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NEWS RELEASE

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PSC Sets Public Meeting in Columbia Gas Rate Case *Comments taken in Lexington on Sept. 14; also at Nov. 1 Frankfort hearing*

FRANKFORT, Ky. (Sept. 1, 2016) – The Kentucky Public Service Commission (PSC) will hold a public meeting this month in Lexington to receive public comments on a rate increase requested by Columbia Gas of Kentucky.

The public comment meeting on Sept. 14 will be preceded by an information session during which PSC staff will explain the process used to determine utility rates. The presentation will include an overview of the Columbia Gas application.

The information session will begin at 5:30 p.m. EDT. It will last an hour and will include a presentation by PSC staff and a question-and-answer period focusing on the PSC process. For those unable to attend, the presentation will be available on the PSC website, psc.ky.gov, beginning Sept. 14.

The public comment portion of the meeting will begin at 6:30 p.m. EDT. The location is:

Large Conference Room
Northside Branch - Lexington Public Library
1733 Russell Cave Road

In addition to the public meeting, the PSC will conduct a formal evidentiary hearing in the case on Nov. 1, beginning at 9 a.m. EDT. The hearing will be held at the PSC offices at 211 Sower Boulevard in Frankfort, and may last several days. It will be open to the public and may be viewed live on the PSC website.

Public comments will be taken at the beginning of the evidentiary hearing.

Written comments will be accepted through the conclusion of the evidentiary hearing. They may be mailed to the PSC at P.O. Box 615, Frankfort, KY 40602, faxed to 502-564-9625, e-mailed from the PSC website or submitted in person at the public meetings or at the PSC offices.

Columbia Gas is seeking PSC authorization to increase annual revenue by about \$25.4 million per year, or about 27.4 percent, bringing total annual revenue to about \$118.1 million. The proposed revenue increase would come through higher monthly customer charges and delivery charges.

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The cost of the natural gas itself is calculated separately, fluctuates with market conditions and is recovered by Columbia Gas on a dollar-for-dollar basis, with no markup.

With the proposed changes the monthly bill for a typical residential customer (using an average of 5,500 cubic feet of gas per month) would increase by \$11.30 or 37 percent over current base rates. When the current cost of natural gas is factored in, the increase for the typical residential customer would be from the current \$55.59 to \$66.88, or about 20.3 percent.

Columbia Gas says that the rate request is driven mostly by the need to recover the cost of ongoing system improvements, including replacement of older gas mains that would pose potential safety problems if they remain in the ground. The company's last base rate increase came in December of 2013 and resulted in a monthly bill increase of \$3.12 for a typical residential customer.

Columbia Gas serves about 135,000 customers in 30 counties in central and northeast Kentucky. Most are in Lexington and surrounding communities.

The Columbia Gas application and related documents are available on the PSC website, psc.ky.gov. The case number is 2016-00162.

A narrated slideshow explaining the PSC ratemaking process is available on YouTube at <https://www.youtube.com/watch?v=Ch9vTS5NzJ8>.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 80 employees.

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QUESTIONS OR PROBLEMS REGARDING YOUR UTILITY SERVICE?

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