93,283	24	172,513	97,444	94,531	1,105,664
PRIOR PERIOD	68,404	74,428	95,164	78,785	85,043	29,494	149,134	87,055	77,049	102,193	85,891	82,439	1,015,079
DIFFERENCE	29,365	(5,972)	(29,703)	66,128	73,819	1,918	(68,138)	6,228	(77,025)	70,320	11,553	12,092	90,585
										PERCENT CHANGE:			8.9
903 CUSTOMER RECORDS & COLLECTIONS - UTILITY SERVICES													
BASE PERIOD	108,281	137,320	135,594	113,569	152,975	180,020	151,019	110,350	106,662	66,676	76,163	89,078	1,427,727
PRIOR PERIOD	209,358	177,769	235,210	213,149	224,927	259,258	251,305	242,991	206,471	185,599	200,470	49,004	2,458,411
DIFFERENCE	(101,077)	(40,449)	(102,616)	(99,580)	(71,952)	(79,238)	(100,286)	(132,641)	(99,789)	(118,923)	(124,307)	40,074	(1,030,684)
										PERCENT CHANGE:			(41.9)
904 UNCOLLECTIBLE ACCOUNTS													
BASE PERIOD	52,364	111,609	90,634	285,425	241,815	219,224	150,283	71,193	78,592	39,356	33,961	332,993	1,707,449
PRIOR PERIOD	45,876	110,072	12,964	339,407	328,460	242,762	150,321	90,267	49,048	(48,754)	35,452	57,729	1,413,604
DIFFERENCE	6,488	1,537	77,670	(53,982)	(86,645)	(23,538)	(38)	(19,074)	29,544	88,110	(1,491)	275,264	293,845
										PERCENT CHANGE:			20.8

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2007-00008

COMPARISON OF TOTAL COMPANY ACCOUNT ACTIVITY

FOR THE HISTORIC PERIOD 12 MONTHS ENDED SEPTEMBER 30, 2006 AND PRIOR PERIOD SEPTEMBER 30, 2005

SCHEDULE C-2.2  
SHEET 9 of 11

WITNESS: K. L. HUMRICHOUSE

Date: X Historic Period      Forecasted Period  
Type of Filing: X Original      Updated

ACCOUNT NO. & TITLE	OCT 05	NOV	DEC	JAN 06	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP 06	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>905 MISCELLANEOUS CUSTOMER ACCOUNT EXPENSES</b>													
BASE PERIOD	823	713	350	2,744	980	113	412	245	(100)	39	64	178	6,561
PRIOR PERIOD	854	1,025	462	2,186	594	944	2,626	(318)	558	47	2,081	663	11,722
DIFFERENCE	(31)	(312)	(112)	558	386	(831)	(2,214)	563	(658)	(8)	(2,017)	(485)	(5,161)
													(44.0)
													PERCENT CHANGE:
													30,215
<b>907 SUPERVISION</b>													
BASE PERIOD	2,241	1,199	1,011	16,792	934	1,157	594	1,800	1,140	1,066	866	1,415	38,148
PRIOR PERIOD	1,286	1,123	1,589	17,110	1,760	2,286	1,046	1,179	967	6,002	1,153	2,647	(7,933)
DIFFERENCE	955	76	(578)	(318)	(826)	(1,129)	(452)	621	173	(4,936)	(287)	(1,232)	(20.8)
													PERCENT CHANGE:
<b>908 CUSTOMER ASSISTANCE EXPENSES</b>													
BASE PERIOD	10,208	7,323	9,644	6,388	8,020	8,057	8,172	9,102	6,948	9,315	12,408	10,382	105,967
PRIOR PERIOD	797	1,396	1,790	8,196	8,702	10,098	8,076	10,520	7,852	7,538	15,147	8,318	88,430
DIFFERENCE	9,411	5,927	7,854	(1,808)	(682)	(2,041)	96	(1,418)	(904)	1,777	(2,739)	2,064	17,537
													19.8
													PERCENT CHANGE:
<b>909 INFORMATIONAL AND INSTR. ADVERT. EXPENSES</b>													
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0.0
													PERCENT CHANGE:
<b>910 MISCELLANEOUS CUSTOMER ACCOUNT EXPENSE</b>													
BASE PERIOD	62	52	6	17	24	1	1	1	(2)	0	0	3	165
PRIOR PERIOD	120	130	113	147	135	138	116	125	144	131	148	88	1,535
DIFFERENCE	(58)	(78)	(107)	(130)	(111)	(137)	(115)	(124)	(146)	(131)	(148)	(85)	(1,370)
													PERCENT CHANGE:
<b>912 DEMONSTRATING AND SELLING EXPENSES</b>													
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	1,503
PRIOR PERIOD	0	0	0	0	0	1,163	0	340	0	0	0	0	(1,503)
DIFFERENCE	0	0	0	0	0	(1,163)	0	(340)	0	0	0	0	(100.0)
													PERCENT CHANGE:
<b>913 ADVERTISING EXPENSE</b>													
BASE PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
DIFFERENCE	0	0	0	0	0	0	0	0	0	0	0	0	0.0
													PERCENT CHANGE:





SCHEDULE D

SUMMARY OF ADJUSTMENTS TO OPERATING INCOME

COMPANY : COLUMBIA GAS OF KENTUCKY, INC.

CASE NO : CASE NO. 2007-00008

HISTORIC PERIOD : TWELVE MONTHS ENDED SEPTEMBER 30, 2006

<u>SCHEDULE</u>	<u>DESCRIPTION</u>
D-1	SUMMARY OF ADJUSTMENTS TO OPERATING INCOME ACCOUNTS
D-2.1 - D-2.11	DETAILED ADJUSTMENT
D-3	SUMMARY OF JURISDICTIONAL FACTORS - OPERATING INCOME
D-4	JURISDICTIONAL STATISTICS - OPERATING INCOME
D-5	EXPLANATION OF CHANGE IN JURISDICTIONAL PROCEDURES

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO  
OPERATING INCOME BY MAJOR ACCOUNTS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

SCHEDULE D-1  
SHEET 1 OF 2  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s):

LINE NO.	ACCOUNT NO. & TITLE	TITLE OF ADJUSTMENT								RATE CASE EXPENSE D-2.7 (\$)		
		ANNUALIZE REVENUE & GAS COST D-2.1 (\$)	ANNUALIZE TEST YEAR LABOR D-2.2 (\$)	BONUS ACCRUAL INCENTIVE COMPENSATION D-2.3 (\$)	ANNUALIZE BENEFITS EXPENSE D-2.4 (\$)	RENT EXPENSE CIVIC CENTER BUILDING D-2.5 (\$)	ANNUALIZE DEPRECIATION EXPENSE D-2.6 (\$)					
1	SALE OF GAS											
2	480 RESIDENTIAL	(12,021,067)	0	0	0	0	0	0	0	0	0	0
3	481.1 COMMERCIAL	(8,075,113)	0	0	0	0	0	0	0	0	0	0
4	481.2 INDUSTRIAL	(700,611)	0	0	0	0	0	0	0	0	0	0
5	481.9 OTHER	(39,542)	0	0	0	0	0	0	0	0	0	0
6	TOTAL SALE OF GAS	(20,836,333)	0	0	0	0	0	0	0	0	0	0
7	OTHER OPERATING INCOME	0	0	0	0	0	0	0	0	0	0	0
8	487 FORFEITED DISCOUNTS	0	0	0	0	0	0	0	0	0	0	0
9	488 MISC. SERVICE REVENUES	92,192	0	0	0	0	0	0	0	0	0	0
10	489 REVENUE FROM TRANSPORTING GAS TO OTHERS	(8,646,115)	0	0	0	0	0	0	0	0	0	0
11	495 OTHER GAS DEPARTMENT REVENUE	(8,553,923)	0	0	0	0	0	0	0	0	0	0
12	TOTAL OTHER OPERATING INCOME	(29,390,256)	0	0	0	0	0	0	0	0	0	0
13												
14	TOTAL OPERATING REVENUE	(28,973,361)	0	0	0	0	0	0	0	0	0	0
15	OPERATING EXPENSES											
16	GAS SUPPLY EXPENSE	0	0	0	0	0	0	0	0	0	0	0
17	LIQUEFIED PETROLEUM GAS PRODUCTION EXP.	0	0	0	0	0	0	0	0	0	0	0
18	DISTRIBUTION O&M EXPENSE	(60,454)	0	0	0	0	0	0	0	0	0	0
19	CUSTOMER ACCOUNTING & COLLECTION EXP.	0	0	0	0	0	0	0	0	0	0	0
20	CUSTOMER SERVICE & INFORMATION EXP.	0	0	0	0	0	0	0	0	0	0	0
21	SALES EXPENSE	(3,001)	70,225	377,545	267,000	407,211	2,079,946	85,000	0	0	0	0
22	ADMINISTRATIVE & GENERAL EXPENSE	0	0	0	0	0	0	0	0	0	0	0
23	DEPRECIATION EXPENSE	0	0	0	0	0	0	0	0	0	0	0
24	TAXES OTHER THAN INCOME	0	0	0	0	0	0	0	0	0	0	0
25	PROPERTY	0	0	0	0	0	0	0	0	0	0	0
26	PAYROLL	0	0	0	0	0	0	0	0	0	0	0
27	OTHER	0	0	0	0	0	0	0	0	0	0	0
28	OPERATING EXPENSES BEFORE INCOME TAXES	(29,036,816)	70,225	377,545	267,000	407,211	2,079,946	85,000	0	0	0	0
29												
30	OPERATING INCOME BEFORE INCOME TAXES	(353,440)	(70,225)	(377,545)	(267,000)	(407,211)	(2,079,946)	(85,000)				
31												
32	INCOME TAXES	(116,282)	(23,104)	(124,212)	(87,843)	(133,972)	(684,302)	(27,965)				
33	FEDERAL INCOME	(21,206)	(4,214)	(22,653)	(16,020)	(24,433)	(124,797)	(5,100)				
34	STATE INCOME											
35	NET OPERATING INCOME	(215,952)	(42,907)	(230,660)	(163,137)	(248,806)	(1,270,847)	(51,935)				
36												
37	FEDERAL INCOME TAX IMPACT											
38	STATE INCOME TAX IMPACT											
39												
40												
41												
42												

35.00%  
6.00%

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
SUMMARY OF UTILITY JURISDICTIONAL ADJUSTMENTS TO  
OPERATING INCOME BY MAJOR ACCOUNTS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

SCHEDULE D-1  
SHEET 2 OF 2  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Worksheet Reference No(s): \_\_\_\_\_

LINE NO.	ACCOUNT NO. & TITLE	TITLE OF ADJUSTMENT						TOTAL ADJUST.
		NISOURCE CORPORATE SERVICE COSTS D-2.8 (\$)	CORPORATE INSURANCE D-2.9 (\$)	PAYROLL TAX ADJ. D-2.10 (\$)	PROPERTY TAXES D-2.11 (\$)	D-2.12 (\$)	D-2.13 (\$)	
1	SALE OF GAS							
2	480 RESIDENTIAL	0	0	0	0	0	0	(12,021,067)
3	481.1 COMMERCIAL	0	0	0	0	0	0	(8,075,113)
4	481.2 INDUSTRIAL	0	0	0	0	0	0	(700,611)
5	481.9 OTHER	0	0	0	0	0	0	(39,542)
6	TOTAL SALE OF GAS	0	0	0	0	0	0	(20,836,333)
7	OTHER OPERATING INCOME							
8	487 FORFEITED DISCOUNTS	0	0	0	0	0	0	0
9	488 MISC. SERVICE REVENUES	0	0	0	0	0	0	92,192
10	489 REVENUE FROM TRANSPORTING GAS TO OTHERS	0	0	0	0	0	0	(8,646,115)
11	495 OTHER GAS DEPARTMENT REVENUE	0	0	0	0	0	0	(8,553,923)
12	TOTAL OTHER OPERATING INCOME	0	0	0	0	0	0	(29,390,256)
13	TOTAL OPERATING REVENUE	0	0	0	0	0	0	(29,390,256)
14								
15	TOTAL OPERATING REVENUE	0	0	0	0	0	0	(28,973,361)
16	OPERATING EXPENSES							
17	GAS SUPPLY EXPENSE	0	0	0	0	0	0	0
18	LIQUEFIED PETROLEUM GAS PRODUCTION EXP.	0	0	0	0	0	0	0
19	DISTRIBUTION O&M EXPENSE	0	0	0	0	0	0	(60,454)
20	CUSTOMER ACCOUNTING & COLLECTION EXP.	0	0	0	0	0	0	0
21	CUSTOMER SERVICE & INFORMATION EXP.	0	0	0	0	0	0	0
22	SALES EXPENSE	0	0	0	0	0	0	2,327,278
23	ADMINISTRATIVE & GENERAL EXPENSE	1,009,851	113,447	0	0	0	0	2,079,946
24	DEPRECIATION EXPENSE	0	0	0	0	0	0	0
25	TAXES OTHER THAN INCOME	0	0	0	111,502	0	0	111,502
26	PROPERTY	0	0	21,891	0	0	0	21,891
27	PAYROLL	0	0	0	0	0	0	0
28	OTHER	0	0	0	0	0	0	0
29	OPERATING EXPENSES BEFORE INCOME TAXES	1,009,851	113,447	21,891	111,502	0	0	(24,493,198)
30	OPERATING INCOME BEFORE INCOME TAXES	(1,009,851)	(113,447)	(21,891)	(111,502)	0	0	(4,897,058)
31								
32	INCOME TAXES							
33	FEDERAL INCOME	(332,241)	(37,324)	(7,202)	(36,684)	0	0	(1,611,132)
34	STATE INCOME	(60,591)	(6,807)	(1,313)	(6,690)	0	0	(293,823)
35	NET OPERATING INCOME	(617,019)	(69,316)	(13,375)	(68,128)	0	0	(2,992,103)
36								
37	FEDERAL INCOME TAX IMPACT							
38	STATE INCOME TAX IMPACT							
39								
40								
41								
42								

35.00%  
6.00%

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZATION OF SALES SERVICE REVENUE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s).

SCHEDULE D-2.1  
SHEET 1 OF 6  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To reflect the annualization of sales service revenue based on normalized sales volumes and test year-end customers. In addition, unbilled revenues are eliminated.	
	Schedules	
1	Annualized Residential Revenue	M-2.2 89,345,851
2	Per Books Residential Revenue	C-2.1 <u>101,366,918</u>
3	Adjustment - Residential Revenue	(12,021,067)
4	Annualized Commercial Revenue	M-2.2 49,250,001
5	Per Books Commercial Revenue	C-2.1 <u>57,325,114</u>
6	Adjustment - Commercial Revenue	(8,075,113)
7	Annualized Industrial Revenue	M-2.2 2,770,496
8	Per Books Industrial Revenue	C-2.1 <u>3,471,107</u>
9	Adjustment - Industrial Revenue	(700,611)
10	Annualized Public Utility Revenue	M-2.2 234,482
11	Per Books Public Utility Revenue	C-2.1 <u>274,024</u>
12	Adjustment - Public Utility Revenue	(39,542)
13	Jurisdictional allocation percentage	100.000%
14	Jurisdictional amount	(20,836,333)

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZATION OF TRANSPORTATION SERVICE REVENUE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s).

SCHEDULE D-2.1  
SHEET 2 OF 6

WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To reflect the annualization of transportation revenue based on normalized sales volumes and test year-end customers. In addition, unbilled revenues are eliminated.	
		Schedules
1	Annualized Transportation Revenue	M-2.2 15,693,520
2	Per Books Transportation Revenue	C-2.1 <u>15,601,328</u>
3	Adjustment - Transportation Revenue	92,192
4	Jurisdictional allocation percentage	100.000%
5	Jurisdictional amount	92,192

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZATION OF TRANSPORTATION SERVICE REVENUE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s).

SCHEDULE D-2.1  
SHEET 3 OF 6  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To reflect the elimination of non-traditional sales from Other Gas Department Revenue.	
		Schedules
1	Adjusted Other Gas Department	M-2.2 982,446
2	Per Books Other Gas Department Revenue	C-2.1 <u>9,628,561</u>
3	Adjustment - Other Gas Department Revenue	(8,646,115)
4	Jurisdictional allocation percentage	100.000%
5	Jurisdictional amount	(8,646,115)

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZATION OF GAS COST RECOVERY REVENUE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s).

SCHEDULE D-2.1  
SHEET 4 OF 6  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To reflect the annualization of gas cost recovery revenue based on the most current supplier rates in effect. Also reflects the elimination of gas costs related to unbilled and non-traditional sales.	
		Schedules
1	Annualized Gas Cost Revenue	M-2.2 112,344,669
2	Purchased Gas Expense	C-2.1 25,748
3	Gas Used for Other Utility Operations	C-2.1 (152,270)
4	Total Annualized Gas Cost Revenue	<u>112,218,147</u>
5	Gas Cost Expense per books	C-2.1 <u>141,191,508</u>
6	Adjustment - Gas Cost Expense	(28,973,361)

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZATION OF UNCOLLECTIBLE ACCOUNTS EXPENSE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). WPD-2.1

SCHEDULE D-2.1  
SHEET 5 OF 6  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: Uncollectible Accounts expense has been adjusted to reflect the current level as shown on Schedule H and to annualize the EAP surcharge.	
		Schedules
1	Annualized Residential Revenue - Sales	M-2.2 89,345,851
2	Annualized Residential GTS - Choice	M-2.2 5,842,044
3	Total Annualized Residential Revenue	<u>95,187,895</u>
4	Accrual Rate	H-1 <u>1.163918%</u>
5	Adjustment to O&M for Uncollectible Accounts Expense	1,107,909
6	Less: General Service Uncollectible Accounts Expense per Books	C-2.1 <u>1,284,001</u>
7	Adjustment Uncollectible Accounts	(176,092)
8	Annualized EAP recovery included in Account 904	M-2.2, 509,141 pages 5 & 23
9	Per Books EAP included in Account 904	<u>393,503</u>
10	Adjustment EAP Account 904	115,638
11	Jurisdictional Allocation Percentage	100.000%
12	Jurisdictional Amount	(60,454)

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZATION OF KPSC MAINTENANCE EXPENSE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s).

SCHEDULE D-2.1  
SHEET 6 OF 6  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To reflect the KPSC maintenance expense at the annualized level of gas service revenue at current rates.	
		Schedules
1	Annualized Revenue	C-2 158,276,796
2	Accrual Rate	H-1 <u>0.1898%</u>
3	Adjustment to O&M for KPSC Maintenance Expense	300,409
4	Less: Expense per Books	303,410
5	Adjustment	(3,001)
6	Jurisdictional Allocation Percentage	100.000%
7	Jurisdictional Amount	(3,001)

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZATION OF INCREASE IN WAGES  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). WPD-2.2

SCHEDULE D-2.2  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
	PURPOSE AND DESCRIPTION: To reflect the annualization of wage increases granted during the test year and known and measurable increases subsequent to the test year.	
1	Labor Adjustment	
		WPD-2.2, Sheet 1, Line 9
		\$70,225
2	Jurisdictional Allocation Percentage	
		100.000%
3	Jurisdictional Amount	
		To Schedule D Summary
		\$70,225

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
BONUS ACCRUAL - INCENTIVE COMPENSATION  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). WPD-2.3

SCHEDULE D-2.3  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To reflect an ongoing level of incentive compensation.	
1	Ongoing Level	
2	Gross Incentive Compensation	279,000
3	Percent to O&M Expense	74.52%
4	Net Incentive Compensation included in O&M	<u>207,911</u>
5	Per Books:	
6	Incentive Compensation included in O&M	(169,634)
7	Total Adjustment (Ln. 4 less Ln. 6)	377,545
8	Jurisdictional Allocation Percentage	100.000%
9	Jurisdictional Amount	377,545
	To Schedule D Summary	

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008

UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZATION OF INCREASE IN BENEFITS EXPENSE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

SCHEDULE D-2.4  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s): WPD-2.4

LINE NO.	COST ELEMENT NO.	DESCRIPTION	GROSS PER BOOKS		PER BOOKS TOTAL TRANSFERS		TEST YEAR NET COSTS		2007 GROSS COSTS 2/		2007 TOTAL TRANSFERS		2007 NET COSTS		PERCENT OF PER BOOKS TOTAL TRANSFERS		NET ADJUSTMENT (8 = 6 - 3) \$
			(1)	(2 = 1 x 7)	(3 = 1 - 2)	(4)	(5 = 4 x 7)	(6 = 4 - 5)	(7)	(8 = 6 - 3)							
PURPOSE AND DESCRIPTION: To reflect the annualization of benefits expense for the test year September 30, 2006, and known and measurable increases for 2007.																	
<b>EMPLOYEES' INSURANCE PLANS</b>																	
1	9041&9045	COMP MEDICAL INSURANCE AND EAP	1,197,546	(363,216)	834,330	1,454,000	(440,998)	1,013,002	-30.33%	178,672							
2	9042	DENTAL ASSISTANCE	119,940	(36,378)	83,562	124,000	(37,609)	86,391	-30.33%	2,829							
3	9043	GROUP LIFE INSURANCE	(253)	77	(176)	27,000	(8,189)	18,811	-30.33%	18,987							
4	9044	LONG TERM DISABILITY	35,313	(10,710)	24,603	40,000	(12,132)	27,868	-30.33%	3,265							
5		TOTAL EMPLOYEES' INSURANCE PLANS	1,352,546	(410,227)	942,319	1,645,000	(498,928)	1,146,072		203,753							
<b>OPEB COST</b>																	
6	9046	ONGOING OPEB - MEDICAL	554,297	(168,118)	386,179	483,000	(146,494)	336,506	-30.33%	(49,673)							
7	9047	ONGOING OPEB - GROUP LIFE	(45,562)	13,819	(31,743)	(55,000)	16,682	(38,318)	-30.33%	(6,575)							
8	9048	SFAS 106 Amortization	281,695	0	281,695	281,695	0	281,695	0	0							
9	9049	SFAS 112 Amortization	327,107	0	327,107	327,107	0	327,107	0	0							
10		TOTAL OPEB	1,117,537	(154,299)	963,238	1,036,802	(129,812)	906,990		(56,248)							
<b>PENSIONS AND RETIREMENT INCOME</b>																	
11	9061	RETIREMENT INCOME PLAN	(90,204)	(37,166)	(127,370)	(28,000)	12,200	(15,800)	-43.57%	111,570							
13	9081	THRIFT PLAN	277,649	(64,880)	212,769	288,000	(67,306)	220,694	-23.37%	7,925							
14		THRIFT PLAN															
15		TOTAL (LINES 5, 10, 12, 14)	2,657,528	(666,572)	1,990,956	2,941,802	(683,846)	2,257,956		267,000							

1\_ See Workpaper WPD-2.4 Sheet 1 of 2.

2\_ See Workpaper WPD-2.4 Sheet 2 of 2.

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
RENT EXPENSE - GENERAL OFFICE BUILDING  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). WPD-2.5

SCHEDULE D-2.5  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To eliminate the reversal of the General Office building restructuring accrual.	
1	The General Office Building Restructuring Accrual Adjustment	407,211
2	Jurisdictional Allocation Percentage	100.000%
3	Jurisdictional Amount	407,211
	To Schedule D Summary	

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZE DEPRECIATION EXPENSE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s).

SCHEDULE D-2.6  
SHEET 1 OF 2  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To reflect the annualization of depreciation expense on plant in service balances at September 30, 2006 at proposed depreciation rates.	
1	Depreciation/Amortization Expense - Annualized	7,386,524
2	CWIP Depreciation Expense - Annualized	10,263
3	Depreciation/Amortization Expense - Per Books	<u>5,316,841</u>
4	Depreciation Adjustment	2,079,946
5	Jurisdictional Allocation Percentage	100.000%
6	Jurisdictional Amount	2,079,946
		To Schedule D Summary

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZE DEPRECIATION EXPENSE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

SCHEDULE D-2.6  
SHEET 2 OF 2

WITNESS: K. L. HUMRICHOUSE

LINE PURPOSE AND DESCRIPTION  
NO.

PURPOSE AND DESCRIPTION: To reflect the annualization of depreciation expense on CWIP balances at September 30, 2006 at proposed depreciation rates.

	Gas Plant Account (1)	Schedule B-4 CWIP In Service (2)	Proposed Accrual Rate 1 / (3) %	Annualized Depreciation Expense (2 x 3 = 4) \$
1	<b>INTANGIBLE PLANT</b>			
2	303.30	61,758	AMORT.	0
3	<b>DISTRIBUTION PLANT</b>			
4	374.40	0	1.88	0
5	374.50	0	1.39	0
6	375.20	0	2.98	0
7	375.30	0	2.98	0
8	375.40	0	2.98	0
9	375.60	0	2.98	0
10	375.70	0	2.01	0
11	375.80	0	4.63	0
12	376.00	74,797	2.19	1,638
13	378.10	0	3.19	0
14	378.20	14,425	3.19	460
15	378.30	0	3.19	0
16	379.10	0	1.77	0
17	380.00	69,469	3.69	2,563
18	381.00	501	3.46	17
19	382.00	94,258	3.06	2,884
20	383.00	48,282	2.79	1,347
21	384.00	0	1.42	0
22	385.00	2,235	4.92	110
23	387.20	0	6.64	0
24	387.41	0	3.76	0
25	387.42	0	3.76	0
26	387.44	0	3.76	0
27	387.45	33,051	3.76	1,243
28	387.46	0	3.76	0
29	<b>GENERAL PLANT</b>			
30	391.12	300	AMORT.	0
31	392.20	0	4.38	0
32	392.21	0	4.38	0
33	394.11	0	24.33	0
34	394.30	17,239	AMORT.	0
35	396.00	0	0.00	0
36				
	Total	<u>416,315</u>		<u>10,263</u>

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
AMORTIZATION OF RATE CASE EXPENSE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s): WPD-2.7

SCHEDULE D-2.7  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To reflect the estimated cost of presenting this case amortized over a three year period.	
1	Legal Notice	25,000
2	P. Moul & Associates	38,000
3	Gannett Fleming	50,000
4	Outside Counsel	110,000
5	Travel Expense	15,000
6	Miscellaneous: Supplies, Courier, etc.	<u>17,000</u>
7	Total Rate Case Expense	255,000
8	Three Year Amortization	85,000
9	Jurisdictional Allocation Percentage	100.000%
10	Jurisdictional Amount	85,000
	To Schedule D Summary	

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
NISOURCE CORPORATE SERVICE COSTS  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). WPD-2.8

SCHEDULE D-2.8  
SHEET 1 OF 2  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To adjust NiSource Corporate Service Costs inclusive of 3-year amortization of one-time costs associated with contracted services.	
1	Test Year Corporate Services Billings	9,541,795
2	Amount capitalized	<u>(276,633)</u>
3	Net amount included in O&M Expense	9,265,162
4	Less one-time IBM outsourcing costs and other NCSC one-time costs included in the test year	1,197,829
5	Plus Contractual IBM increase to 2007 level	833,719
6	NCSC 2007 labor and benefits annualized	<u>73,884</u>
7	Normalized ongoing NCSC costs	8,974,936
8	Annual amortization of one-time costs (see detail on Sheet 2 of 2)	1,111,186
9	Removal of one-time restructuring costs included in the test year billed directly to Columbia	<u>188,891</u>
10	Total amount to be included in O&M expense	<u>10,275,013</u>
11	Net adjustment (Line 10 minus Line 3)	1,009,851
12	Jurisdictional Allocation Percentage	100.000%
13	Jurisdictional Amount	1,009,851
	To Schedule D Summary	

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). WPD-2.8

SCHEDULE D-2.8  
SHEET 2 OF 2  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To adjust NiSource Corporate Services Costs (NCSC) inclusive of 3-year amortization of one-time costs associated with restructuring contracted services.	
1	Detail of one-time costs:	
2	<i>IBM Related:</i>	\$
3	Work Management - billed via NCSC	343,993
4	Transition Costs	1,160,133
5	Consulting Costs	56,443
6	Restructuring Costs	<u>747,521</u>
7	Total IBM Related	2,308,090
8	<i>NCSC Related:</i>	
9	Loss on Mainframe	38,033
10	Building - Marble Cliff	95,309
11	Severance Costs	<u>79,348</u>
12	Total Other	212,690
13	Restructuring Costs incurred directly by Columbia	<u>812,778</u>
14	Total Direct	<u>812,778</u>
15	Total One Time Costs	<u><u>3,333,558</u></u>
16	Amortization period	3
17	Annual Amortization (Ln. 15/Ln16)	<u><u>1,111,186</u></u>

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZATION OF PROPERTY & LIABILITY INSURANCE EXPENSE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). WPD-2.9

SCHEDULE D-2.9  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT		
PURPOSE AND DESCRIPTION: To reflect the annualization of property & liability insurance expense at levels in effect at the end of the test year.				
		<u>Annualized Expense</u> (1) \$	<u>Test Year Expense</u> (2) \$	<u>Adjustment</u> (3 = 1 - 2) \$
1	Property Insurance:			
2	Non-Affiliate	87,952	58,914	29,038
3	Affiliate	51,600	25,527	26,073
4	Workers Compensation:			
5	Non-Affiliate	130,849	123,420	7,429
6	Affiliate	174,588	172,116	2,472
7	Capitalization Adjustment	(57,215)	(54,667)	(2,548)
8	Miscellaneous Other			
9	Non-Affiliate	432,480	381,497	50,983
10	Total Premiums	820,254	706,807	113,447
11	Jurisdictional Allocation Percentage			100.000%
12	Jurisdictional Amount		To Schedule D Summary	113,447

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZATION OF PAYROLL TAX  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). WPD-2.10

SCHEDULE D-2.10  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To reflect the annualization of payroll taxes related to the annualization of labor expense.	
1	O&M Payroll Adjustment <span style="float: right;">WPD-2.2, Sheet 1, Line 9</span>	70,225
2	Net Incentive Compensation and Profit Sharing Cost <span style="float: right;">Schedule D-2.3, Line 6</span>	<u>207,911</u>
3	Amount Subject to social Security and Medicare Tax	278,136
4	Social Security and Medicare Tax Rate	<u>7.650%</u>
5	Subtotal	21,277
6	Increase in Maximum Subject to Social Security	3,300
7	(\$97,500 - \$94,200)	
8	Number of Employees Over \$94,200	3
9	Increase in Base	9,900
10	Social Security portion up to Maximum of Tax Rate	6.20%
11	Subtotal	<u>614</u>
12	Total FICA Adjustment	21,891
13	Jurisdictional Allocation Percentage	100.000%
14	Jurisdictional Amount <span style="float: right;">To Schedule D Summary</span>	21,891

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
UTILITY JURISDICTIONAL ADJUSTMENT  
ANNUALIZED PROPERTY TAX EXPENSE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s).

SCHEDULE D-2.11  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

LINE NO.	PURPOSE AND DESCRIPTION	AMOUNT
		\$
	PURPOSE AND DESCRIPTION: To reflect the annualization of property tax at September 30, 2006.	
1	Property Tax Expense - Annualized	1,791,020
2	Property Tax Expense - Per Books	<u>1,679,517</u>
3	Property Tax Adjustment	111,502
4	Net Adjustment	111,502
5	Jurisdictional Allocation Percentage	100.000%
6	Jurisdictional Amount	111,502
	To Schedule D Summary	

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
SUMMARY OF JURISDICTIONAL FACTORS - OPERATING INCOME  
FOR THE HISTORIC PERIOD SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s): \_\_\_\_\_  
WITNESS: K. L. HUMRICHOUSE

SCHEDULE D-3  
SHEET 1 OF 1

LINE NO.	ACCT. NO.	ACCOUNT TITLE	JURISDICTIONAL FACTOR	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
----------	-----------	---------------	-----------------------	----------------------------------------------------

ALL DATA 100.00% JURISDICTIONAL.

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
JURISDICTIONAL STATISTICS - OPERATING INCOME  
FOR THE HISTORIC PERIOD SEPTEMBER 30, 2006

SCHEDULE D-4  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

LINE NO. (A)	DESCRIPTION OF JURISDICTIONAL FACTORS (B)	STATISTIC TOTAL COMPANY (C)	ADJUSTMENT TO TOTAL COMPANY STATISTIC (D)	ADJUSTED STATISTIC FOR TOTAL COMPANY (E=C+D)	STATISTIC FOR JURISDICTION (F)	JURISDICTIONAL RATIO (G=F+E)

ALL DATA 100.00% JURISDICTIONAL.

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
EXPLANATION OF CHANGES IN JURISDICTIONAL PROCEDURES - OPERATING INCOME  
FOR THE HISTORIC PERIOD SEPTEMBER 30, 2006

SCHEDULE D-5  
SHEET 1 OF 1  
WITNESS: K. L. HUMRICHOUSE

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

PROCEDURES APPROVED  
IN PRIOR CASE RATIONALE FOR CHANGE

LINE NO.	ACCOUNT NO.	DESCRIPTION	PROCEDURES APPROVED IN PRIOR CASE	RATIONALE FOR CHANGE
----------	-------------	-------------	-----------------------------------	----------------------

NO CHANGE SINCE THE LAST CASE.

SCHEDULE E

INCOME TAXES

COMPANY : COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO : CASE NO. 2007-00008  
HISTORIC TEST PERIOD: TWELVE MONTHS ENDED SEPTEMBER 30, 2006  
BASE PERIOD : TWELVE MONTHS ENDED SEPTEMBER 30, 2006

SCHEDULE

DESCRIPTION

E-1	COMPUTATION OF JURISDICTIONAL FEDERAL AND STATE INCOME TAX
E-2	DEVELOPMENT OF JURISDICTIONAL FEDERAL AND STATE INCOME TAXES

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
COMPUTATION OF FEDERAL AND STATE INCOME TAX  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

SCHEDULE E-1  
SHEET 1 OF 2  
WITNESS: P. FISCHER

Line No.	Description	At Current Rates		
		Per Books at 09/30/06 (1) \$	Proforma Adjustments (2) \$	Adjusted (3) \$
1	Operating Income Before Income Taxes	16,794,732	(8,221,874)	8,572,858
2	Interest Charges	2,914,753	1,748,622	4,663,375
3	Book Net Income before Income Tax & Credits LN 1 - 2	<u>13,879,979</u>	<u>(9,970,496)</u>	<u>3,909,483</u>
4	Statutory Adjustments to Taxable Income PG 2	<u>1,360,983</u>	<u>(1,428,362)</u>	<u>(67,379)</u>
5	State Taxable Income LN 3+4	15,240,962	(11,398,858)	3,842,104
6	State Income Tax LN 5 X Rate	1,064,367	(835,341)	229,026
7	Other Adjustments	<u>(355,394)</u>	<u>355,394</u>	<u>0</u>
8	Total State Income Tax LN 6+7	<u>708,973</u>	<u>(479,947)</u>	<u>229,026</u>
9	Federal Taxable Income LN 5 - 8	14,531,989	(10,918,911)	3,613,078
10	Federal Income Tax LN 9 x Rate	4,986,196	(3,757,750)	1,228,446
11	Prior Adjustment to Federal Income Tax	<u>(48,795)</u>	<u>48,795</u>	<u>0</u>
12	Other Adjustments to Federal Income Tax	<u>238,363</u>	<u>(238,363)</u>	<u>0</u>
13	Current Federal Income Tax LN 10+11+12	5,175,764	(3,947,318)	1,228,446
14	Current State Income Tax	<u>708,973</u>	<u>(479,947)</u>	<u>229,026</u>
15	Total Current Income Tax LN 13+14	<u>5,884,737</u>	<u>(4,427,264)</u>	<u>1,457,473</u>
16	Amortization of Excess ADIT-Federal	92,045	(199,888)	(107,843)
17	Provision for Deferred Federal Income Tax	<u>(982,822)</u>	<u>982,822</u>	<u>0</u>
18	Deferred Federal Income Tax LN 16+17	<u>(890,777)</u>	<u>782,934</u>	<u>(107,843)</u>
19	Amortization of Excess ADIT-State	(346,563)	346,229	(334)
20	Provision for Deferred State Income Tax	<u>615,030</u>	<u>(615,030)</u>	<u>0</u>
21	Deferred State Income Tax LN 19+20	<u>268,467</u>	<u>(268,801)</u>	<u>(334)</u>
22	Total Provision for Deferred Income Taxes LN 18+21	<u>(622,310)</u>	<u>514,133</u>	<u>(108,177)</u>
23	Total Federal Income Taxes LN 13+18	4,284,987	(3,164,384)	1,120,603
24	Amortization of Investment Tax Credit	<u>(87,704)</u>	<u>0</u>	<u>(87,704)</u>
25	Net Federal Income Taxes LN 23+24	<u>4,197,283</u>	<u>(3,164,384)</u>	<u>1,032,899</u>
26	Net State Income Taxes LN 14+21	<u>977,440</u>	<u>(748,748)</u>	<u>228,692</u>
27	Total Income Tax Expense LN 25+26	5,174,723	(3,913,131)	1,261,592

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
COMPUTATION OF FEDERAL AND STATE INCOME TAX  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

SCHEDULE E-1  
SHEET 2 OF 2  
WITNESS: P. FISCHER

Line No.	Description	At Current Rates		
		Unadjusted	Proforma Adjustments	Adjusted
		(1)	(2)	(3)
		\$	\$	\$
1	Other Reconciling Items-Flow Through			
2	Political Action Expense/Penalties	42,824	(42,824)	0
3	Non-Taxable Income	(52,479)	0	(52,479)
4	Excess of Book Over Tax Depreciation	(67,036)	52,136	(14,900)
5	Total Other Recon. Items-Flow Thru	(76,691)	9,312	(67,379)
6	Other Reconciling Items-Deferred			
7	Excess of Tax Accelerated of Tax S/L	(3,489,916)	3,489,916	0
8	Loss on Retirement - ACRS property	(1,260,939)	1,260,939	0
9	Property Removal Costs	(46,248)	46,248	0
10	Legal Liability-Leased Hdqtrs. Bldg.	(293,517)	293,517	0
11	Contributions in Aid of Construction	2,314,553	(2,314,553)	0
12	Offsystem Sales	148,174	(148,174)	0
13	Capitalized Interest - Avoided Cost	(14,541)	14,541	0
14	Deferred Gas Purchases	(861,848)	861,848	0
15	Deferred Gas Purchases - Unbilled	0	0	0
16	Section 461(h) - Supplier Refunds	105,560	(105,560)	0
17	LIFO Tax Adjustment	2,970,411	(2,970,411)	0
18	OPEB	769,350	(769,350)	0
19	Special Employee Plans	715,389	(715,389)	0
20	Customer Assistance Plan	201,707	(201,707)	0
21	Retirement Income Plan	391,140	(391,140)	0
22	Other	(211,601)	211,601	0
23	Total Other Recon. Items-Deferred	1,437,674	(1,437,674)	0
24	Total Other Reconciling Items	1,360,983	(1,428,362)	(67,379)

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
DEVELOPMENT OF FEDERAL AND STATE INCOME TAXES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

SCHEDULE E-2  
SHEET 1 OF 1  
WITNESS: P. FISCHER

Line No.	Account Title	Total Utility	Jurisdictional Percent	Jurisdiction	Jurisdictional Code/ Explanation
		(1)	(2)	(3)	(4)
		\$		\$	

NOT APPLICABLE TO COLUMBIA GAS OF KENTUCKY, INC.  
100% JURISDICTIONAL FOR COLUMBIA GAS OF KENTUCKY, INC.

SCHEDULE F

OTHER EXPENSES

COMPANY : COLUMBIA GAS OF KENTUCKY, INC.

CASE NO : CASE NO. 2007-00008

HISTORIC TEST PERIOD : TWELVE MONTHS ENDED SEPTEMBER 30, 2006

BASE PERIOD : TWELVE MONTHS ENDED SEPTEMBER 30, 2006

SCHEDULE

DESCRIPTION

SCHEDULE F IS NOT A REQUIREMENT OF AN HISTORIC TEST PERIOD FILING.

SCHEDULE G

PAYROLL COST ANALYSIS

COMPANY : COLUMBIA GAS OF KENTUCKY, INC.

CASE NO : CASE NO. 2007-00008

HISTORIC TEST PERIOD : TWELVE MONTHS ENDED SEPTEMBER 30, 2006

BASE PERIOD : TWELVE MONTHS ENDED SEPTEMBER 30, 2006

SCHEDULE

DESCRIPTION

SCHEDULE G IS NOT A REQUIREMENT OF AN HISTORIC TEST PERIOD FILING.

SCHEDULE H

REVENUE REQUIREMENTS

COMPANY : COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. : CASE NO. 2007-00008  
HISTORIC TEST PERIOD: TWELVE MONTHS ENDED SEPTEMBER 30, 2006  
BASE PERIOD : TWELVE MONTHS ENDED SEPTEMBER 30, 2006

SCHEDULE

DESCRIPTION

H-1

GROSS REVENUE CONVERSION FACTOR

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
COMPUTATION OF GROSS REVENUE CONVERSION FACTOR  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s).

SCHEDULE H-1  
SHEET 1 OF 1

WITNESS: K. L. HUMRICHOUSE

LINE NO.	DESCRIPTION	PERCENTAGE OF INCREMENTAL GROSS REVENUE
1	OPERATING REVENUE	100.000000%
2	LESS: UNCOLLECTIBLE ACCOUNTS EXPENSE	1.163918%
3	LESS: PSC FEES	<u>0.189800%</u>
4	NET REVENUES	98.646282%
5	STATE INCOME TAX	6.00% <u>5.918777%</u>
6	INCOME BEFORE FEDERAL INCOME TAX	92.727505%
7	FEDERAL INCOME TAX	35% <u>32.454627%</u>
8	OPERATING INCOME PERCENTAGE	60.272878%
9	GROSS REVENUE CONVERSION FACTOR	
10	(100 % DIVIDED BY INCOME AFTER INCOME TAX)	<u>1.659121</u>

SCHEDULE I

STATISTICAL DATA

COMPANY : COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. : CASE NO. 2007-00008

HISTORIC TEST PERIOD : TWELVE MONTHS ENDED SEPTEMBER 30, 2006

BASE PERIOD : TWELVE MONTHS ENDED SEPTEMBER 30, 2006

SCHEDULE

DESCRIPTION

SCHEDULE I IS NOT A REQUIREMENT OF AN HISTORIC TEST PERIOD FILING.

SCHEDULE J

REVENUE REQUIREMENTS

COMPANY : COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. : CASE NO. 2007-00008  
HISTORIC TEST PERIOD: TWELVE MONTHS ENDED SEPTEMBER 30, 2006  
BASE PERIOD : TWELVE MONTHS ENDED SEPTEMBER 30, 2006

SCHEDULE

DESCRIPTION

J-1	COST OF CAPITAL SUMMARY
J-1.1	BASE-PERIOD CAPITAL STRUCTURE
J-2	EMBEDDED COST OF SHORT-TERM DEBT
J-3	EMBEDDED COST OF LONG-TERM DEBT
J-4	EMBEDDED COST OF PREFERRED STOCK

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
COST OF CAPITAL SUMMARY  
AS OF SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

SCHEDULE J-1  
SHEET 1 OF 1  
WITNESS: P. R. MOUL

LINE NO.	CLASS OF CAPITAL (A)	WORKPAPER REFERENCE (B)	AMOUNT (C) \$	PERCENT OF TOTAL (D) (%)	COST RATE (E) (%)	WEIGHTED COST (F=D*E) (%)
1	SHORT-TERM DEBT	J-2	8,052,333	5.296%	5.60%	0.30%
2	LONG-TERM DEBT	J-3	64,791,243	42.617%	5.69%	2.42%
3	PREFERRED STOCK	J-4	0	0.000%	0.00%	0.00%
4	COMMON EQUITY		<u>79,189,296</u>	<u>52.087%</u>	11.50%	<u>5.99%</u>
5	TOTAL CAPITAL		152,032,872	100.000%		8.71%

NOTE (1) SEE ATTACHMENT PRM-5 PAGE 1 OF 1 FROM PAUL MOUL'S TESTIMONY

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
BASE PERIOD CAPITAL STRUCTURE  
HISTORIC PERIOD ENDING SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

SCHEDULE J-1.1  
SHEET 1 OF 1  
WITNESS: P. R. MOUL

LINE NO.	CLASS OF CAPITAL (A)	WORKPAPER REFERENCE (B)	AMOUNT (C) \$	PERCENT OF TOTAL (D) (%)	COST RATE (E) (%)	WEIGHTED COST (F=D*E) (%)
1	SHORT-TERM DEBT		8,052,333	5.296%	5.60%	0.30%
2	LONG-TERM DEBT		<u>64,791,243</u>	<u>42.617%</u>	5.69%	<u>2.42%</u>
3	TOTAL DEBT		72,843,576	47.913%		2.72%
4	PREFERRED STOCK		0	0.000%	0.00%	0.00%
5	COMMON EQUITY		79,189,296	52.087%	11.50%	5.99%
6	OTHER CAPITAL		<u>0</u>	<u>0.000%</u>	0.00%	<u>0.00%</u>
7	TOTAL CAPITAL		152,032,872	100.000%		8.71%

NOTE (1) SEE ATTACHMENT PRM-1 PAGE 1 OF 1 FROM PAUL MOUL'S TESTIMONY

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
EMBEDDED COST OF SHORT-TERM DEBT  
AS OF SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

SCHEDULE J-2  
SHEET 1 OF 1  
WITNESS: P. R. MOUL

LINE NO.	ISSUE (A)	AMOUNT OUTSTANDING (B)	INTEREST RATE (C)	EFFECTIVE ANNUAL COST (D)	COMPOSITE INTEREST RATE (E)
-------------	--------------	------------------------------	-------------------------	------------------------------------	--------------------------------------

Columbia Gas of Kentucky participates in the NiSource Money Pool. The cost of short-term debt used was the average of the last 3 months Money Pool rate. (See calculation below)

Jul-06	5.46
Aug-06	5.56
Sep-06	5.78
	16.8 /3
	5.60

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
EMBEDDED COST OF LONG-TERM DEBT  
AS OF SEPTEMBER 30, 2006

Data:  Historic Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). \_\_\_\_\_

SCHEDULE J-3  
SHEET 1 OF 1  
WITNESS: P. R. MOUL

LINE NO.	ISSUE (A)	AMOUNT OUTSTANDING 1 (B) \$	INTEREST RATE (C) (%)	EFFECTIVE ANNUAL COST (D) \$	COMPOSITE INTEREST RATE (E=D/B) (%)
1	INSTALLMENT PROMISSORY NOTES	10,750,000	5.41%	581,575	
2	INSTALLMENT PROMISSORY NOTES	12,375,000	5.92%	732,600	
3	INSTALLMENT PROMISSORY NOTES	4,210,000	5.45%	229,445	
4	INSTALLMENT PROMISSORY NOTES	<u>14,720,000</u>	5.28%	<u>777,216</u>	
5	ACTUAL LONG-TERM DEBT	42,055,000		2,320,836	5.52%
6	INSTALLMENT PROMISSORY NOTES	<u>16,000,000</u>	6.02%	<u>962,400</u>	
7	PRO FORMA LONG-TERM DEBT	58,055,000		3,283,236	5.66%
8	ADDITIONAL DEBT	<u>6,736,243</u>	6.02%	<u>405,185</u>	
9	TOTAL LONG-TERM DEBT	<u><u>64,791,243</u></u>		<u><u>3,688,421</u></u>	<u><u>5.69%</u></u>

NOTES: (1) INCLUDES CURRENT PORTION OF LONG-TERM DEBT.

NOTES: (2) SEE ATTACHMENT PRM-6 PAGE 1 OF 1 FROM PAUL MOUL'S TESTIMONY

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2007-00008  
EMBEDDED COST OF PREFERRED STOCK  
AS OF SEPTEMBER 30, 2006

SCHEDULE J-4  
SHEET 1 OF 1  
WITNESS: P. R. MOUL

Data:  Historic Period \_\_\_\_\_ Forecasted Period \_\_\_\_\_  
Type of Filing:  Original \_\_\_\_\_ Updated \_\_\_\_\_  
Workpaper Reference No(s): \_\_\_\_\_

LINE NO.	DIVIDEND RATE, TYPE, PAR VALUE	DATE ISSUED	AMOUNT OUTSTANDING	PREMIUM OR DISCOUNT		GAIN OR LOSS ON REACQUIRED STOCK	NET PROCEEDS (F=B+C-D+E)	COST RATE AT ISSUE	ANNUALIZED DIVIDENDS (H=GXB)
				(A)	(B)				
COLUMBIA HAS NO PREFERRED STOCK OUTSTANDING AT THIS TIME.									

SCHEDULE K

FINANCIAL DATA

COMPANY : COLUMBIA GAS OF KENTUCKY, INC.

CASE NO : CASE NO. 2007-00008

HISTORIC TEST PERIOD : TWELVE MONTHS ENDED SEPTEMBER 30, 2006

BASE PERIOD : TWELVE MONTHS ENDED SEPTEMBER 30, 2006

SCHEDULES

DESCRIPTION

SCHEDULE K IS NOT A REQUIREMENT OF AN HISTORIC TEST PERIOD FILING.

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P.S.C. Ky. No. 5  
Cancels P.S.C. Ky. No. 4

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**COLUMBIA GAS OF KENTUCKY, INC.**

**OF**

**LEXINGTON, KENTUCKY**

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**RATES, RULES AND REGULATIONS FOR FURNISHING  
NATURAL GAS**

**for the**

**Entire Service Area of the Company**

**Filed with PUBLIC SERVICE COMMISSION OF  
KENTUCKY**

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ISSUED June 1, 1993

EFFECTIVE September 1, 1993

ISSUED BY Columbia Gas of Kentucky, Inc.

BY A. P. BOWMAN

Vice President

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**COLUMBIA GAS OF KENTUCKY, INC.**

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**DATE OF ISSUE:** February 1, 2007

**DATE OF EFFECTIVE:** March 3, 2007

**Issued by:** Herbert A. Miller, Jr.

President

**COLUMBIA GAS OF KENTUCKY, INC.**

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President

COLUMBIA GAS OF KENTUCKY, INC.

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**(Continued)**

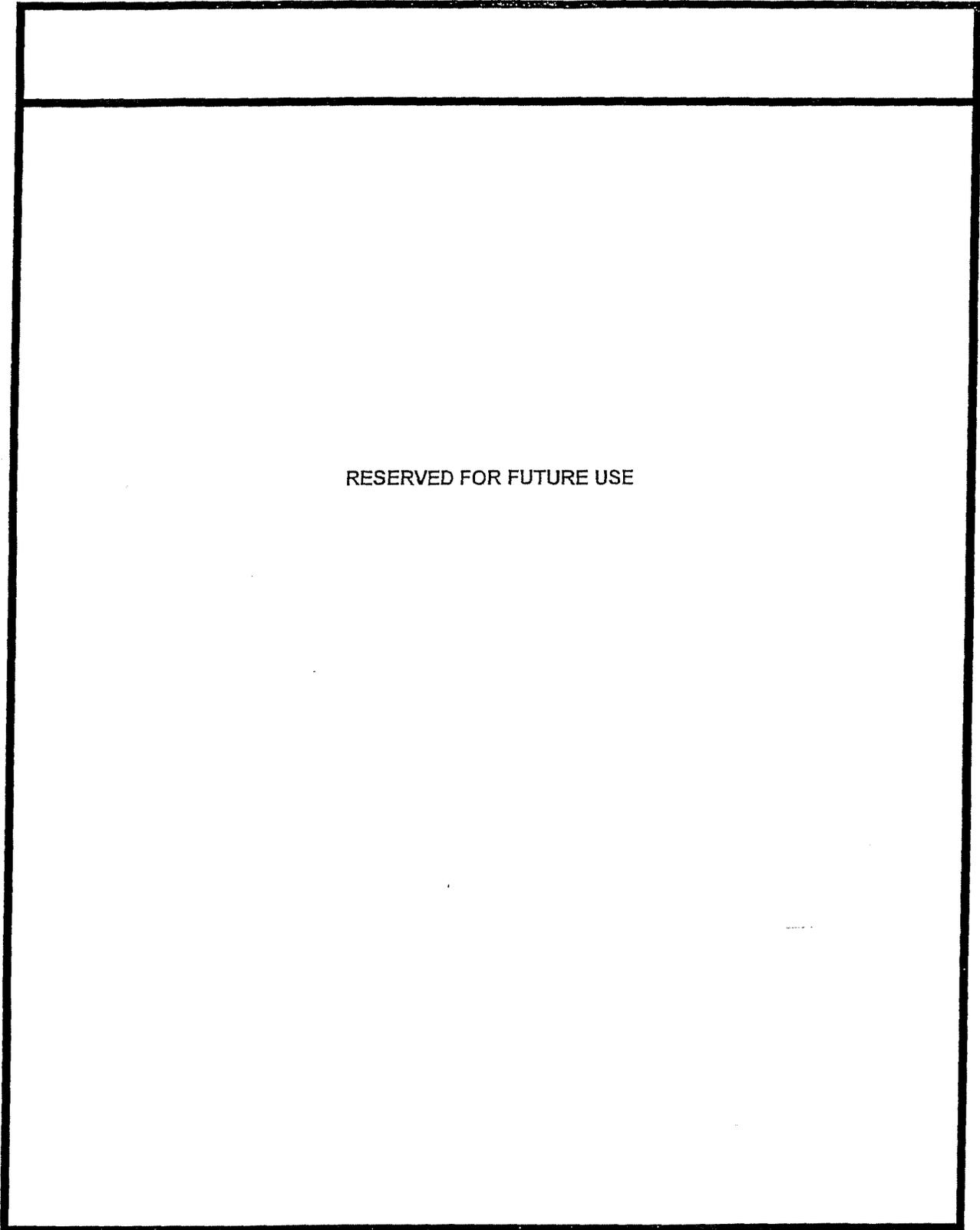
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**Issued by:** Herbert A. Miller, Jr.

President



RESERVED FOR FUTURE USE

DATE OF ISSUE: September 12, 1995

DATE OF EFFECTIVE: November 1, 1995

Issued by: K. I. Shroyer

Vice President - Regulatory Services

Issued by authority of an Order of the Public Service Commission dated October 25, 1995.

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

<b>CURRENTLY EFFECTIVE BILLING RATES</b>				
<b>SALES SERVICE</b>	<b>Base Rate Charge</b>	<b>Gas Cost Adjustment<sup>1/</sup></b>		<b>Total Billing Rate</b>
	\$	\$	\$	\$
<b><u>RATE SCHEDULE GSR</u></b>				
Customer Charge per billing period	12.75			12.75
Delivery Charge per Mcf	1.8241	1.4269	7.0085	10.2595
<b><u>RATE SCHEDULE GSO</u></b>				
Commercial or Industrial				
Customer Charge per billing period	28.00			<u>28.00</u>
Delivery Charge per Mcf -				
First 50 Mcf or less per billing period	1.8241	1.4269	7.0085	10.2595
Next 350 Mcf per billing period	1.7142	1.4269	7.0085	10.1496
Next 600 Mcf per billing period	1.6324	1.4269	7.0085	10.0678
Over 1000 Mcf per billing period	1.4806	1.4269	7.0085	9.9160
<b><u>RATE SCHEDULE IS</u></b>				
Customer Charge per billing period	200.00			200.00
Delivery Charge per Mcf -				
First 30,000 Mcf per billing period	0.6027		7.0085 <sup>2/</sup>	7.6112
Over 30,000 Mcf per billing period	0.3192		7.0085 <sup>2/</sup>	7.3277
Firm Service Demand Charge				
Demand Charge times Daily Firm Volume (Mcf) in Customer Service Agreement		6.5482		6.5482
<b><u>RATE SCHEDULE IUS</u></b>				
Customer Charge per billing period	255.00			255.00
Delivery Charge per Mcf				
For All Volumes Delivered	0.5905	1.4269	7.0085	9.0259
<p><sup>1/</sup> 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 or IUS and received service under Rate Schedule SVGTS shall be \$10.4012 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS</p> <p><sup>2/</sup> IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.</p>				

DATE OF ISSUE: February 1, 2007

DATE EFFECTIVE: March 3, 2007

ISSUED BY: Herbert A. Miller, Jr.

President

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

**CURRENTLY EFFECTIVE BILLING RATES**

(Continued)

TRANSPORTATION SERVICE	Base Rate Charge \$	Gas Cost Adjustment <sup>1/</sup> Demand \$	Commodity \$	Total Billing Rate \$
<b><u>RATE SCHEDULE SS</u></b>				
Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		6.5482		6.5482
Standby Service Commodity Charge per Mcf			7.0085	7.0085
<b><u>RATE SCHEDULE DS</u></b>				
Administrative Charge per account per billing period	55.90			55.90
Customer Charge per billing period <sup>2/</sup>	200.00			200.00
Customer Charge per billing period (GDS only)	28.00			28.00
Customer Charge per billing period (IUDS only)	255.00			255.00
<u>Delivery Charge per Mcf<sup>2/</sup></u>				
First 30,000 Mcf	0.6027			0.6027
Over 30,000 Mcf	0.3192			0.3192
– Grandfathered Delivery Service				
First 400 Mcf per billing period	1.7142			1.7142
Next 600 Mcf per billing period	1.6324			1.6324
All Over 1000 Mcf per billing period	1.4806			1.4806
– Intrastate Utility Delivery Service				
All Volumes per billing period	0.5905			0.5905
Banking and Balancing Service				
Rate per Mcf		0.0206		0.0206
<b><u>RATE SCHEDULE MLDS</u></b>				
Administrative Charge per account each billing period				55.90
Customer Charge per billing period				200.00
Delivery Charge per Mcf				0.0858
Banking and Balancing Service				
Rate per Mcf		0.0206		0.0206
<sup>1/</sup> 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. <sup>2/</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered Delivery Service or Intrastate Utility Delivery Service.				

DATE OF ISSUE: February 1, 2007

DATE EFFECTIVE: March 3, 2007

ISSUED BY: Herbert A. Miller, Jr.

President

ISSUED BY:

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

**CURRENTLY EFFECTIVE BILLING RATES**

(Continued)

THIS SHEET RESERVED FOR FUTURE USE

**DATE OF ISSUE:** February 1, 2007 \_\_\_\_\_ **DATE EFFECTIVE:** March 3, 2007

**ISSUED BY:** Herbert A. Miller, Jr.

President

**ISSUED BY:**

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

**CURRENTLY EFFECTIVE BILLING RATES**

<u>RATE SCHEDULE SVGTS</u>	<u>Billing Rate</u>
	\$
<u>General Service Residential</u>	
Customer Charge per billing period	12.75
Delivery Charge per Mcf	1.8241
<u>General Service Other - Commercial or Industrial</u>	
Customer Charge per billing period	28.00
Delivery Charge per Mcf -	
First 50 Mcf or less per billing period	1.8241
Next 350 Mcf per billing period	1.7142
Next 600 Mcf per billing period	1.6324
Over 1000 Mcf per billing period	1.4806
<u>Intrastate Utility Service</u>	
Customer Charge per billing period	255.00
Delivery Charge per Mcf	0.5905
<u>Actual Gas Cost Adjustment 1/</u>	
For all volumes per billing period per Mcf	\$ (2.0028)
<u>Rate Schedule SVAS</u>	
Balancing Charge -- per Mcf	\$ 1.3283

1/ The Gas Cost Adjustment is applicable to a customer who is receiving service under Rate Schedule SVGTS and received service under Rate Schedule GS or IUS for only for those months of the prior twelve months during which they were served under Rate Schedule GS or IUS.

DATE OF ISSUE: February 1, 2007

DATE EFFECTIVE March 3, 2007

ISSUED BY: Herbert A. Miller, Jr.

President

**GENERAL STATEMENT OF TERRITORY SERVED  
BY COLUMBIA GAS OF KENTUCKY, INC.**

**APPLICABLE TO ALL RATE SCHEDULES**

The service area of Company includes the following Kentucky communities:

Ashland	Greenup	Raceland
Bellefonte	Hindman	Ravenna
Catlettsburg	Inez	Russell
Cynthiana	Irvine	South Williamson
Flatwoods	Lexington	Versailles
Foster	Louisa	Warfield
Frankfort	Maysville	Washington
Fullerton	Midway	Winchester
Georgetown	Mt. Sterling	Worthington
Germantown	Paris	

and rural communities and areas served by Company in the Kentucky counties of:

Bath	Harrison	Menifee
Bourbon	Jessamine	Montgomery
Boyd	Johnson	Morgan
Bracken	Knott	Nicholas
Carter	Lawrence	Owsley
Clark	Lee	Pendleton
Clay	Letcher	Perry
Estill	Lewis	Pike
Fayette	Madison	Robertson
Floyd	Magoffin	Scott
Franklin	Martin	Woodford
Greenup	Mason	

DATE OF ISSUE: June 1, 1993

DATE OF EFFECTIVE: September 1, 1993

Issued by: A. P. Bowman

Vice President - Regulatory Services

ORIGINAL SHEET NOS. 9 and 10  
RESERVED FOR FUTURE USE

DATE OF ISSUE: June 1, 1993

DATE OF EFFECTIVE: September 1, 1993

Issued by: A. P. Bowman

Vice President - Regulatory Services

**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL SERVICE (GS) AND GENERAL PROPANE SERVICE (GPS)**

**SALES SERVICE RATE SCHEDULES**

**APPLICABILITY**

Entire service territory of Company. See Sheet 8 for a list of communities.

**AVAILABILITY OF SERVICE**

Available to residential, commercial and industrial sales service customers.

See Sheet Nos. 53 through 56 for Temporary Volumetric Limitations and Curtailment provisions.

**BASE RATES**

Residential

Customer Charge per billing period @ \$12.75  
Delivery Charge per Mcf @ \$ 1.8241 per Mcf

Commercial or Industrial

Customer Charge per billing period @ \$ 28.00  
Delivery Charge per Mcf –  
First 50 or less Mcf per billing period @ \$ 1.8241per Mcf  
Next 350 Mcf per billing period @ \$ 1.7142 per Mcf  
Next 600 Mcf per billing period @ \$ 1.6324 per Mcf  
Over 1000 Mcf per billing period @ \$ 1.4806per Mcf

**MINIMUM CHARGE**

The minimum charge per billing period shall be the applicable Customer Charge. If the meter reading or calculated consumption for the billing period is greater than zero then the minimum charge shall be increased by the Delivery Charge for a minimum of one Mcf per billing period.

**GAS COST ADJUSTMENT**

Gas sold under this rate schedule and rates as prescribed herein are subject to a Gas Cost Adjustment as stated on currently effective Sheet Nos. 48 through 51 of this tariff which are hereby incorporated into this rate schedule.

The charges set forth herein, exclusive of those pertaining to the minimum charge, shall be subject to a Gas Cost Adjustment, as shown on Sheet 5 of this tariff.

**RIDER FOR NATURAL GAS RESEARCH & DEVELOPMENT**

Volumes delivered to customers under this rate schedule are subject to a Rider for Natural Gas Research and Development as stated on Sheet No. 51c.

DATE OF ISSUE: February 1, 2007

DATE EFFECTIVE: March 3, 2007

Issued by: Herbert A Miller, Jr.

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL SERVICE (GS) AND GENERAL PROPANE SERVICE (GPS)**

**RATE SCHEDULES**

(Continued)

**WEATHER NORMALIZATION ADJUSTMENT**

Gas sold to Residential and Commercial Customers under this rate schedule is subject to a Weather Normalization Adjustment as stated on currently effective Sheet No. 51a of this tariff which is hereby incorporated into this rate schedule.

**ENERGY ASSISTANCE PROGRAM SURCHARGE**

Gas sold to Residential Customers under this rate schedule and rates prescribed herein is subject to a Energy Assistance Program Surcharge as stated on currently effective Sheet No. 51b of this tariff which is hereby incorporated into this rate schedule.

**LOCAL FRANCHISE FEE OR TAX**

The above rates and minimum charge are subject to Local Franchise Fee or Tax as set forth on Sheet No. 52.

**LATE PAYMENT PENALTY**

Refer to the General Terms, Conditions, Rules and Regulations, Section 25.

**OTHER PROVISIONS**

Where a Customer has installed a gas light(s) for continuous street or outdoor lighting in lighting devices approved by Company and the gas used by such light(s) is unmetered, the gas consumed by such light(s) shall be assumed to be two thousand (2,000) cubic feet per month when the Btu/hour input rating for such light(s) is 2,700 or less. For each additional 1,350 Btu/hour input or fraction thereof, the assumed consumption shall be increased by one thousand (1,000) cubic feet per month. Such assumed consumption shall be billed under the rates contained herein or, if in combination with metered usage under this rate schedule, shall be added to the Customer's metered usage and the total billed under the rates contained herein.

**GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS**

Service furnished under this rate schedule is subject to Company's Rules and Regulations and to all applicable rate schedules.

DATE OF ISSUE: January 30, 2003

DATE EFFECTIVE: March 1, 2003

Issued by: J. W. Kelly

Vice President

Issued by authority of an Order of the Public Service Commission in Case No. 2002-00145 dated December 13, 2002

**COLUMBIA GAS OF KENTUCKY, INC.**

**INTERRUPTIBLE SERVICE (IS)  
SALES SERVICE RATE SCHEDULE**

**APPLICABILITY**

Entire service territory of Company. See Sheet No. 8 for a list of communities.

**AVAILABILITY OF SERVICE**

This interruptible sales service rate schedule is available in the territory served by Company to any Customer having normal annual usage of not less than 25,000 Mcf at any location when:

- (1) Company's existing facilities are sufficient to provide the quantities of gas requested by said Customer, and
- (2) Customer executes a Sales Agreement for the purchase of:
  - (a) a specified Daily Firm Volume, contracted for under Firm Service, which shall be 0 - 100% of the Customer's Maximum Daily Volume requirements, and
  - (b) a specified Daily Interruptible Volume, and
  - (c) Customer has signed a statement acknowledging the fact that its service, not specified in (a) above, is subject to interruption and that Customer is aware that Company has no obligation to serve during times of interruption.

See Sheet Nos. 53 through 56 for Temporary Volumetric Limitations and Curtailment provisions.

**CHARACTER OF SERVICE**

Firm Service - The Daily Firm Volume of Customer will be contracted for by Company from its supplier(s) and no curtailment of this firm volume is planned, considering availability thereof from its supplier(s). However, in the event of emergencies, shortages of gas, or force majeure, Company reserves the right to curtail the Daily Firm Volume of Customer without incurring any liability for any loss, cost, damage, injury or expenses that may be sustained by Customer by reason of any such curtailment. It is understood that Company's primary obligation is to its domestic markets.

The Daily Interruptible Volume shall be on an interruptible basis only and Company shall have the right to interrupt deliveries of gas hereunder whenever, and to the extent needed, such action is, in its sole judgment, necessary to protect the Maximum Daily Volume of delivery currently contracted for by Company, as available from its supplier(s) or to protect the integrity of Company's natural gas distribution system. The Company shall give the Customer as much advance notice as possible of interruption hereunder. It is understood that the Company will not include in any contractual commitment with its supplier(s) any volumes required to supply Customer's Daily Interruptible Volume.

Customer may enter into a full sales agreement with the Company under this rate schedule, with the

**DATE OF ISSUE:** February 1, 2007

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**Issued by:** Herbert A Miller, Jr.

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**INTERRUPTIBLE SERVICE (IS)**

**RATE SCHEDULE**

**(Continued)**

**CHARACTER OF SERVICE** (continued)

provision that the Customer may not concurrently contract with the Company for Delivery Service under Rate DS. The full sales agreement is subject to a minimum contract period of one (1) year as set forth in the General Terms, Conditions, Rules and Regulations, Section 34.

**BASE RATES**

Customer Charge

\$200.00 per billing period.

Delivery Charge per Mcf -

First 30,000 Mcf per billing period

@ \$ 0.6027 per Mcf

Over 30,000 Mcf over billing period

@ \$ 0.3192 per Mcf

**MINIMUM CHARGE**

The minimum charge each billing period for gas delivered or the right of the Customer to receive same shall be the sum of the Customer Charge of \$200.00, **plus** the Customer Demand Charge as contracted for under Firm Service. (Daily Firm Volume as specified in the Customer's service agreement multiplied by the demand rate (See Sheet No. 5).

In the event of monthly, seasonal or annual curtailment due to gas supply shortage, the demand charge shall be waived when the volume made available is less than 110% of the Daily Firm Volume multiplied by thirty (30). In no event will the minimum charge be less than the Customer charge.

If the delivery of firm volumes of gas by Company is reduced, due to peak day interruption in the delivery of gas by Company or complete or partial suspension of operations by Customer resulting from force majeure, the Minimum Charge shall be reduced in direct proportion to the ratio which the number of days of curtailed service and complete or partial suspension of Customer's operation bears to the total number of days in the billing period. Provided, however, that in cases of Customer's force majeure, the Minimum Charge shall not be reduced to less than the Customer Charge.

**RIDER FOR NATURAL GAS RESEARCH & DEVELOPMENT**

Volumes delivered to customers under this rate schedule are subject to a Rider for Natural Gas Research and Development as stated on Sheet No. 51c.

**GAS COST ADJUSTMENT**

Except as otherwise provided herein, gas sold under this rate schedule and rates as prescribed herein are subject to the Gas Cost Adjustment, including the Commodity and Demand components, as stated on currently effective Sheet Nos. 48 through 51 herein, which are hereby incorporated into this rate schedule.

For a Customer who enters into a full sales agreement under this rate schedule after September 1, 1995, the Gas Cost Adjustment shall consist of the Expected Commodity Cost of Gas, as defined in

**COLUMBIA GAS OF KENTUCKY, INC.**

**INTERRUPTIBLE SERVICE (IS)**

**RATE SCHEDULE**

**(Continued)**

**GAS COST ADJUSTMENT** (Continued)

paragraph 1 (a) of Sheet No. 48 herein, and shall not be adjusted to reflect the supplier Refund Adjustment (RA), the Actual Cost Adjustment (ACA), or the Balancing Adjustment (BA) for a period of one year from the effective date of the Customer's agreement. At the end of that one-year period, any gas purchased by the Customer under that agreement shall be subject to the Commodity Cost of Gas, including all appropriate adjustments, as defined in Sheet Nos. 48 and 49.

Gas Sales purchased under this rate schedule that are within the Customer's specified Daily Firm Volume as contracted for under Firm Service are subject to the Commodity Cost of Gas, including all appropriate adjustments, as stated on currently effective Sheet Nos. 48 through 51 herein.

The charges set forth herein, exclusive of those pertaining to Customer charges, shall be subject to a Gas Cost Adjustment as shown on Sheet No. 5 of this tariff.

**LOCAL FRANCHISE FEE OR TAX**

The monthly bill to Customers served under this rate schedule is subject to the Local Franchise Fee or Tax as set forth on Sheet No. 52.

**LATE PAYMENT PENALTY**

Refer to the General Terms, Conditions, Rules and Regulations, Section 25.

**PENALTY CHARGE FOR FAILURE TO INTERRUPT**

On any day when Customer has been given timely notice by Company to interrupt, any quantity of gas taken in excess of the quantity specified to be made available on that day shall be subject to a charge of twenty-five dollars (\$25) per Mcf for all volumes taken in excess of one hundred three percent (103%) of the volumes specified to be made available on such day by Company. The penalty charge for failure to interrupt shall be in addition to the charges specified in this rate schedule. Customer shall be liable for any personal injury or damage to the property of Company or third parties which results from Customer's failure to interrupt, and Customer shall indemnify and hold Company harmless with respect to such injuries or damages.

**PAYMENT FOR UNAUTHORIZED TAKES**

Gas taken on any day in excess of one hundred three percent (103%) of the specified Maximum Daily Volume set forth in the Sales Agreement shall constitute unauthorized takes unless prior approval for additional volumes has been granted by Company. The sum of all such unauthorized takes in a billing month shall be billed at the rate of twenty-five dollars (\$25) per Mcf for gas so taken. Payment for such unauthorized takes shall be in addition to the charges specified in this rate schedule. Customer

COLUMBIA GAS OF KENTUCKY, INC.

INTERRUPTIBLE SERVICE (IS)  
RATE SCHEDULE  
(Continued)

PAYMENT FOR UNAUTHORIZED TAKES (Continued)

shall be liable for any personal injury or damage to the property of Company or third parties which results from Customer's unauthorized takes, and shall indemnify and hold Company harmless with respect to such injuries or damages. Company reserves the right, for good cause shown, to waive the penalty payment of twenty-five dollars (\$25) per Mcf for unauthorized takes. Should Customer wish to take gas in excess of its authorized Maximum Daily Volume and avoid penalty payment, Customer shall request permission for a specified volume from Company at least twenty - four (24) hours in advance of the beginning of the day such volumes are needed. Company reserves the right to grant permission to Customer giving less than twenty - four (24) hour advance notice for a specified volume from Company.

RE-ENTRY FEE

Company will impose a Re-entry Fee, subject to Commission approval, for any IS Customer who has terminated tariff service and wishes to reestablish service within twelve months of termination. The Re-entry Fee will be equivalent to the charges Company incurred to make firm service available to Customer. Upon showing of good cause, Company may waive this fee.

AVAILABILITY OF EXCESS GAS

In the event Customer shall desire to purchase on any day gas in excess of Customer's specified Maximum Daily Volume, Customer shall inform Company and if Company is able to provide such excess gas required by Customer, Company shall make such excess gas available at the Base Rate Commodity Charge plus applicable gas cost.

If such excess gas cannot be made available to Customer from Company's own operations, Company may, on advance notice from Customer received twenty-four (24) hours prior to the beginning of the day the excess gas is needed, comply with such request to the extent that excess gas is temporarily available from Company's gas supplier(s). Such excess volume taken shall be paid for at Company's supplier's appropriate excess rate plus Company's Base Rate Commodity Charge.

When Customer has been notified to interrupt deliveries, Customer may request excess gas and to the extent gas can be obtained from Company's supplier, Customer shall pay the Company's supplier's appropriate excess rate plus Company's base rate commodity charge for all such volumes taken which would otherwise not be available.

MEASUREMENT BASE

Refer to the General Terms, Conditions, Rules and Regulations, Section 17.

GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS

Service furnished under this rate schedule is subject to Company's Rules and Regulations and to all applicable rate schedules.

DATE OF ISSUE: November 10, 1994

DATE OF EFFECTIVE: November 1, 1994

Issued by: K. I. Shroyer

Vice President - Regulatory Services

Issued by authority of an Order of the Public Service Commission in Case No. 94-179, dated November 1, 1994.

**COLUMBIA GAS OF KENTUCKY, INC.**

**STANDBY SERVICE (SS)  
RATE SCHEDULE**

**APPLICABILITY**

Entire service territory of Company. See Sheet No. 8 for a list of communities.

**AVAILABILITY OF SERVICE**

This rate schedule is available to any Customer throughout the territory served by Company provided:

- (1) Customer is taking service under Rate Schedule DS (including GDS and IUDS) or MLDS,
- (2) Customer has executed a Delivery Service Agreement or an Addendum to its Delivery Service Agreement providing for the purchase of a specified level of Standby Service volumes,
- (3) The Company's distribution facilities have sufficient capacity and the Company has adequate gas supply to provide the quantities of gas requested by the Customer, and
- (4) Gas sold under this Rate Schedule shall not be resold or used off the Customer's premises.

See Sheet Nos. 53 through 56 for Temporary Volumetric Limitations and Curtailment provisions.

**CHARACTER OF SERVICE**

The Standby Service volume of Customer will be contracted for by Company from its supplier(s) and no curtailment of this firm volume is planned, considering availability thereof from its supplier(s). However, in the event of emergencies, shortages of gas, or force majeure, company reserves the right to curtail the Standby Service volume of Customer without incurring any liability for any loss, cost, damage, injury or expenses that may be sustained by Customer by reason of any such curtailment. It is understood that the Company's primary obligation is to its domestic markets.

The Company retains the right to refuse the requested Standby Service volume if the Company determines, in its sole discretion, that it does not have adequate gas supplies or transportation capacity to provide the service over the life of the contract.

**STANDBY SERVICE RATES**

Demand Charge - The Standby Service volume is subject to the Standby Service Demand Charge as shown on Sheet No. 6.

Commodity Charge - All Standby Service volumes delivered to Customer under this rate schedule that are within the Customer's specified Standby Service volume under this rate schedule will be billed at the Commodity Cost of Gas, including all appropriate adjustments, as stated on Sheet No. 6 of this tariff.

Customer shall also pay the applicable delivery charge on all Standby Service volumes delivered as shown on Sheet No. 6..

**DATE OF ISSUE:** February 1, 2007

**DATE OF EFFECTIVE:** March 3, 2007

**Issued by:** Herbert A. Miller, Jr.

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**STANDBY SERVICE (SS)  
RATE SCHEDULE  
(Continued)**

**LOCAL FRANCHISE FEE OR TAX**

The monthly bill to Customers served under this rate schedule is subject to the local Franchise Fee or Tax as set forth on Sheet No. 52.

**LATE PAYMENT PENALTY**

Refer to the General Terms, conditions, Rules and Regulations, Section 25.

**GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS**

Service furnished under this rate schedule is subject to Company's Rules and Regulations and to all applicable rate schedules.

**DATE OF ISSUE:** February 1, 2007

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**Issued by:** Herbert A . Miller, Jr.

President

**FIRST REVISED SHEET NOS. 19 THROUGH 21  
RESERVED FOR FUTURE USE**

**DATE OF ISSUE:** November 10, 1994

**DATE OF EFFECTIVE:** November 1, 1994

**Issued by:** K. I. Shroyer

Vice President - Regulatory Services

**COLUMBIA GAS OF KENTUCKY, INC.**

**INTRASTATE UTILITY SALES SERVICE (IUS)  
RATE SCHEDULE**

**APPLICABILITY**

Entire service territory of Company. See Sheet No. 8 for a list of communities.

**AVAILABILITY OF SERVICE**

Available for service to intrastate utilities purchasing gas for resale for consumption solely within the Commonwealth of Kentucky when:

- (1) Company's existing facilities have sufficient capacity and gas supply to provide the quantities of gas requested by said Customer, and
- (2) Customer has executed a Sales Agreement with Company specifying, among other things, a Maximum Daily Volume.

**CHARACTER OF SERVICE**

Gas delivered by Company to Customer under this rate schedule shall be firm and shall not be subject to curtailment or interruption, except as provided in Section 32 of the General Terms, Conditions, Rules and Regulations.

**BASE RATE**

Customer Charge per billing period \$255.00  
Delivery Charge per Mcf –  
For all gas delivered each billing period \$0.5905 per Mcf.

**MINIMUM CHARGE**

The minimum charge shall be the Customer Charge.

**GAS COST ADJUSTMENT**

Gas sold under this rate schedule and rates as prescribed herein are subject to a Gas Cost Adjustment as stated on currently effective Sheet Nos. 48 through 51, which are hereby incorporated into this rate schedule.

The charges set forth herein, exclusive of those pertaining to the Customer Charge, shall be subject to a Gas Cost Adjustment as shown on Sheet No. 5 of this tariff.

**RIDER FOR NATURAL GAS RESEARCH & DEVELOPMENT**

Volumes delivered to customers under this rate schedule are subject to a Rider for Natural Gas Research and Development as stated on Sheet No. 51c.

**DATE OF ISSUE:** February 1, 2007

**DATE EFFECTIVE:** March 3, 2007

**Issued by:** Herbert A. Miller, Jr.

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**INTRASTATE UTILITY SERVICE (IUS)  
RATE SCHEDULE  
(Continued)**

**LATE PAYMENT PENALTY AND TERMINATION OF SERVICE**

A Late Payment Penalty of five percent (5%) may be assessed, only once on any bill for rendered services, if a Customer fails to pay bill by the due date shown on Customer's bill. Any payment received will first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

If such failure to pay on the part of Customer continues for thirty (30) days after payment is due, Company may, after application to and authorization by the Commission, suspend further delivery of gas. This Late Payment Penalty may continue until authorization is received from the Commission to suspend deliveries. Company shall not be required to resume deliveries of gas until Customer has paid all amounts owed Company and has provided a cash deposit to secure payments of bills in an amount not to exceed two-twelfths (2/12) of Customer's estimated annual bill.

If prior to the due date of payment, Customer in good faith disputes the bill in part or total, and pays to Company such amounts as it concedes to be correct, and at any time thereafter within ten (10) days of a demand made by Company, furnishes a surety bond in an amount and with surety satisfaction to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further delivery of gas unless and until default be made in the conditions of such bond.

**TERM**

The period of time to be covered by the Sales Agreement shall be determined by agreement between Customer and Company, but shall not exceed twenty (20) years; provided, however, that where the Sales Agreement supersedes or cancels an existing contract, Company may require that the term of the Sales Agreement shall not be less than the unexpired portion of the term contained in the superseded or canceled contract. The initial term of the Sales Agreement executed by Customer under this rate schedule shall be for the period specified in the Sales Agreement, which shall continue in effect from year to year thereafter until canceled by either Customer or Company by giving written notice to the other no later than March 1 of any year that the agreement is to be terminated, effective November 1, of such year.

In the event any portion of Customer's gas requirements is provided by Company from local sources, the depletion of such local sources of supply shall relieve Company from the obligation to deliver hereunder such portion of Customer's gas requirements; provided, however, that Customer shall have the right to extend its facilities to Company's nearest available source of adequate gas supply, in which event Company shall be obligated to continue service to Customer under this rate schedule.

**DATE OF ISSUE:** November 10, 1994

**DATE OF EFFECTIVE:** November 1, 1994

**Issued by:** K. I. Shroyer

Vice President - Regulatory Services

Issued by authority of an Order of the Public Service Commission in Case No. 94-179, dated November 1, 1994.

INTRASTATE UTILITY SERVICE (IUS)  
RATE SCHEDULE  
(Continued)

MEASUREMENT BASE

Refer to the General Terms, Conditions, Rules and Regulations, Section 17.

GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS

Service furnished under this rate schedule is subject to Company's Rules and Regulations and to all applicable rate schedules.

DATE OF ISSUE: June 1, 1993

DATE OF EFFECTIVE: September 1, 1993

Issued by: A. P. Bowman

Vice President - Regulatory Services

**FIRST REVISED SHEET NO. 25  
RESERVED FOR FUTURE USE**

**DATE OF ISSUE:** November 10, 1994

**DATE OF EFFECTIVE:** November 1, 1994

**Issued by:** K. I. Shroyer

Vice President - Regulatory Services

COLUMBIA GAS OF KENTUCKY, INC.

ORIGINAL SHEET NOS. 26 THROUGH 29 HAVE BEEN CANCELLED  
AND RESERVED FOR FUTURE USE.

DATE OF ISSUE: January 30, 2003

DATE EFFECTIVE: March 1, 2003

Issued by: J. W. Kelly

Vice President

Issued by authority of an Order of the Public Service Commission in Case No. 2002-00145 dated December 13, 2002

**COLUMBIA GAS OF KENTUCKY, INC.**

P.S.C. Ky. No. 5

**SMALL VOLUME GAS TRANSPORTATION SERVICE  
(SVGTS)  
RATE SCHEDULE**

**APPLICABILITY**

Entire service territory of Columbia Gas of Kentucky through March 31, 2009. See Sheet No. 8 for a list of communities.

**AVAILABILITY**

Available to any customer that meets the following requirements:

- (1) Customer must be part of a Marketer's Aggregation Pool as the term is defined herein, and
  - (a) The Aggregation Pool consists of either: (1) a minimum of 100 customers; or (2) a customer or group of customers with a minimum annual throughput of 10,000 Mcf. The Aggregation Pool must be served by a single Marketer approved by Columbia; and the Marketer must have executed a Small Volume Aggregation Service agreement with Columbia; and,
  - (b) The Marketer must have acquired, or agreed to acquire, an adequate supply of natural gas of quality acceptable to Columbia, including allowances for (1) retention required by applicable upstream transporters; and (2) lost and unaccounted-for gas to be retained by Columbia. The Marketer must also have made, or have caused to be made, arrangements by which gas supply can be transported directly to specified receipt points on Columbia's distribution system; and,
- (2) Customer has normal annual requirements of less than 25,000 Mcf at any delivery point, and
- (3) Customer is currently a customer under the GS, IN6 or IUS Rate Schedule or in the case of a new customer would be considered a GS customer.

**DATE OF ISSUE:** April 12, 2005

**DATE EFFECTIVE:** April 1, 2005

**ISSUED BY:** Joseph W. Kelly

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**SMALL VOLUME GAS TRANSPORTATION SERVICE  
(SVGTS)  
RATE SCHEDULE (Continued)**

**CHARACTER OF SERVICE**

Service provided under this schedule shall be considered firm service.

**DELIVERY CHARGE**

The Delivery Charge shall be the Base Rate Charges for the applicable Rate Schedule as set forth below:

**General Service Residential**

Customer Charge per billing period	\$12.75 (Minimum Bill)
Delivery Charge	\$1.8241 per Mcf

**General Service Other – Commercial or Industrial**

Customer Charge per billing period	\$28.00 (Minimum Bill)
First 50 Mcf or less per billing period	\$1.8241 per Mcf
Next 350 Mcf per billing period	\$1.7142 per Mcf
Next 600 Mcf per billing period	\$1.6324 per Mcf
Over 1,000 Mcf per billing period	\$1.4806 per Mcf

**Intrastate Utility Service**

Customer Charge per billing period	\$255.00
Delivery Charge per Mcf	\$0.5905

**WEATHER NORMALIZATION ADJUSTMENT**

Volumes delivered to Residential and Commercial customers under this rate schedule are subject to a Weather Normalization Adjustment as stated on Sheet No. 51a.

**CUSTOMER ASSISTANCE PROGRAM SURCHARGE**

Volumes delivered to Residential customers under this rate schedule are subject to a Customer Assistance Program Surcharge as stated on Sheet No. 51b.

**RIDER FOR NATURAL GAS RESEARCH DEVELOPMENT**

Volumes delivered to customers under this rate schedule are subject to a Rider for Natural Gas Research and Development as stated on Sheet No. 51c.

**DATE OF ISSUE:** February 1, 2007

**DATE EFFECTIVE:** March 3, 2007

**ISSUED BY:** Herbert A. Miller, Jr.

President

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

**SMALL VOLUME GAS TRANSPORTATION SERVICE  
(SVGTS)  
RATE SCHEDULE (Continued)**

**ACTUAL GAS COST ADJUSTMENT**

Volumes delivered to all customers under this rate schedule are subject to the sum of the Refund Adjustment, SAS Refund Adjustment, Actual Cost Adjustment, Balancing Adjustment and Gas Cost Incentive Adjustment set forth on Sheet 48. A customer who is or has been receiving service under this tariff shall be responsible for this adjustment only for those months of the prior twelve months during which they were served under a sales service tariff.

**LOCAL FRANCHISE FEE OR TAX**

To the extent applicable, the above rates and charges are subject to Local Franchise Fee or Tax as set forth on Sheet No. 52.

**LATE PAYMENT PENALTY**

Late payment penalties shall apply to service under this rate schedule as provided in the General Terms, Conditions, Rules and Regulations, Section 25.

**OTHER PROVISIONS**

Where a Customer has installed a gas light(s) for continuous street or outdoor lighting in lighting devices approved by Company and the gas used by such light(s) is unmetered, the gas consumed by such light(s) shall be assumed to be two thousand (2,000) cubic feet per month when the Btu/hour input rating for such light(s) is 2,700 or less. For each additional 1,350 Btu/hour input or fraction thereof, the assumed consumption shall be increased by one thousand (1,000) cubic feet per month. Such assumed consumption shall be billed under the agreement Customer has with Marketer for metered consumption and shall be added to the Customer's metered usage and the total billed according to the rates contained herein.

**RIGHT OF REFUSAL**

Should Columbia be prohibited from assigning capacity, as specified in its Small Volume Aggregation Service Rate Schedule, for any reason whatsoever, including but not limited to directives from the Commission or any court having jurisdiction over said matters, Columbia shall have the right to refuse to accept new small volume transportation customers under this rate schedule.

**GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS**

Service furnished under this Rate Schedule is subject to Columbia's General Terms, Conditions, Rules and Regulations applicable to all Rate Schedules.

**DATE OF ISSUE:** April 12, 2005

**DATE EFFECTIVE:** April 1, 2005

**ISSUED BY:** Joseph W. Kelly

President

**COLUMBIA GAS OF KENTUCKY, INC.**

P.S.C. Ky. No. 5

**SMALL VOLUME AGGREGATION SERVICE  
(SVAS)  
RATE SCHEDULE**

**APPLICABILITY**

Entire service territory of Columbia Gas of Kentucky through March 31, 2009. See Sheet No. 8 for a list of communities.

**AVAILABILITY**

Available to Marketers certified to deliver natural gas, on a firm basis, to the Company's city gates on behalf of customers receiving transportation service under Columbia's Small Volume Transportation Service Rate Schedule provided Marketer has an Aggregation Pool consisting of either: (a) a minimum of 100 customers; or (b) a customer or a group of customers with a minimum annual throughput of 10,000 Mcf. Service hereunder allows Marketers to deliver to Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the requirements of customers participating in Columbia's small volume transportation service program.

**MARKETER CERTIFICATION**

Marketers will be certified by Columbia to offer supply of natural gas to customers choosing service under Rate Schedule SVGTS provided they meet the following requirements:

1. Satisfactory determination of adequate managerial, financial and technical abilities to provide the service Marketer intends to offer;
2. Satisfactory completion of a determination of credit worthiness by Columbia;
3. Execution of a contract with Columbia for Small Volume Aggregation Service;
4. Marketer agrees to accept assignment of upstream pipeline firm transportation services capacity (FTS) in an amount equal to the Marketer's Daily Delivery Requirement as defined herein;
5. Marketer agrees to abide by the Code of Conduct as set forth herein; Columbia agrees to abide by the Standards of Conduct as set forth herein;
6. Marketer agrees to flow gas in accordance with the Marketer's Daily Delivery Requirement provided by Columbia.

**AGGREGATION POOL**

Marketers will be required to establish at least one Aggregation Pool for aggregation purposes.

**DATE OF ISSUE:** April 12, 2005

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**ISSUED BY:** Joseph W. Kelly

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**SMALL VOLUME AGGREGATION SERVICE  
(SVAS)  
RATE SCHEDULE (Continued)**

**MARKETER CHARGE**

Each Marketer shall pay Columbia the following charge per Mcf for all volumes delivered to the Marketer's Aggregation Pool during each billing month. The charge will be determined based upon the total number of customers participating under Rate Schedule SVGTS that month:

- Up to 50,000 participating customers; \$0.10 per Mcf
- 50,000 through 65,000 participating customers; \$0.12 per Mcf
- Over 65,000 participating customers; \$0.14 per Mcf

**BALANCING CHARGE**

Columbia will provide the Marketer with a Balancing Service on a daily and seasonal basis that balances the Marketer's Daily Demand Requirements and the consumption of the Marketer's Aggregation Pool. The Marketer shall pay Columbia a throughput-based Balancing Charge equal to the Purchased Gas Demand Cost less a credit for assigned capacity as set forth below.

The Purchased Gas Demand Cost is the Demand Rate Component of Columbia's most recent Gas Cost Adjustment Clause report. The credit is the projected annual cost of assigned FTS capacity less estimated annual storage commodity costs (storage injection, withdrawal, shrinkage, and commodity transportation cost) divided by the estimated, annualized usage of customers served under Rate Schedule SVGTS.

The charge set forth on Sheet No. 7a shall be calculated quarterly in accordance with Columbia's Gas Cost Adjustment Clause report.

**DAILY DELIVERY REQUIREMENT**

Columbia shall calculate the Daily Delivery Requirement for each Marketer's Aggregation Pool on or about the 20<sup>th</sup> of each month. The Daily Delivery Requirement shall be calculated by Columbia by determining the estimate of the normalized annual consumption of all Customers that will be in the Marketer's Aggregation Pool during the following month, and dividing that aggregate sum by 365. Columbia shall convert the quotient to a Dth basis using Columbia's annual average Btu Content, and shall adjust for Company Use and Unaccounted For. The resultant quantity shall be the Daily Delivery Requirement for each Marketer's Aggregation Pool.

Columbia may reduce the Daily Delivery Requirement in the months of October, November and April to meet operation needs. Marketers are required to deliver gas supplies to Columbia at the Primary Firm City Gate Delivery Points designated in the Marketer's assigned firm transportation capacity on a daily basis, in an amount equal to the Daily Delivery Requirement of the Marketer's Aggregation Pool, unless directed otherwise by Columbia. In order to support reliable service on Columbia's system, Columbia may require the marketer to deliver gas to a secondary delivery point.

If, on any day, a Marketer delivers gas supply that is either greater or less than its Daily Delivery Requirement the Marketer will be charged a fee equal to 30% of the price reported in Platts Gas Daily in the Daily Price Survey titled "Prices of Spot Gas Delivered to Pipelines", under the column heading "Midpoint" for "Columbia Gas, Appalachia," adjusted for Columbia Gas Transmission Corporation's FTS Retainage, and commodity charges for the day in question, multiplied by the difference in Dth, plus a charge for all other costs incurred by Columbia that result from the Marketer's failure to deliver gas as required, including a proportionate share of any pipeline penalties and/or costs

**DATE OF ISSUE:** April 12, 2005

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**ISSUED BY:** Joseph W. Kelly

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**SMALL VOLUME AGGREGATION SERVICE  
(SVAS)  
RATE SCHEDULE (Continued)**

**DAILY DELIVERY REQUIREMENT (con't)**

resulting from efforts to increase or decrease gas supply on the system incurred by Columbia. These fees and charges do not reflect the purchase or sale of gas and will not impact the volumes considered in the annual reconciliation.

In addition to the fees and charges set forth in this rate schedule, on any day during which Columbia has a limitation or interruption in effect for transportation or interruptible customers, failure by Marketer to deliver according to the Daily Delivery Requirement will result in an additional penalty charge to the Marketer equal to twenty-five dollars (\$25) multiplied by the difference in Dth between the Marketer's Daily Delivery Requirement and the Marketer's actual deliveries on that day.

**ASSIGNMENT OF FIRM CAPACITY**

Columbia will assign a pro-rate share of its firm contracted capacity under Columbia Gas Transmission Corporation's Rate Schedule FTS, Columbia Gulf Transmission Corporation's Rate Schedule FTS-1, Tennessee Gas Pipeline Rate Schedule FT-A, and Central Kentucky Transmission Rate Schedule FTS (collectively "FTS"). The Marketer agrees to accept assignment of said FTS in an amount equal to the Marketer's Daily Delivery Requirement at Columbia's city gate.

Each month, when the Daily Delivery Requirement is determined for the following month, Columbia will assign to the Marketers its prorata share of Columbia's upstream FTS capacity for the marketer to use in the following month. Marketers that receive assigned FTS capacity by Columbia are subject to the terms and conditions of the tariffs of those pipeline companies on whose facilities capacity is assigned.

Columbia may recall any FTS capacity assigned to Marketer pursuant to this rate schedule in order to assure reliable service to customers in any instance where a Marketer fails to deliver the Daily Delivery Requirement of its Aggregation Pool.

Marketer shall provide the necessary assistance required to complete the mandatory firm capacity assignment transactions.

**DATE OF ISSUE:** April 12, 2005

**DATE EFFECTIVE:** April 1, 2005

**ISSUED BY:** Joseph W. Kelly

President

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

SMALL VOLUME AGGREGATION SERVICE  
(SVAS)  
RATE SCHEDULE (Continued)

**SCHEDULING DELIVERIES**

Marketers must schedule all daily deliveries using the Company's nomination web site.

**ANNUAL IMBALANCE RECONCILIATION**

Once each year Columbia will reconcile each Marketer's imbalance that has accumulated since the prior reconciliation by determining the difference between: (1) the Marketer's deliveries to Columbia during the reconciliation period, adjusted for Btu value and Company Use and Unaccounted For gas; and, (2) the actual consumption of the Marketer's Aggregation Pool, inclusive of all adjustments applicable to the reconciliation period.

If the reconciliation shows that the Marketer delivered more than what was consumed during the period, then Columbia will pay the Marketer for the excess deliveries. If the reconciliation shows that the Marketer delivered less than what was consumed during the period, then the Marketer will pay Columbia for the under deliveries. Columbia will perform the reconciliation, including associated payment or billing, in the month following the end of the reconciliation period.

The price to be paid for gas to resolve any such imbalance will be the average price during the reconciliation period reported in PLATTS *Inside FERC's Gas Market Report* in the monthly report titled "Prices of Spot Gas Delivered to Pipelines," under the column heading "Index" for "Columbia Gas Transmission Corp., Appalachia", adjusted for Columbia Gas Transmission Corporation's FTS Retainage, and commodity charges.

The first reconciliation period shall be the eight-month period ending March 31, 2005. The second reconciliation period shall be the sixteen-month period ending July 31, 2006. Thereafter, the reconciliation period shall end on July 31 of each year, except that, should the effective date of this tariff not continue past March 31, 2009, the final reconciliation period will be an eight-month period ending on March 31, 2009.

DATE OF ISSUE: April 12, 2005

DATE EFFECTIVE: April 1, 2005

ISSUED BY: Joseph W. Kelly

President

Second Revised Sheet No. 36a  
Superseding  
First Revised Sheet No. 36a

**COLUMBIA GAS OF KENTUCKY, INC.**

P.S.C. Ky. No. 5

**SMALL VOLUME AGGREGATION SERVICE  
(SVAS)  
RATE SCHEDULE (Continued)**

SHEETS 36 a THROUGH 36 f ARE CANCELLED AND WITHDRAWN

**DATE OF ISSUE:** April 12, 2005

**DATE EFFECTIVE:** April 1, 2005

**ISSUED BY:** Joseph W. Kelly

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL TERMS, CONDITIONS, RULE AND REGULATIONS  
APPLICABLE TO  
SMALL VOLUME AGGREGATION SERVICE RATE SCHEDULE ONLY (Continued)**

**CODE OF CONDUCT**

Each Marketer participating in Columbia's Small Volume Gas Transportation Service program shall:

1. Communicate to customers, in clear understandable terms, the customers' rights and responsibilities. This communication shall include: (a) the Marketer's customer service address and telephone number; (b) a statement describing the Marketer's dispute resolution procedures; (c) a statement that the Marketer must provide the customer with thirty (30) days written notice prior to discontinuing service; and (d) notice that the program is subject to ongoing Commission jurisdiction.
2. Provide in writing to customers pricing and payment terms that are clear and understandable. This should include an explanation for the customer to allow them to compare the offer to Columbia's Gas Cost Adjustment rate exclusive of taxes and delivery charges.
3. Accept any Columbia customer eligible for Rate Schedule Small Volume Aggregation Service that seeks to enroll, and offer at least one billing rate available to all eligible customers if Marketer is accepting new/renewed customers.
4. Refrain from engaging in communications or practices with customers which are fraudulent, deceptive, or misleading;
5. Deliver gas to Columbia on a firm basis on behalf of the Marketer's participating customers.
6. Undergo a credit evaluation, at the Marketer's expense, to assure that the Marketer is sufficiently credit-worthy to protect against damages resulting from any failure to deliver gas.
7. Provide customers a "regulatory out" provision in all contracts which allows contracts to be terminated without penalty should the small volume gas transportation program be terminated prior to the end of the contract.
8. Provide Columbia and customers at least thirty (30) days notice prior to the end of the customer contract term of the Marketer's intent to discontinue service to the customer.
9. To the maximum extent possible attempt to resolve disputes between the Marketer and its customers.

**DATE OF ISSUE:** April 12, 2005

**DATE EFFECTIVE:** April 1, 2005

**ISSUED BY:** Joseph W. Kelly

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL TERMS, CONDITIONS, RULE AND REGULATIONS  
APPLICABLE TO  
SMALL VOLUME AGGREGATION SERVICE RATE SCHEDULE ONLY (Continued)**

**CODE OF CONDUCT - Continued**

10. No less than sixty (60) days and no more than ninety (90) days prior to the expiration of a contract that automatically renews for period of six (6) months or longer, the Marketer shall notify the customer of their right to renew, terminate or renegotiate the contract. Such notice shall include any proposed changes in the terms and conditions of the contract.

If a Marketer fails to deliver gas in accordance with the requirements of the program, Columbia shall have the power, in its sole discretion, to suspend temporarily or terminate such Marketer's participation in the program. If the Marketer is expelled from the program, customers in the Marketer's Aggregation Pool shall revert to Columbia sales service, unless and until said customers join another Marketer Aggregation Pool. Upon termination of a Marketer, Columbia shall notify Marketer's customers of the action and advise said customers that they have been returned to traditional sales service as of a date certain. The customers shall be informed of their opportunity to choose another Marketer and the options for enrollment.

In the event Columbia seeks to suspend or terminate a Marketer from the program, Columbia shall first notify the Marketer of the alleged violations which merit suspension or termination. Such notice shall be in writing and sent ten business days prior to the suspension or termination. Copies of the notice will also be provided to the Commission.

**CREDIT WORTHINESS**

Marketers will be evaluated to establish credit levels acceptable to Columbia. Marketers not meeting the necessary credit level will be required, at Columbia's option, to provide additional security in the form of an irrevocable letter of credit, cash deposit, and/or appropriate guaranty to be certified.

Marketers are required to provide the following information for evaluation:

1. Most recent audited financial statements;
2. Most recent annual report to shareholders, 10K or 10Q, if applicable;
3. IRS Form 990 (for Non-Profit Corporations), if applicable;
4. List of parent company and affiliates;
5. Names, addresses, and telephone numbers of three (3) trade references; and
6. Names, addresses, and telephone numbers of banking institution contacts.

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**ISSUED BY:** Joseph W. Kelly

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL TERMS, CONDITIONS, RULE AND REGULATIONS  
APPLICABLE TO  
SMALL VOLUME AGGREGATION SERVICE RATE SCHEDULE ONLY (Continued)**

**CREDIT WORTHINESS -Continued**

The evaluation will be based on standard credit factors such as previous customer history, Dun & Bradstreet financial and credit ratings, trade references, bank information, unused line of credit, and financial information. Based on the number of standard credit factors met by the Marketer, Columbia will assign a dollar credit level range for each Marketer. Columbia shall have sole discretion to determine credit worthiness but will not deny credit worthiness without reasonable cause.

A fee of \$50 will be assessed for each evaluation. Columbia reserves the right to conduct further evaluations during the course of the program when information has been received by Columbia that indicates the credit worthiness of a Marketer may have deteriorated or that the Marketer's program is exceeding the credit level range previously approved by Columbia. Columbia will review each Marketer's program no less often than monthly, and will compare each Marketer's program against its previously assigned credit level range. Columbia will reevaluate each Marketer's overall credit worthiness on an annual basis. Marketers whose programs exceed the assigned credit level range will be required, at Columbia's option, to provide additional security in the form of an irrevocable letter of credit, cash deposit, and/or appropriate guaranty in order to continue to participate in the program beyond the last established credit level or to enroll additional customers. If additional security is provided by a Marketer, Columbia will assign a new credit level range for the Marketer.

**CUSTOMER ENROLLMENT PROCEDURES**

A customer may enroll by any one of the following means: written, telephone or internet.

**Written Enrollment**

Customers may enroll in the program by having the customer of record whose name is on the gas account execute a written consent form on a document supplied by the Marketer. A sample consent form is at the end of this section. At a minimum, the consent form is to indicate that the customer has a written agreement with the Marketer, desires to participate in this program, and authorizes the Marketer to obtain from Columbia Gas of Kentucky gas usage data on the customer's account. The format of the consent form may be designed by the Marketer, but must include the information shown on the sample.

The written agreement with the Marketer must state the terms and conditions covering the customer's gas supply purchase in legible print and must include the following information:

1. In clear understandable terms, the customer's rights and responsibilities. The Marketer's customer service address and telephone number; a statement describing the Marketer's dispute resolution procedures; a statement that the Marketer must provide the customer with 30 days written notice prior to discontinuing service.

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GENERAL TERMS, CONDITIONS, RULE AND REGULATIONS  
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Written Enrollment -Continued

2. Written pricing and payment terms that are clear and understandable.
3. Notification of the customer's right to terminate or renegotiate their gas supply contract.
4. Notice that the Marketer will provide Columbia Gas of Kentucky and the customer at least 30 days notice prior to the end of the customer contract term, if one exists, of the Marketer's intent to discontinue service to the customer.
5. A local or toll-free telephone number for customers to obtain information on their account and a method to resolve disputes with the Marketer. The Marketer shall provide a copy of the method to resolve disputes to Columbia Gas of Kentucky and the Kentucky Public Service Commission and the name and phone number of a contact person from the Marketer whom Columbia or the Commission may contact concerning customer complaints.

Telephone Enrollment

In the alternative, Marketers may telephonically enroll customers under the following conditions:

1. While engaged in a telephone conversation with a potential customer, the Marketer must audio-tape in a date-stamped recording the complete conversation, including the following information;
  - (a) the telephone conversation between the customer and Marketer is being recorded;
  - (b) the customer either:
    - (1) has reviewed the terms and conditions of the Marketer's offer and that the written terms and conditions constitute the entire agreement between the Marketer and the customer; or,
    - (2) has reviewed orally with the Marketer the terms and conditions of the Marketer's offer, and agrees to enroll in the program subject to the Marketer mailing the customer an enrollment confirmation letter containing the terms and conditions of the offer within three business days, and that the written terms and conditions constitute the entire agreement between the Marketer and the customer;
  - (c) the customer wants to enroll with the Marketer;
  - (d) the customer's name;
  - (e) the customer's telephone number;

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**Telephone Enrollment - Continued**

- (f) the customer's mailing address;
  - (g) the customer's Columbia Gas of Kentucky account number; and,
  - (h) the appropriate enrollment cancellation period and a toll-free telephone number the customer may call to cancel enrollment:
    - (1) For customers enrolled pursuant to 1.(b) (1) the cancellation period is seven days from the date on which the customer in enrolled telephonically; or,
    - (2) For customers enrolled pursuant to 1.(b) (2) the Marketer must state that the Marketer will mail an enrollment confirmation letter containing the written terms and conditions to the customer and that the customer has seven days from receipt of the Marketer's confirmation letter to cancel enrollment.
    - (3) The customer must be advised that if the contract is cancelled by the customer, the Marketer will provide the customer with a cancellation number.
2. Following enrollment by telephone, the Marketer must mail to the customer at the address verified by the inquiry, a letter confirming the customer's enrollment. This letter must contain a copy of the identical terms and conditions of the Marketer's offer. The letter must also conspicuously inform the customer of the right to cancel enrollment by calling a prescribed toll-free number within seven business days of receiving said letter of confirmation, and must inform the customer that if the contract is canceled the Marketer will provide the customer with a cancellation number.

**Internet Enrollment**

As another alternative, Marketers may enroll customers via the Internet provided that the terms and conditions of agreement are publicly posted and accessible and include the information as set forth in Written Enrollment above. The terms of the electronic publicly posted Internet agreement also shall state conspicuously that the customer has seven business days from the date on which the customer is enrolled via the Internet to cancel the agreement and shall provide a toll-free telephone number and/or an Internet or e-mail means for the customer to cancel the agreement within this period of time. The agreement shall state that if the customer cancels the agreement, the Marketer will provide the customer a cancellation number. Internet enrollment will be permitted under the following conditions:

- 1. All Internet enrollment procedures shall be customer-initiated;

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**GENERAL TERMS, CONDITIONS, RULE AND REGULATIONS  
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**Internet Enrollment - Continued**

2. The means of enrollment, renewal, renegotiation and cancellation information transfer between the customer and Marketer is an encrypted transaction using Secure Socket Layer or a similar encryption standard to ensure privacy of customer information;
3. Any electronic agreement containing a Marketer's terms and conditions shall be identified by a version number in order to ensure the ability to verify the particular agreement to which the customer assents;
4. The Marketer shall retain and make available to the customer throughout the duration of the agreement Internet access to terms and conditions of the agreement version number to which the customer assents;
5. Before a Marketer may enroll a customer, the Marketer's Internet enrollment process must:
  - (a) prompt the customer to print or save the terms and conditions to which the customer assents, and provide an option to have written terms and conditions sent by regular mail;
  - (b) require the customer to complete an Electronic Customer Consent Form in a format retrievable by the Marketer, containing a statement that comports with the Customer Consent Form as set forth herein. The Marketer must provide a mechanism by which both the submission and receipt of the electronic customer consent form are recorded by time and date;
  - (c) after the customer completes the Electronic Customer Consent Form, the Internet enrollment process shall disclose conspicuously that the customer has been enrolled;
6. The Marketer shall send an enrollment confirmation to the customer by e-mail at the specified e-mail address or by regular U. S. mail at the post office address specified by the customer. If the Marketer's e-mail attempt fails, the Marketer shall send an enrollment confirmation with the same information to the customer via regular U. S. mail at an address specified by the customer;
7. The Marketer shall provide customer a toll-free telephone number and/or Internet or e-mail means for the customer to cancel the agreement within seven business days from the date on which the customer is enrolled by the Internet. If the customer cancels the agreement, the Marketer shall provide customer with a cancellation number via the same medium through which the cancellation was made.

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**Internet Enrollment - continued**

Marketers must provide a copy of each Customer Consent Form or audio tape of telephone enrollment recording to Columbia or the Kentucky Public Service Commission within seven business days of any such request. With Internet enrollments Marketers must provide either a copy of the Electronic Customer Consent form or on-line access to verify customer enrollment to Columbia or the Kentucky Public Service Commission within seven business days of any such request. Failure by a Marketer to provide timely such records shall be deemed to be a violation of the Code of Conduct and shall cause the customer to be returned to Columbia's sales service tariff and a \$50.00 fee shall be paid by the Marketer to the Company and a \$50.00 fee shall be paid by the Marketer to the customer.

Marketers shall retain Customer Consent Forms, telephone enrollment recordings, electronic consent forms and on-line access to verification of enrollment for twelve months following termination of the Marketer's service to the customer.

Marketers may add customers to their Aggregation Pool on a monthly basis. Marketers shall notify Columbia by the 15<sup>th</sup> day of the prior month the accounts for which they will be supplying the commodity in the next month. (i.e. by November 15 for deliveries beginning December 1). Marketers will provide a computer spreadsheet listing all of their accounts via electronic means suitable to Columbia Gas of Kentucky. The listing shall include customer account numbers. The Marketer will be responsible for verifying the eligibility of each customer. Any incomplete submittal will be returned to the Marketer for completion. Columbia will verify the listing with its database and then provide the Marketer a Daily Delivery Requirement for the customers in the aggregate as well as an exceptions report. In the event that a customer attempts to join more than one Aggregation Pool, with more than one Marketer, Columbia Gas of Kentucky will assign the customer to the Marketer whose computer listing which includes the customer has been date-stamped first. Once enrolled with a Marketer and verified by Columbia, the Marketer shall send the customer a letter confirming the customer's choice of Marketer and stating the effective date. Whenever customers switch Marketers, the newly chosen Marketer shall send a letter confirming the customer's choice of a new Marketer.

**BILLING**

Columbia will bill according to the Marketer billing option by Aggregation Pool. Columbia will include a statement on the customer's bill indicating the customer's participation in the program and stating the Marketer with whom the customer is enrolled. The rate for billing shall be \$0.20 per account, per month. Such fee shall be deducted from the amount remitted each month to the Marketer for its revenues.

**PAYMENT TO MARKETER**

Columbia will issue a check to the Marketer by the last business day of the following calendar month for 97.5% of the Marketer's revenues from the previous billing month less the cost for billing and any other outstanding balances Marketer owes Columbia. The revenues will be based on actual deliveries to customers served under Rate Schedule SVGTS and the Marketer's current month billing rate. Customers' volumes will be considered actual volumes whether the meter reading is actual or calculated. Columbia will thereafter assume the risk of collecting payment for the gas commodity from small volume transportation customers.

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**GENERAL TERMS, CONDITIONS, RULE AND REGULATIONS  
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SMALL VOLUME AGGREGATION SERVICE RATE SCHEDULE ONLY (Continued)**

**HEAT CONTENT ADJUSTMENT**

When Company receives Marketer's gas from an interstate pipeline on a dekatherm (one million Btu) basis, Company will make a heat content adjustment based on the Company's average Btu value in order to deliver to customer volumes of gas, in Mcf, equal in heat content to the gas delivered to Company for the customer.

**MEASUREMENT AT POINT(S) OF RECEIPT WITH AN INTERSTATE PIPELINE**

When Company receives Marketer's gas at point(s) of receipt with an interstate pipeline, all measurement shall be performed in accordance with the terms of Company's agreement with that interstate pipeline.

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**GENERAL TERMS, CONDITIONS, RULE AND REGULATIONS  
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SMALL VOLUME AGGREGATION SERVICE RATE SCHEDULE ONLY (Continued)**

**QUALITY OF GAS DELIVERED TO COMPANY**

Gas delivered by or on behalf of Marketer to Company shall conform to interstate pipeline gas quality standards.

**WARRANTY OF TITLE**

Marketer warrants that it will have good and merchantable title to all natural gas delivered to Company for redelivery to customer(s), that such gas will be free and clear of all liens, encumbrances and claims whatsoever, and that it will indemnify Company and hold it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said gas.

**CHARGES FOR THIRD PARTY SERVICE**

If furnishing service to customer pursuant to this tariff requires Company to use transportation service provided by another entity, any cost incurred by, or billed to Company with regard thereto, shall be charged to Marketer by Company and paid by Marketer. Such costs shall include, without limitation, transportation or delivery charges, retainage for Company use and unaccounted-for gas, and penalties incurred as a result of gas volume imbalances or other factors set forth in the applicable rate schedule or contract of such other entity

**FORCE MAJEURE**

Neither Company nor Marketer shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts affecting the company or its suppliers of gas, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of the party claiming suspension.

Such causes or contingencies affecting the performance hereunder by either Company or Marketer, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and will all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payments of amounts then due hereunder in respect of gas theretofore delivered.

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**GENERAL TERMS, CONDITIONS, RULE AND REGULATIONS  
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SMALL VOLUME AGGREGATION SERVICE RATE SCHEDULE ONLY (Continued)**

**DISPUTE RESOLUTION**

Each Marketer shall cooperate with Columbia and the Kentucky Public Service Commission to answer inquiries and resolve disputes for customers served under Columbia's Small Volume Gas Transportation Service Rate Schedule. As part of this ongoing cooperation the following is required:

1. Marketer must provide a local or toll-free telephone number for customers to obtain information on their account and a method to resolve disputes with the Marketer. The Marketer shall provide a copy of the method to resolve disputes to Columbia and the Commission along with the name and phone number of a contact person from the Marketer whom the Commission and Columbia may contact concerning customer complaints and who has the authority to resolve complaints.
2. Marketer will, upon request by Columbia or the Commission, provide copies of all informational materials and standard contracts, including updates to these materials if substantially changed. Marketer will also provide copies of individual contracts as needed in order to resolve customer complaints.
3. Each Marketer shall cooperate with Columbia and the Commission to answer inquiries and resolve disputes. If a Marketer fails to negotiate or resolve customer disputes that arise from the customer's contract, complaints may be brought to the Commission through its normal complaint handling procedures.

**STANDARDS OF CONDUCT**

Columbia will adhere to the following Standards of Conduct for Marketing Affiliates and Internal Merchant Operations:

1. Columbia must apply any tariff provision relating to transportation services in the same manner to the same or similarly situated persons if there is discretion in the application of the provision.
2. Columbia must strictly enforce a tariff provision for which there is no discretion in the application of the provision.
3. Columbia may not, through a tariff provision or otherwise, give any Marketer or any Marketer's customers preference in matters, rates, information, or charges relating to transportation service including, but not limited to, scheduling, balancing, metering, storage, standby service or curtailment policy. For purposes of Columbia's program, any ancillary service provided by Columbia that is not tariffed will be priced uniformly for all Marketers and available to all equally.
4. Columbia must process all similar requests for transportation in the same manner and within the same approximate period of time.

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APPLICABLE TO  
SMALL VOLUME AGGREGATION SERVICE RATE SCHEDULE ONLY (Continued)

STANDARDS OF CONDUCT – Continued

5. Columbia shall not disclose to anyone other than a Columbia Gas of Kentucky employee any information regarding an existing or proposed gas transportation arrangement, which Columbia receives from: (i) a customer or Marketer, (ii) a potential customer or Marketer, (iii) any agent of such customer or potential customer, or (iv) a Marketer or other entity seeking to supply gas to a customer or potential customer, unless such customer, agent, or Marketer authorizes disclosure of such information in writing.
6. If a customer requests information about Marketers, Columbia should provide a list of all Marketers operating on its system, but shall not endorse any Marketer nor indicate a preference for any Marketer.
7. Before making customer lists available to any Marketer, Columbia will use electronic mail to provide notice to all Marketers of its intent to make such customer list available. The notice shall describe the date the customer list will be made available, which shall in no case be less than three working days after the date of the notice, and the method and terms under which the customer list will be made available to all Marketers.
8. To the maximum extent practicable, Columbia's operating employees and the operating employees of its marketing affiliate must function independently of each other. This includes complete separation of the regulated utility Company's procurement activities from the affiliated marketing company's procurement activities.
9. Columbia shall not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a gas supplier, customer or other third party in which its marketing affiliate is involved.
10. Columbia and its marketing affiliate shall keep separate books of accounts and records.
11. Neither Columbia nor its marketing affiliate personnel shall communicate to any customer, marketer or third party the idea that any advantage might accrue for such customer, marketer or third party in the use of Columbia's service as a result of that customer's marketer's or other third party's dealing with its marketing affiliate.

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**GENERAL TERMS, CONDITIONS, RULE AND REGULATIONS  
APPLICABLE TO  
SMALL VOLUME AGGREGATION SERVICE RATE SCHEDULE ONLY (Continued)**

**STANDARDS OF CONDUCT - Continued**

12. Columbia shall establish a complaint procedure for issues concerning compliance with these Standards of Conduct. All complaints, whether written or verbal, shall be referred to the General Counsel of Columbia. The General Counsel, or his/her designee, shall orally acknowledge the complaint within five (5) working days of receipt. The General Counsel, or his/her designee, shall prepare a written statement of the complaint which shall contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. The General Counsel, or his/her designee, shall communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action which was taken. The General Counsel, or his/her designee, shall keep a file with all such complaint statements for a period of not less than three years.
  
13. Columbia Gas of Kentucky's name or logo will not be used in its marketing affiliate's promotional material, unless the promotional material discloses in plain, legible or audible language, on the first page or at the first point where Columbia Gas of Kentucky's name or logo appears, that its marketing affiliate is not the same company as Columbia Gas of Kentucky.

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**COLUMBIA GAS OF KENTUCKY, INC.**

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**GENERAL TERMS, CONDITIONS, RULE AND REGULATIONS  
APPLICABLE TO  
SMALL VOLUME AGGREGATION SERVICE RATE SCHEDULE ONLY (Continued)**

**CUSTOMER CONSENT FORM**

I have signed a written agreement for the purchase of natural gas supply containing the terms and conditions of my service with my Marketer, \_\_\_\_\_. I understand and agree to those terms, and agree to participate in the program as a Small Volume Gas Transportation Service customer. My Marketer is entitled to obtain my historic and current gas usage data from Columbia Gas of Kentucky. I understand that Columbia Gas of Kentucky will deliver to me the gas I purchase from my Marketer. I will receive one bill from Columbia Gas of Kentucky that identifies my Marketer and includes both the delivery charge from Columbia and the gas purchase charge from my Marketer.

\_\_\_\_\_  
Signature of Customer                      Date

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Columbia Gas of Kentucky Account Number

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**COLUMBIA GAS OF KENTUCKY, INC.**

**DELIVERY SERVICE (DS)  
 TRANSPORTATION SERVICE RATE SCHEDULE**

**APPLICABILITY**

Entire service territory of Company. See Sheet No. 8 for a list of communities.

**AVAILABILITY AND CHARACTER OF SERVICE**

This rate schedule is available to any Customer throughout the territory served by Company provided:

- (1) Customer has executed a Delivery Service Agreement with Company, and
- (2) Customer has normal annual requirements of not less than 25,000 Mcf at any delivery point, and
- (3) Company will not be required to deliver on any day more than the lesser of (i) a quantity of gas equivalent to Customer's Maximum Daily Volume specified in its Delivery Service Agreement; (ii) the quantity of gas scheduled and confirmed to be delivered into the Company's distribution facilities on behalf of the Customer on that day plus applicable Standby Sales; or (iii) the Customer's Authorized Daily Volume, and
- (4) On an annual basis, a Customers Maximum Daily Volume and Annual Transportation Volume will be automatically adjusted to the Customers actual Maximum Daily Volume and actual Annual Transportation Volume based on the Customers highest daily and annual volumetric consumption experienced during the preceding 12-month periods ending with March billings. Upon a Customers request, the Company shall have the discretion to further adjust a Customers Maximum Daily Volume and Annual Transportation Volume for good cause shown.

Customers Grandfathered ("GDS") - This rate schedule is also available to customers with normal annual requirements of less than 25,000 Mcf but not less than 6,000 Mcf, at any delivery point taking service under a contract with Company for delivery service executed prior to April 1, 1999.

Intrastate Utility ("IUDS") - This rate schedule is also available to intrastate utilities for transportation and consumption solely within the Commonwealth of Kentucky.

**BASE RATE**

Administrative Charge per account per billing period	55.90
Customer Charge per billing period <sup>1/</sup>	200.00
Customer Charge per billing period (GDS only)	28.00
Customer Charge per billing period (IUDS only)	255.00
Delivery Charge per Mcf <sup>1/</sup> -	
First 30,000 Mcf per billing period	0.6027
Over 30,000 Mcf per billing period	0.3192
- Grandfathered Delivery Service	
First 400 Mcf per billing period	1.7142
Next 600 Mcf per billing period	1.6324
All Over 1000 Mcf per billing period	1.4806
- Intrastate Utility Delivery Service	
All Volumes per billing period	0.5905
Banking and Balancing Service <sup>1/</sup>	
Rate per Mcf	0.0206

**RIDER FOR NATURAL GAS RESEARCH & DEVELOPMENT**

Volumes delivered to customers under this rate schedule are subject to a Rider for Natural Gas Research and Development as stated on Sheet No. 51c.

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**Issued by:** Herbert A. Miller, Jr.

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**DELIVERY SERVICE (DS)  
RATE SCHEDULE  
(Continued)**

**BANKING AND BALANCING SERVICE**

The rate for the Banking and Balancing Service is set forth on Sheet No. 6. This rate represents the current storage cost to the Company to provide a 'bank tolerance' to the Customer of five percent (5%) of the Customer's Annual Transportation Volume. The calculation of the Banking and Balancing Service rate is set forth in the Company's Gas Cost Adjustment.

The Banking and Balancing Service rate is subject to flexing as provided in the Flex Provision of this rate schedule. Refer to Sheet 91, Banking and Balancing Service, for the terms and conditions.

**NOMINATION AND SCHEDULING OF TRANSPORTATION DELIVERIES**

All transportation deliveries must be nominated and scheduled daily through the Company's internet based nomination system. Any customer that transports gas under this schedule may elect to have its marketer or agent make the required nominations, or the customer may elect to make daily nominations of Delivery Service gas.

**FLEX PROVISION**

When a Customer with normal volume requirements of 25,000 Mcf annually can demonstrate to Company that a lower rate is necessary to meet competition from that Customer's alternate energy supplier, Company may transport gas at a rate lower than the Base Rate and/or flex other terms and conditions associate with this rate schedule. Company may also, after receiving prior approval from the Commission, transport gas at a rate lower than the Base Rate where Customer has demonstrated that its only alternative would be a shutdown or relocation of facilities, or that the lower rate is necessary to expand facilities.

If any of these Flex Provisions apply to it, a Customer may at any time request that the transportation Base Rate be flexed. However, once the transportation Base Rate for a Customer is flexed, Customer must continue to pay the flex rate determined by Company each month and may not opt to revert to the Base Rate, except by the following procedure. Any Customer wishing to return to the Base Rate can do so by written notification to Company. Upon notification, Customer will revert to the Base Rate three months subsequent to the first day of the billing month which follows the date of the notification. Each such notification received by Company will cancel any previous such notification received by Company from the same Customer.

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**COLUMBIA GAS OF KENTUCKY, INC.**

**DELIVERY SERVICE (DS)  
RATE SCHEDULE  
(Continued)**

**FLEX PROVISION - (Continued)**

Company may also transport gas under this provision to a Customer at a rate greater than the Base Rate if such rate remains competitive with the price of energy from that Customer's alternate energy suppliers. In no event shall the flex rate exceed 150% of the Base Rate.

**STANDBY SERVICE**

Rate Schedule GDS

Any Grandfathered Delivery Service Customer who elects to transport gas under this rate schedule must establish, subject to the approval of Company, a Daily Standby Service Volume contracted for under the Standby Service Rate Schedule for that portion of load that is not protected by an alternate energy source. This Daily Standby Service Volume is subject to a Demand Charge and Commodity Charge as shown on Sheet No. 6.

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**COLUMBIA GAS OF KENTUCKY, INC.**

**MAIN LINE DELIVERY SERVICE (MLDS)  
RATE SCHEDULE**

**APPLICABILITY**

Entire service territory of Company. See Sheet No. 8 for a list of communities.

**AVAILABILITY**

This rate schedule is available to any Customer throughout the territory served by Company provided:

- (1) Customer has executed a Delivery Service Agreement with Company, and
- (2) Customer has normal annual requirements of not less than 25,000 Mcf at any delivery point, and
- (3) Customer is connected directly through a dual-purpose meter to facilities of an interstate pipeline supplier of Company, and
- (4) Company will not be required to deliver on any day more than the lesser of: (i) a quantity of gas equivalent to Customer's Maximum Daily Volume specified in its Delivery Service Agreement; (ii) the quantity of gas scheduled and confirmed to be delivered into the Company's distribution facilities on behalf of the Customer on that day plus applicable Standby Sales; or (iii) the Customer's Authorized Daily Volume, and

(5) On an annual basis, a Customer's Maximum Daily Volume and Annual Transportation Volume will be automatically adjusted to the Customer's actual Maximum Daily Volume and actual Annual Transportation Volume based on the Customer's highest daily and annual volumetric consumption experienced during the preceding 12-month periods ending with March billings. Upon a Customer's request, the Company shall have the discretion to further adjust a Customer's Maximum Daily Volume and Annual Transportation Volume for good cause shown.

**RATE**

The transportation rate shall be \$0.0858 per Mcf for all gas delivered each month.

**ADMINISTRATIVE CHARGE**

The monthly administrative charge shall be \$55.90 per account each billing period.

**CUSTOMER CHARGE**

The customer charge shall be \$200 per account each billing period,

**BANKING AND BALANCING SERVICE**

The rate for the Banking and Balancing Service is set forth on Sheet No. 6. This rate represents the current storage cost to the Company to provide a 'bank tolerance' to the Customer of five percent (5%) of the Customer's Annual Transportation Volume. The calculation of the Banking and Balancing Service rate is set forth in the Company's Gas Cost Adjustment.

The Banking and Balancing Service rate is subject to flexing as provided in the Flex Provision of this rate schedule. Refer to Sheet No. 91, Banking and Balancing Service, for the terms and conditions of the Balancing and Banking Service.

**RIDER FOR NATURAL GAS RESEARCH & DEVELOPMENT**

Volumes delivered to customers under this rate schedule are subject to a Rider for Natural Gas Research and Development as stated on Sheet No. 51c.

**NOMINATION AND SCHEDULING OF TRANSPORTATION DELIVERIES**

All transportation deliveries must be nominated and scheduled through the Company's internet based nomination system. Any customer that transports gas under this schedule may elect to have its marketer or agent make the required nominations, or the customer may elect to connect to make daily nominations of Delivery Service gas

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**COLUMBIA GAS OF KENTUCKY, INC.**

**ALTERNATE FUEL DISPLACEMENT SERVICE (AFDS)  
RATE SCHEDULE**

APPLICABILITY

Entire service territory of Company. See Sheet No. 8 for a list of communities.

AVAILABILITY

This rate schedule is available in the territory served by Company to any commercial, industrial or wholesale Customer having normal annual usage of not less than 6,000 Mcf, provided:

- (1) Customer is currently purchasing natural gas from Company under Company's GS, IS or IUS Rate Schedule.
- (2) The capacity of Company's facilities and the available gas supply are sufficient to provide the quantities requested by Customer, and
- (3) Customer has submitted to Company an initial affidavit which provides the following information:
  - (a) Name and address at which service under this rate schedule will be received, and
  - (b) Customer has installed operable capability for long term use of an alternate energy source other than No. 6 fuel oil and has made available to Company the option of on-sight inspection of the alternate fuel facilities, and
  - (c) Customer's verification that gas purchased under the rate schedule will be utilized to reduce or eliminate alternate energy requirements, that such purchase would not be made during any month of the term in the absence of this rate schedule, and that such gas will not replace non-alternate energy requirements which would otherwise be purchased under Company's applicable GS, IS or IUS Rate Schedules, and
- (4) Customer submits to Company a monthly affidavit on or before the fifth day of the current billing month providing the following information to be used for purposes of billing:
  - (a) Prior billing month's usage of alternate fuel displacement service, unless separately metered, and
  - (b) Projected prices and estimated usage of Customer's alternate fuel for the current billing period.

**DATE OF ISSUE:** November 10, 1994

**DATE OF EFFECTIVE:** November 1, 1994

**Issued by:** K. I. Shroyer

Vice President - Regulatory Services

Issued by authority of an Order of the Public Service Commission in Case No. 94-179, dated November 1, 1994.

**COLUMBIA GAS OF KENTUCKY, INC.**

**ALTERNATE FUEL DISPLACEMENT SERVICE (AFDS)  
RATE SCHEDULE  
(Continued)**

**CHARACTER OF SERVICE**

The Maximum Daily Volume available for delivery pursuant to this rate schedule shall not exceed Customer's installed non-peaking alternate fuel capability and shall be within:

- (1) The limits imposed by the curtailment and daily interruption provisions governing the otherwise applicable GS, IS, or IUS Rate Schedules, or
- (2) The limits imposed by Customer's effective Maximum Daily Volume entitlement under Company's otherwise applicable GS, IS, or IUS Rate Schedules.

**RATE**

A rate per Mcf shall be established by Company in excess of the monthly equivalent Commodity Charge (Average Cost of Gas less Demand Cost of Gas) as contained in Company's most recent Gas Cost Adjustment. The floor price shall be the Commodity Charge plus ten cents (10¢) plus allowances for taxes.

The ceiling price shall be at a rate no greater than 150% of the applicable Total Billing Rate under Customer's applicable rate schedule.

Prior to establishing the applicable rate for any month, Company will review pricing information contained in Customer's affidavit. Company will also inquire through existing independent sources about current local pricing of alternate fuel, and will use appropriate publications to assist it in determining the monthly rate.

Company will file the applicable rate and the current floor price with the Commission at least five (5) days before billing.

Pursuant to the preceding paragraphs, any Customer may, at any time, request that the rate be flexed. However, once the rate for a Customer is flexed, the Customer must continue to pay the flex rate determined by Company each month and may not opt to revert to any other available tariff rate except by the following procedure.

Any Customer wishing to revert to any other available tariff rate can do so by written notification to Company. Upon notification, Customer will revert to the appropriate tariff rate three months subsequent to the first day of the billing month which follows the date of the notification. Each such notification received by Company will cancel any previous such notification received by Company from the same Customer.

**MINIMUM MONTHLY CHARGE**

The Minimum Monthly Charge provisions of the applicable rate schedules remains in full force and effect. However, volumes delivered under this rate schedule shall be combined with volumes delivered under the applicable rate schedules for minimum bill calculation purposes.

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COLUMBIA GAS OF KENTUCKY, INC.

**ALTERNATE FUEL DISPLACEMENT SERVICE (AFDS)  
RATE SCHEDULE  
(Continued)**

**LOCAL FRANCHISE FEE OR TAX**

The monthly bill to Customers served under this rate schedule is subject to Local Franchise Fee or Tax as set forth on Sheet No. 52.

**TERM**

The term of the agreement for service under this rate schedule shall be for a minimum of one year and shall be automatically renewed each year unless written notice to terminate is given by Customer or Company not less than sixty (60) days prior to the expiration date of the contract.

**GENERAL TERMS, CONDITIONS, RULES and REGULATIONS**

All General Terms, Conditions, Rules and Regulations applicable to GS, IS, or IUS Rate Schedules apply to this rate schedule and are hereby incorporated herein.

**SPECIAL TERMS AND CONDITIONS**

**Separate Metering**

Gas delivered hereunder, except that for oil burner pilot usage shall not be used interchangeably with gas supplied under any other schedule, and shall be separately metered; provided, however, if gas is delivered to Customer under more than one rate schedule at one location, and if separate metering of the Alternate Fuel Displacement Service portion of such deliveries is not practicable, monthly volumes to be billed under the GS, IS, or IUS Rate Schedule and AFDS Rate Schedule shall be determined from Customer's monthly affidavit, as required by Paragraph (4) of the Availability Section.

**Stand-By Facilities**

In all cases where continuous operation of Customer's facilities is necessary, Customer shall provide and maintain stand-by equipment, including fuel supply for operation thereof, in satisfactory operating condition and of sufficient capacity to permit full interruption of the interruptible gas supply.

**Meter Reading**

Meter readings shall be made monthly.

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Vice President - Regulatory Services

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**COLUMBIA GAS OF KENTUCKY, INC.**

**ALTERNATE FUEL DISPLACEMENT SERVICE (AFDS)  
RATE SCHEDULE  
(Continued)**

**Special Conditions**

Company reserves the right, at its sole discretion, to reduce the quantities of gas requested by Customer to the extent Company determines that the quantities of gas requested by customer are invalid or inaccurate.

**OTHER**

For purposes of administering provisions of the IS Rate Schedule relating to Penalty for Failure to Interrupt, Payments for Unauthorized Takes and Availability of Excess Gas, volumes delivered under this rate schedule will be combined with volumes delivered to Customer under the IS Rate Schedule.

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Vice President - Regulatory Services

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**COLUMBIA GAS OF KENTUCKY, INC.**

**SPECIAL AGENCY SERVICE (SAS)  
RATE SCHEDULE**

**APPLICABILITY**

Entire service territory of Company. See Sheet No. 8 for a list of communities.

**AVAILABILITY**

This service is available to any commercial or industrial Customer taking service under Rate Schedules GS, IS, or IUS, provided:

- (1) Customer has executed a contract with Company for Delivery Service, and
- (2) Customer has submitted an affidavit that demonstrates to Company's satisfaction that gas obtained hereunder will be used as a replacement for an installed operable energy system -- either an alternate fuel or an alternate source of supply.

**VOLUMES AND PRICE**

Each month this program is in effect, Company shall notify each participating Customer of the price, which may vary depending on Customer's cost of alternate energy, to be charged for volumes to be purchased by Company as agent for Customer during the following month, exclusive of transportation charges. On or before the twenty-fifth (25th) day of each month, Customer shall nominate the quantity of gas it will require during the following month at the price indicated by Company. Such nominations must be in writing and are not effective until received by Company. Company will then use its best efforts to purchase such quantities of gas as agent for Customer, and Customer must take and pay for all volumes so delivered. In addition to the price charged for such volumes, an Agency Fee will be charged on all such delivered volumes. Company will attempt to maximize the contributions of the Agency Fee to other Customers. When necessary, Company may vary this fee to effectively compete with any alternate energy source, provided that, on an annual basis:

- (1) the revenues collected from the Special Agency Service will cover the cost of the program and make a contribution to Company's fixed costs; and
- (2) revenues received from each agency Customer, including transportation charges, will be sufficient to recover Company's marginal cost, i.e., the cost of the most expensive agency gas.

The minimum Agency Fee will be five cents (05¢) per Mcf. The Agency Fee will be credited to Customers through Company's Gas Cost Adjustment. Customer shall also be liable for all state and local taxes levied as a result of transactions hereunder.

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**COLUMBIA GAS OF KENTUCKY, INC.**

**SPECIAL AGENCY SERVICE (SAS)  
RATE SCHEDULE  
(Continued)**

**VOLUMES AND PRICE** (Continued)

Company shall not be liable for losses or damages resulting from any failure by Company to purchase volumes nominated by Customer under this program.

**TERM**

Customers may participate in this program on a month-to-month basis.

**TRANSPORTATION TERMS AND CONDITIONS**

Transportation of all volumes purchased under this program is subject to the charges, terms and conditions set forth or incorporated in Rate Schedule DS - Delivery Service.

**GENERAL TERMS, CONDITIONS, RULES and REGULATIONS**

All General Terms, Conditions, Rules and Regulations applicable to GS, IS, or IUS Rate Schedules apply to this rate schedule and are hereby incorporated herein.

**DATE OF ISSUE:** November 10, 1994

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Vice President - Regulatory Services

Issued by authority of an Order of the Public Service Commission in Case No. 94-179, dated November 1, 1994.

**COLUMBIA GAS OF KENTUCKY, INC.**

**GAS COST ADJUSTMENT CLAUSE  
APPLICABLE TO ALL RATE SCHEDULES**

GAS COST ADJUSTMENT CLAUSE

Determination of GCA

Company shall file a quarterly report with the Commission which shall contain an updated Gas Cost Adjustment (GCA) Rate and shall be filed at least thirty (30) days prior to the beginning of each quarterly calendar period. The GCA shall become effective for billing with the final meter readings of the first billing cycle of each quarterly calendar period.

The gas cost adjustment is comprised of:

- (1) The Expected Gas Cost Component (EGC), on a dollar-per-Mcf basis, is made up of two components: (a) Expected Commodity Gas Cost which applies to Rate Schedules GS, IS, and IUS, and represents the average expected commodity cost of gas supplied, and (b) Expected Demand Gas Cost which applies to Rate Schedules GS, IUS and SVAS, and represents the average expected demand cost of gas supplied, excluding the Standby Service demand costs to be recovered from IS Customers and General Service Delivery Service Customers. The Commodity Gas Cost component of the EGC includes the gains and losses resulting from the settlement of gas futures contracts entered into pursuant to the Company's Commission approved hedging plan and all transaction fees and other brokerage fees or costs associated with the use of those gas futures contracts.
- (2) The supplier Refund Adjustment (RA), on a dollar-per-Mcf basis, which reflects refunds received during the reporting period plus interest at a rate equal to the average of the "three month commercial paper rate" for the immediately preceding twelve month period. In the event of any large or unusual refunds, Company may apply to the Commission for the right to depart from the refund procedure herein set forth.
- (3) The Actual Cost Adjustment (ACA), on a dollar-per-Mcf basis, which compensates for any previous over or undercollections of gas costs experienced by the company through the operation of this gas cost recovery procedure. The ACA shall be based on the twelve months ended June 30th each year, with the ACA factor to be in effect for twelve months beginning September 1st of each year.
- (4) The Balancing Adjustment (BA), on a dollar-per-Mcf basis, which compensates for any under or overcollections which have occurred as a result of prior adjustments.
- (5) The Gas Cost Incentive Adjustment (GCIA), on a dollar-per -Mcf basis, which is calculated annually based on the prior April through October period, with the GCIA factor to be in effect for twelve months beginning March 1<sup>st</sup> each year.
- (6) The Off-System Sales and Capacity Release Adjustment (OSCRA), on a dollar-per-Mcf basis, which is calculated annually based on the twelve months ended September 30<sup>th</sup> of each year, with the OSCRA factor to be in effect for twelve months beginning December 1<sup>st</sup> of each year.

NOTE: All adjustments will be assigned to the Expected Demand Gas Cost or Expected Commodity Gas Cost components.

DATE OF ISSUE: April 12, 2005

DATE EFFECTIVE: April 1, 2005

ISSUED BY: Joseph W. Kelly

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**GAS COST ADJUSTMENT CLAUSE  
APPLICABLE TO ALL RATE SCHEDULES  
(Continued)**

**GAS COST ADJUSTMENT CLAUSE - (Continued)**

**Billing**

The Gas Cost Adjustment (GCA) shall be the sum of the following components:

$$\text{GCA} = \text{EGC} + \text{RA} + \text{ACA} + \text{BA} + \text{GCIA} + \text{OSCRA}$$

The GCA will be added to (or subtracted from) the tariff rates prescribed by the Commission Order on Company's latest rate case and will be included in the tariff rates stated on each applicable rate sheet in this tariff.

**Definitions**

For the purpose of this tariff:

- (a) "Average expected cost" is the cost of gas supplies purchased during the latest available twelve month period, including associated transportation charges, storage charges and Take-or-Pay charges, which is determined by the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the quarterly calendar period, less banking and balancing charges, and less the demand costs to be recovered from IS and General Service Delivery Service Customers, divided by the sales volumes for the latest available twelve month period. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or Company expects the volumes to change substantially, Company may make appropriate adjustments in its calculations. Any adjustments of this type shall be described in the Quarterly Gas Cost Adjustment report.
- (b) "quarterly calendar period" means each of the four three month periods of (1) September through November, (2) December through February, (3) March through May, and (4) June through August.
- (c) "Reporting period" means the three month accounting period that ended approximately thirty (30) days prior to the filing date of the updated gas recovery rates, i.e. the three months ended June 30<sup>th</sup>, September 30<sup>th</sup>, December 31<sup>st</sup>, and March 31<sup>st</sup> each year.

**Hedging Plan**

In accordance with the Company's hedging plan approved by the Commission, the Company will utilize gas futures and/or fixed price gas contracts for the purpose of hedging the price of its gas purchases within the parameters established in the hedging plan. By June 1 of each year, the Company shall file a report with the Commission that details said hedging activity during the twelve month period ended March 31. The report will include details of hedge positions taken for future months.

**DATE OF ISSUE:** April 12, 2005

**DATE EFFECTIVE:** April 1, 2005

**ISSUED BY:** Joseph W. Kelly

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**GAS COST ADJUSTMENT CLAUSE  
APPLICABLE TO ALL RATE SCHEDULES  
(Continued)**

**GAS COST ADJUSTMENT CLAUSE - (Continued)**

**Gas Cost Incentive Adjustment**

The Gas Cost Incentive Adjustment ("GCIA") shall be calculated as follows:

$$\text{GCIA} = \text{PV} \times 50\% / \text{PSV}$$

PV = Performance Value = BC - AC

BC = Benchmark Cost

AC = Actual Cost

PSV = Projected Sales Volume

The GCIA will measure the Company's gas purchase performance in the months of April through October each year against a Market Standard.

For each gas purchase made during the months of April through October, the Company will calculate a Market Standard price by taking the NYMEX natural gas futures contract settlement price for the month and adjusting for basis. Basis is calculated as the difference between the prices published in the first publication of the month of *Inside FERC's Gas Market Report*, under the column labeled "Index" for the Henry Hub and for the pipeline location at which Columbia made the gas purchase.

A monthly Benchmark Cost will be calculated by multiplying the applicable Market Standard for each purchase by the gas volume of each applicable purchase, and summing the results for all applicable purchases that month.

When the Company's Actual Cost for gas purchased in the month is less than the Benchmark Cost, the result for the month is a positive performance. When the Company's gas purchase costs are greater than the Benchmark Cost, the result for the month is a negative performance. The resulting negative or positive Performance Amount will be shared equally between the Company and its sales customers.

If the Company purchases gas at a point not reported in the applicable index publication. The Company will use the next closest index on the applicable pipeline upstream of the purchase point, and add to that index the 100% load factor cost of firm transportation on that pipeline between the index location and the purchase point.

Purchases made at Columbia's own city gate are excluded from the GCIA process and calculation.

If the index used to develop the Market Standard price ceases to exist or ceases to adequately report those prices required in the normal implementation of this GCIA, the Company shall choose a suitable replacement index, assuming an acceptable index is available, and immediately report that change in writing to the Commission.

**DATE OF ISSUE:** April 12, 2005

**DATE EFFECTIVE:** April 1, 2005

**ISSUED BY:** Joseph W. Kelly

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**GAS COST ADJUSTMENT CLAUSE  
APPLICABLE TO ALL RATE SCHEDULES  
(Continued)**

**GAS COST ADJUSTMENT CLAUSE - (Continued)**

**Off-System Sales and Capacity Release Adjustment:**

Fifty percent (50%) of all revenues generated from off-system sales and capacity release (other than those revenues generated by operational sales, administrative capacity release, or Rate Schedule SVAS capacity assignments), net of costs, will be credited to the calculation of the Off-System Sales and Capacity Release Adjustment factor.

Results of operational sales, administrative capacity releases, and Rate Schedule SVAS capacity assignments will be credited 100% to gas cost.

**Delivery Service**

FERC approved direct billed pipeline supplier charges relating to the buyout of Take-or-Pay liabilities will be billed to Delivery Service Fixed Rate Volumes.

**Banking and Balancing Service**

This rate is based on the percentage of the portion of storage capacity allocated to Delivery Service Customers to Company's total annual storage capacity, applied to:

- (1) Columbia Transmission's FSS seasonal capacity charge, annualized,
- (2) Columbia Transmission's SST commodity charge, and
- (3) Columbia Transmission's FSS injection and withdrawal charges

as calculated in the Gas Cost Adjustment.

**Interim Gas Cost Adjustments**

Should any significant change in supplier rates occur, Company may apply to the Commission for an Interim Gas Cost Adjustment Clause in addition to the regular quarterly Gas Cost Adjustment Clause filings.

**DATE OF ISSUE:** April 12, 2005

**DATE EFFECTIVE:** April 1, 2005

**ISSUED BY:** Joseph W. Kelly

President

GAS COST ADJUSTMENT CLAUSE  
APPLICABLE TO GENERAL PROPANE SERVICE (GPS)  
RATE SCHEDULE

PROPANE SERVICE - PROPANE COST ADJUSTMENT CLAUSE

Company shall file with the Commission a report containing an updated Propane Cost Adjustment (PCA) Rate each time the propane supply is replenished. This report will be filed within 45 days of the propane delivery. Additionally, Company shall file an Actual Cost Adjustment (ACA) to be effective September 1st of each year.

The propane cost adjustment is comprised of:

- (1) The Expected Propane Cost (EPC) component, on a dollar-per-Mcf basis, which represents the average expected cost of propane supplied.

The Expected Propane Cost is calculated by dividing the value of propane by the volume (gallons) of propane on hand. This price per gallon is multiplied by a conversion factor of 28.19 to arrive at a price per Mcf (propane). This amount is then divided by 2.48, the Btu conversion, propane to natural gas, which yields the price per Mcf (natural gas) which is the Expected Propane Cost.

- (2) The Propane Refund Adjustment (PRA), on a dollar-per-Mcf basis, which reflects supplier refunds received during the reporting period, plus interest at a rate equal to the average of the "three month commercial paper rate" for the immediately preceding twelve month period. In the event of any large or unusual refunds, Company may apply to the Commission for the right to depart from the refund procedure herein set forth.
- (3) The Actual Cost Adjustment (ACA), on a dollar-per-Mcf basis, compensates for any previous over or undercollections of propane costs experienced by Company through the operation of this cost recovery procedure and any balancing adjustments for any under or over collections which have occurred as a result of prior adjustments. The ACA shall be based on the twelve months ended June 30th each year, with the ACA factor to be in effect for twelve months beginning September 1st of each year.

Billing

The Propane Cost Adjustment (PCA) shall be the sum of the following components:

$$PCA = EPC + PRA + ACA$$

COLUMBIA GAS OF KENTUCKY, INC.

**WEATHER NORMALIZATION ADJUSTMENT CLAUSE  
APPLICABLE TO GS, SVGTS AND GPS RATE SCHEDULES**

**WEATHER NORMALIZATION ADJUSTMENT (WNA)**

The sales to Residential and Commercial Customers under Rate Schedules GS, SVGTS and GPS shall be increased or decreased monthly by an amount hereinafter described as the Weather Normalization Adjustment (WNA).

**Determination of WNA**

Weather normalized volumes shall be utilized during the December through April billing months to calculate the non-gas portion of the bills of all heating Customers served under Rate Schedules GS, SVGTS and GPS. During the remainder of the year May through November, the monthly bills shall be computed based on actual consumption.

Weather Normalization Adjustment will be calculated using the following formula:

$$\text{WNA} = [(\text{Actual Mcf} - \text{Base Load Mcf}) * (\text{Normal Degree Days} / \text{Actual Degree Days})]$$

Each customer's base load will be determined individually, and will be recomputed annually. Rates used in the computation of the WNA shall be determined based on the applicable base rate charge as set forth on Sheet No. 5 of this tariff.

DATE OF ISSUE: June 19, 2000  
Issued by: Joseph W. Kelly

DATE EFFECTIVE: July 19, 2000  
Vice President and Chief Operating Officer

**COLUMBIA GAS OF KENTUCKY, INC.**

**ENERGY ASSISTANCE PROGRAM RIDER  
APPLICABLE TO GSR RATE SCHEDULE**

**Energy Assistance Program**

The Energy Assistance Program ("EAP") provides a bill credit to enrolled customers during the five heating season months of November through March. It is available to eligible residential customers in Company's service territory subject to enrollment by the Program Administrator. The surcharge is applicable to all residential customers under the General Service and Small Volume Gas Transportation Service Rate Schedules. The EAP surcharge will be a separate line item on customers' bills.

**Rate:**

The surcharge shall be \$0.0579 per Mcf.

**DATE OF ISSUE:** January 30, 2006

**DATE EFFECTIVE:** March 1, 2006

**Issued by:** J. W. Kelly

President

Issued by authority of an Order of the Public Service Commission in Case No. 2002-00145 dated December 13, 2002

**COLUMBIA GAS OF KENTUCKY, INC.**

**Rider for Natural Gas Research & Development**

Applicable

Applicable to Rate Schedules GS, IS, SS, IUS, SVGTS, MLDS, and DS except customers served under the Flex Provision.

Purpose

The purpose of this rider is to replace funding of natural gas research and development that previously was included in purchased gas cost pursuant to the authority of the Federal Energy Regulatory Commission. The rider will be calculated annually to produce \$300,000 annually to fund natural gas research and development.

Unit Charge

The Unit Charge shall be \$0.0105 per Mcf. This amount will be recalculated annually and will include a true-up for the prior year .

Remittance of Funds

Funds collected up to the amount of \$300,000 per annum under this rider will be remitted to the Gas Technology Institute on an annual basis. The amounts so remitted shall be reported to the Commission along with a statement setting forth the manner in which the remitted funds have been invested in research and development.

Termination of Rider

Participation in the Natural Gas Research and Development funding program is voluntary on the part of the Company. This rider may be terminated at any time by the Company on filing a notice of rescission with the Commission.

**DATE OF ISSUE:** January 30, 2006

**DATE EFFECTIVE:** March 1, 2006

**Issued by:** J. W. Kelly

President

Issued by authority of an Order of the Public Service Commission in Case No. 2002-00145 dated December 13, 2002