

July 29, 2005

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

RECEIVED

JUL 29 2005

PUBLIC SERVICE  
COMMISSION

Re: Columbia Gas of Kentucky, Inc.  
Gas Cost Adjustment Case No. 2005 - 00318


Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated July 17, 2001 in Administrative Case No. 384, Columbia Gas of Kentucky, Inc. ("Columbia") hereby encloses, for filing with the Commission, an original and six (6) copies of data submitted pursuant to the requirements of the Gas Cost Adjustment provision contained in Columbia's tariff for its September quarterly Gas Cost Adjustment ("GCA").

Columbia proposes to decrease its current rates to tariff sales customers by \$ 0.3742 per Mcf effective with its September 2005 billing cycle on August 29, 2005. The decrease is composed on an increase of \$0.6503 per Mcf in the Average Commodity Cost of Gas, an increase of \$0.0108 per Mcf in the Average Demand Cost of Gas, a decrease of \$0.2179 per Mcf in the Balancing Adjustment, a decrease of \$0.0003 per Mcf in the Refund Adjustment, a decrease of \$0.8178 per Mcf in the Actual Cost Adjustment, and a decrease of \$0.0001 per Mcf in the SAS Adjustment.

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

Sincerely,

  
Judy M. Cooper  
Director, Regulatory Policy

Enclosures

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF KENTUCKY

COLUMBIA GAS OF KENTUCKY, INC.

CASE 2005-00318

GAS COST ADJUSTMENT AND REVISED RATES OF  
COLUMBIA GAS OF KENTUCKY, INC. PROPOSED TO BECOME  
EFFECTIVE SEPTEMBER 2005 BILLINGS

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

<u>Line No.</u>	<u>June-05 CURRENT</u>	<u>September-05 PROPOSED</u>	<u>DIFFERENCE</u>
1 Commodity Cost of Gas	\$8.2954	\$8.9457	\$0.6503
2 Demand Cost of Gas	\$1.1623	\$1.1731	\$0.0108
3 Total: Expected Gas Cost (EGC)	\$9.4577	\$10.1188	\$0.6611
4 SAS Refund Adjustment	(\$0.0002)	(\$0.0001)	\$0.0001
5 Balancing Adjustment	\$0.2230	\$0.0051	(\$0.2179)
6 Supplier Refund Adjustment	(\$0.0177)	(\$0.0174)	\$0.0003
7 Actual Cost Adjustment	\$0.1145	(\$0.7033)	(\$0.8178)
8 Take-or-Pay Refund (TOP) Adjustment	\$0.0000	\$0.0000	\$0.0000
9 Cost of Gas to Tariff Customers (GCA)	\$9.7773	\$9.4031	(\$0.3742)
10 Transportation TOP Refund Adjustment	\$0.0000	\$0.0000	\$0.0000
11 Banking and Balancing Service	\$0.0207	\$0.0205	(\$0.0002)
12 Rate Schedule FI and GSO			
13 Customer Demand Charge	\$6.8189	\$6.6555	(\$0.1634)

**Columbia Gas of Kentucky, Inc.**  
**Gas Cost Adjustment Clause**  
**Gas Cost Recovery Rate**  
 Sept - Nov 2005

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC) Schedule No. 1	\$10.1188	
2	Actual Cost Adjustment (ACA) Schedule No. 2	(\$0.7033)	8-31-06
3	SAS Refund Adjustment (RA) Schedule No. 5	(\$0.0001)	8-31-06
4	Supplier Refund Adjustment (RA) Schedule No. 4 Case No. 2005-00179	(\$0.0121)	05-31-06
	Schedule No. 4 Case No. 2005-00051	(0.0049)	02-28-06
	Schedule No. 4 Case No. 2004-00428	(0.0004)	11-30-05
	Total Refunds	<u>(\$0.0174)</u>	
5	Balancing Adjustment (BA) Schedule No. 3	\$0.0051	2-28-06
6	Take - or - Pay Refund Adjustment	\$0.0000	
7	Gas Cost Adjustment	<u>\$9.4031</u>	
8	Sept - Nov 2005		
9	Expected Demand Cost (EDC) per Mcf		
10	(Applicable to Rate Schedule IS/SS and GSO) Schedule No. 1, Sheet 4	<u>\$6.6555</u>	

DATE FILED: July 29, 2005

BY: J. M. Cooper

**Columbia Gas of Kentucky, Inc.**  
**Expected Gas Cost for Sales Customers**  
 Sept - Nov 2005

Schedule No. 1  
 Sheet 1

Line No.	Description	Reference	Volume A/		Rate		Cost (5)
			Mcf (1)	Dth. (2)	Per Mcf (3)	Per Dth (4)	
<b>Storage Supply</b>							
Includes storage activity for sales customers only							
Commodity Charge							
1	Withdrawal			926,000		\$0.0153	\$14,168
2	Injection			1,341,000		\$0.0153	\$20,517
3	Net Withdrawals: gas cost includes pipeline fuel and commodity charges			0		NA	\$0
Total							
4	Volume	= 3		0			
5	Cost	sum(1:3)					\$34,685
6	Summary	4 or 5		0			\$34,685
<b>Flowing Supply</b>							
Excludes volumes injected into or withdrawn from storage.							
Net of pipeline retention volumes and cost. Add unit retention cost on line 17							
7	Non-Appalachian	Sch.1, Sht. 5, Ln. 4		2,008,000			\$16,031,276
8	Appalachian Supplies	Sch.1, Sht. 6, Ln. 4		87,000			\$687,000
9	Less Fuel Retention By Interstate Pipelines	Sch. 1,Sheet 7, Lines 21, 22		(132,000)			(\$1,061,149)
10	Total	7 + 8 + 9		1,963,000			\$15,657,126
<b>Total Supply</b>							
11	At City-Gate	Line 6 + 10		1,963,000			\$15,691,811
Lost and Unaccounted For							
12	Factor			-0.9%			
13	Volume	Line 11 * 12		(17,667)			
14	At Customer Meter	Line 11 + 13		1,945,333			
15	Sales Volume	Line 14	1,843,918	1,945,333			
<b>Unit Costs \$/MCF</b>							
Commodity Cost							
16	Excluding Cost of Pipeline Retention	Line 11 / Line 15				\$8.5100	
17	Annualized Unit Cost of Retention	Sch. 1,Sheet 7, Line 24				\$0.4357	
18	Including Cost of Pipeline Retention	Line 16 + 17				\$8.9457	
19	Demand Cost	Sch.1, Sht. 2, Line 9				\$1.1731	
20	Total Expected Gas Cost (EGC)	Line 18 + 19				\$10.1188	

A/ BTU Factor = 1.0550 Dth/MCF

**Columbia Gas of Kentucky, Inc.**  
**GCA Unit Demand Cost**  
**Sept - Nov 2005**

Schedule No. 1  
 Sheet 2

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	
1	Expected Demand Cost: Annual September 2005 - August 2006	Sch. No.1, Sheet 3, Ln. 41	\$20,002,721
2	Less Rate Schedule IS/SS and GSO Customer Demand Charge Recovery	Sch. No.1, Sheet 4, Ln. 10	-\$517,614
3	Less Storage Service Recovery from Delivery Service Customers		-\$190,295
4	Net Demand Cost Applicable 1 + 2 + 3		\$19,294,812
	Projected Annual Demand: Sales + Choice September 2005 - August 2006		
	At city-gate		
	In Dth		17,510,000 Dth
	Heat content		1.0550 Dth/MCF
5	In MCF		16,597,156 MCF
	Lost and Unaccounted - For		
6	Factor		0.9%
7	Volume	5 * 6	<u>149,374</u> MCF
8	At Customer Meter	5 - 7	16,447,782 MCF
9	Unit Demand Cost (7 / 10)	To Sheet 1, line 19	\$1.1731 per MCF

**Columbia Gas of Kentucky, Inc.**  
**Annual Demand Cost of Interstate Pipeline Capacity**  
**September 2005 - August 2006**

Schedule No. 1  
 Sheet 3

Line No.	Description	Dth	Monthly Rate \$/Dth	# Months	Expected Annual Demand Cost
<b>Columbia Gas Transmission Corporation</b>					
Firm Storage Service (FSS)					
1	FSS Max Daily Storage Quantity (MDSQ)	220,880	\$1.5010	12	\$3,978,491
2	FSS Seasonal Contract Quantity (SCQ)	11,264,911	\$0.0288	12	\$3,893,153
Storage Service Transportation (SST)					
3	Summer Sep05, Apr06 - Aug06	110,440	\$4.1850	6	\$2,773,148
4	Winter Oct05 - Mar06	220,880	\$4.1850	6	\$5,546,297
5	Firm Transportation Service (FTS)	20,014	\$5.9760	12	\$1,435,244
6	Subtotal				sum(1:5) \$17,626,333
<b>Columbia Gulf Transmission Company</b>					
11	FTS - 1 (Mainline)	28,991	\$3.1450	12	\$1,094,120
<b>Tennessee Gas</b>					
21	Firm Transportation	20,506	\$4.6238	12	\$1,137,788
<b>Central Kentucky Transmission</b>					
31	Firm Transportation Nov05 - Aug06	28,000	\$0.5160	10	\$144,480
	expected in-service date November 1, 2005 pending FERC approval				
41	<b>Total. Used on Sheet 2, line 1</b>				\$20,002,721

**Columbia Gas of Kentucky, Inc.**

Schedule No. 1

**Gas Cost Adjustment Clause**

Sheet 4

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

Sept - Nov 2005

Line No.	Description	Capacity			Units	Annual Cost
		Daily Dth (1)	# Months (2)	Annualized Dth (3) = (1) x (2)		
1	Expected Demand Costs (Per Sheet 3)					\$20,002,721
	City-Gate Capacity:					
2	Columbia Gas Transmission Firm Storage Service - FSS	220,880	12	2,650,560		
3	Firm Transportation Service - FTS	20,014	12	240,168		
4	Central Kentucky Transportation Nov05 - Aug06	28,000	10	280,000		
5	Total 2 + 3 + 4			3,170,728	Dth	
6	Divided by Average BTU Factor			1.0550	Dth/MCF	
7	Total Capacity - Annualized Line 5/ Line 6			3,005,429	Mcf	
8	Monthly Unit Expected Demand Cost (EDC) of Daily Capacity Applicable to Rate Schedules IS/SS and GSO Line 1 / Line 7			\$6.6555	/Mcf	
9	Firm Volumes of IS/SS and GSO Customers	6,481	12	77,772	Mcf	
10	Expected Demand Charges to be Recovered Annually from Rate Schedule IS/SS and GSO Customers Line 8 * Line 9				to Sheet 2, line 2	\$517,614



**Columbia Gas of Kentucky, Inc.**  
**Non-Appalachian Supply: Volume and Cost**  
 Sept - Nov 2005

Schedule No. 1  
 Sheet 5

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

Line No.	Month	Total Flowing Supply Including Gas Injected Into Storage			Net Storage Injection Dth (4)	Net Flowing Supply for Current Consumption	
		Volume A/ Dth (1)	Cost (2)	Unit Cost \$/Dth (3) = (2) / (1)		Volume Dth (5) = (1) + (4)	Cost (6) = (3) x (5)
1	Sep-05	1,311,000	\$9,955,000	\$7.59	(1,028,000)	283,000	\$2,148,944
2	Oct-05	828,000	\$6,434,000	\$7.77	(262,000)	566,000	\$4,398,121
3	Nov-05	284,000	\$2,324,000	\$8.18	875,000	1,159,000	\$9,484,211
4	Total 1+2+3	2,423,000	\$18,713,000	\$7.72	(415,000)	2,008,000	\$16,031,276

A/ Gross, before retention.

**Columbia Gas of Kentucky, Inc.**  
**Appalachian Supply: Volume and Cost**  
Sept - Nov 2005

Schedule No. 1  
Sheet 6

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Dth</u> (2)	<u>Cost</u> (3)
1	Sep-05	20,000	\$156,000
2	Oct-05	23,000	\$172,000
3	Nov-05	44,000	\$359,000
4	Total    1 + 2 + 3	87,000	\$687,000

**Columbia Gas of Kentucky, Inc.**  
**Annualized Unit Charge for Gas Retained by Upstream Pipelines**  
 Sept - Nov 2005

Schedule No. 1  
 Sheet 7

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

	<u>Units</u>	Sept - Nov 2005	Dec 2005 - Feb 2006	Mar - May 06	June - Aug 06	Annual September 2005 - August 2006		
Gas purchased by CKY for the remaining sales customers								
1	Volume	Dth	2,510,000	2,026,000	3,601,000	3,911,000	12,048,000	
2	Commodity Cost Including Transportation		\$19,400,000	\$17,764,000	\$28,581,000	\$31,109,000	\$96,854,000	
3	Unit cost	\$/Dth					\$8.0390	
Consumption by the remaining sales customers								
11	At city gate	Dth	1,964,000	6,158,000	2,569,000	623,000	11,314,000	
12	Lost and unaccounted for portion		0.90%	0.90%	0.90%	0.90%		
At customer meters								
13	In Dth	(100% - 12) * 11	Dth	1,946,324	6,102,578	2,545,879	617,393	11,212,174
14	Heat content		Dth/MCF	1.0550	1.0550	1.0550	1.0550	
15	In MCF	13 / 14	MCF	1,844,857	5,784,434	2,413,155	585,207	10,627,653
16	Portion of annual	line 15, quarterly / annual		17.4%	54.4%	22.7%	5.5%	100.0%
Gas retained by upstream pipelines								
21	Volume	Dth	132,000	225,000	122,000	97,000	576,000	
Cost								
22	Quarterly. Deduct from Sheet 1 3 * 21		To Sheet 1, line 9	\$1,061,149	\$1,808,777	\$980,759	\$779,784	\$4,630,470
23	Allocated to quarters by consumption			\$803,804	\$2,520,279	\$1,051,412	\$254,975	\$4,630,470
24	Annualized unit charge	23 / 15	To Sheet 1, line 17	\$0.4357	\$0.4357	\$0.4357	\$0.4357	\$0.4357

**COLUMBIA GAS OF KENTUCKY, INC.**

Schedule No. 1

Sheet 8

**DETERMINATION OF THE BANKING AND  
BALANCING CHARGE  
FOR THE PERIOD BEGINNING SEPTEMBER 1, 2005**

<u>Line No.</u>	<u>Description</u>	<u>Dth</u>	<u>Detail</u>	<u>Amount For Transportation Customers</u>
1	Total Storage Capacity. Sheet 3, line 4	11,264,911		
2	Net Transportation Volume	9,776,185		
3	Contract Tolerance Level @ 5%	488,809		
4	Percent of Annual Storage Applicable to Transportation Customers		4.34%	
6	Seasonal Contract Quantity (SCQ)			
7	Rate		\$0.0288	
8	SCQ Charge - Annualized		<u>\$3,893,153</u>	
9	Amount Applicable To Transportation Customers			<b>\$168,963</b>
10	FSS Injection and Withdrawal Charge			
11	Rate		0.0306	
12	Total Cost		<u>\$344,706</u>	
13	Amount Applicable To Transportation Customers			<b>\$14,960</b>
14	SST Commodity Charge			
15	Rate		0.0158	
16	Total Cost		<u>\$146,823</u>	
17	Amount Applicable To Transportation Customers			<b>\$6,372</b>
18	Total Cost Applicable To Transportation Customers			<b><u>\$190,295</u></b>
19	Total Transportation Volume - Mcf			17,883,000
20	Flex and Special Contract Transportation Volume - Mcf			(8,616,474)
21	Net Transportation Volume - Mcf	line 19 + line 20		9,266,526
22	Banking and Balancing Rate - Mcf.	Line 18 / line 21. To line 11 of the GCA Comparison		<b><u>\$0.0205</u></b>

ACTUAL ADJUSTMENT



**STATEMENT SHOWING ACTUAL COST  
RECOVERY FROM CUSTOMERS TAKING STANDBY  
SERVICE UNDER RATE SCHEDULE IS AND GSO  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2005**

<u>LINE NO.</u>	<u>MONTH</u>	<u>SS Commodity Volumes</u> (1) Mcf	<u>Average SS Recovery Rate</u> (2) \$/Mcf	<u>SS Commodity Recovery</u> (3) \$
1	July 2004	299	\$8.6680	\$2,592
2	August 2004	125	\$8.2864	\$1,036
3	September 2004	(85)	\$8.2864	(\$704)
4	October 2004	930	\$6.9948	\$6,505
5	November 2004	4,581	\$7.0220	\$32,168
6	December 2004	3,512	\$7.0220	\$24,661
7	January 2005	7,620	\$9.7377	\$74,201
8	February 2005	(4,096)	\$8.9669	(\$36,728)
9	March 2005	1,406	\$8.9669	\$12,607
10	April 2005	8,327	\$7.8445	\$65,321
11	May 2005	3,984	\$7.9658	\$31,736
12	June 2005	2,188	\$7.9658	\$17,429
13	<b>Total SS Commodity Recovery</b>			<u>\$230,824</u>

<u>LINE NO.</u>	<u>MONTH</u>	<u>SS Demand Volumes</u> (1) Mcf	<u>Average SS Demand Rate</u> (2) \$/Mcf	<u>SS Demand Recovery</u> (3) \$
14	July 2004	6,151	\$6.8900	\$42,380
15	August 2004	6,151	\$7.7000	\$47,363
16	September 2004	6,151	\$7.7000	\$47,363
17	October 2004	6,151	\$7.7000	\$47,363
18	November 2004	6,151	\$7.3600	\$45,271
19	December 2004	6,151	\$7.5300	\$46,317
20	January 2005	6,151	\$5.7700	\$35,491
21	February 2005	6,151	\$6.6500	\$40,904
22	March 2005	6,151	\$6.6500	\$40,904
23	April 2005	7,397	\$6.7782	\$50,138
24	May 2005	5,338	\$6.7200	\$35,871
25	June 2005	5,856	\$6.7200	\$39,352
26	<b>Total SS Demand Recovery</b>			<u>\$518,719</u>
27	<b>TOTAL SS AND GSO RECOVERY</b>			<u><u>\$749,542</u></u>

BALANCING ADJUSTMENT



**COLUMBIA GAS OF KENTUCKY, INC.**

**CALCULATION OF BALANCING ADJUSTMENT  
 TO BE EFFECTIVE SEPTEMBER 1, 2005**

<u>Line No.</u>	<u>Description</u>	<u>Detail</u> \$	<u>Amount</u> \$
1	<b><u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND ADJUSTMENT (a)</u></b>		
2	Total adjustment to have been distributed to		
3	customers in Case No. 2004-00033	(\$22,938)	
4	Less: actual amount distributed	<u>(\$19,910)</u>	
5	REMAINING AMOUNT		(\$3,028)
6	<b><u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND ADJUSTMENT (a)</u></b>		
7	Total adjustment to have been distributed to		
8	customers in Case No. 2004-00153	(\$11,032)	
9	Less: actual amount distributed	<u>(\$9,688)</u>	
10	REMAINING AMOUNT		(\$1,345)
11	<b><u>RECONCILIATION OF A PREVIOUS BALANCING ADJUSTMENT (a)</u></b>		
12	Total adjustment to have been collected from		
13	customers in Case No. 2004-00299	\$251,521	
14	Less: actual amount collected	<u>\$205,793</u>	
15	REMAINING AMOUNT		\$45,728
16	December 2003 TCO Penalty Credit (RA)		(\$2,227)
17	<b>TOTAL BALANCING ADJUSTMENT AMOUNT</b>		<b><u><u>\$39,128</u></u></b>
18	Divided by: expected sales volumes for the six months		
19	end February 28, 2006		7,629,300 Mcf
20	<b>BALANCING ADJUSTMENT (BA) TO</b>		
21	<b>    EXPIRE FEBRUARY 28, 2006</b>		<b><u><u>\$ 0.0051</u></u></b>

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

Case No. 2004-00033

Expires 02/28/05

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$22,938.48)
March 2004	1,494,875	(\$0.0021)	(\$3,139.24)	(\$19,799.24)
April 2004	1,031,542	(\$0.0021)	(\$2,166.24)	(\$17,633.00)
May 2004	460,792	(\$0.0021)	(\$967.66)	(\$16,665.34)
June 2004	221,579	(\$0.0021)	(\$465.32)	(\$16,200.03)
July 2004	180,804	(\$0.0021)	(\$379.69)	(\$15,820.34)
August 2004	194,633	(\$0.0021)	(\$408.73)	(\$15,411.61)
September 2004	196,881	(\$0.0021)	(\$413.45)	(\$14,998.16)
October 2004	269,903	(\$0.0021)	(\$566.80)	(\$14,431.36)
November 2004	512,424	(\$0.0021)	(\$1,076.09)	(\$13,355.27)
December 2004	1,233,450	(\$0.0021)	(\$2,590.25)	(\$10,765.03)
January 2005	1,836,577	(\$0.0021)	(\$3,856.81)	(\$6,908.21)
February 2005	1,835,325	(\$0.0021)	(\$3,854.18)	(\$3,054.03)
March 2005	12,266	(\$0.0021)	(\$25.76)	(\$3,028.27)
			(\$19,910.21)	

SUMMARY:

REFUND AMOUNT (\$22,938.48)

AMOUNT ACTUALLY REFUNDED (\$19,910.21)

TOTAL REMAINING TO BE  
 COLLECTED (\$3,028.27)

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

Case No. 2004-00153

Expires 05/31/05

	Volume	Refund Rate	Refund Amount	Refund Balance
				(\$11,032.33)
June 2004	224,146	(\$0.0010)	(\$224.15)	(\$10,808.18)
July 2004	180,804	(\$0.0010)	(\$180.80)	(\$10,627.38)
August 2004	194,633	(\$0.0010)	(\$194.63)	(\$10,432.75)
September 2004	196,881	(\$0.0010)	(\$196.88)	(\$10,235.87)
October 2004	269,903	(\$0.0010)	(\$269.90)	(\$9,965.96)
November 2004	512,424	(\$0.0010)	(\$512.42)	(\$9,453.54)
December 2004	1,233,450	(\$0.0010)	(\$1,233.45)	(\$8,220.09)
January 2005	1,836,577	(\$0.0010)	(\$1,836.58)	(\$6,383.51)
February 2005	1,835,325	(\$0.0010)	(\$1,835.33)	(\$4,548.19)
March 2005	1,648,116	(\$0.0010)	(\$1,648.12)	(\$2,900.07)
April 2005	1,060,810	(\$0.0010)	(\$1,060.81)	(\$1,839.26)
May 2005	494,629	(\$0.0010)	(\$494.63)	(\$1,344.63)
June 2005	(4,111)	(\$0.0010)	\$4.11	(\$1,348.74)
			(\$9,687.70)	

SUMMARY:

REFUND AMOUNT (\$11,032.33)

AMOUNT ACTUALLY REFUNDED (\$9,687.70)

TOTAL REMAINING TO BE  
 COLLECTED (\$1,344.63)

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

Case No. 2004-00299

	<u>Volume</u>	<u>Surcharge Rate</u>	<u>Surcharge Amount</u>	<u>Surcharge Balance</u>
Expires: 02/28/05				
Beginning Balance				\$251,521.14
September 2004	196,708	\$0.0349	\$6,865.11	\$244,656.03
October 2004	269,903	\$0.0349	\$9,419.61	\$235,236.42
November 2004	512,424	\$0.0349	\$17,883.60	\$217,352.82
December 2004	1,233,450	\$0.0349	\$43,047.41	\$174,305.41
January 2005	1,836,577	\$0.0349	\$64,096.54	\$110,208.88
February 2005	1,835,325	\$0.0349	\$64,052.84	\$46,156.03
March 2005	12,266	\$0.0349	\$428.08	\$45,727.95
 TOTAL SURCHARGE COLLECTED			 \$205,793.19	

SUMMARY:

SURCHARGE AMOUNT	\$251,521.14
 AMOUNT ACTUALLY COLLECTED	 <u>\$205,793.19</u>
 AMOUNT TO BE COLLECTED	 <u><u>\$45,727.95</u></u>

SAS ADJUSTMENT

**COLUMBIA GAS OF KENTUCKY, INC.**

**SPECIAL AGENCY SERVICE**  
**ACTUAL SAS VOLUMES DELIVERED**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2005**

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>SAS</u> <u>Volumes</u> <u>Delivered</u> <u>(Mcf)</u>
1	July 2004	1,342
2	August 2004	1,396
3	September 2004	1,354
4	October 2004	1,352
5	November 2004	2,084
6	December 2004	5,282
7	January 2005	7,424
8	February 2005	7,562
9	March 2005	6,613
10	April 2005	6,623
11	May 2005	2,509
12	June 2005	1,941
13	<b>TOTAL SAS VOLUMES DELIVERED</b>	<b>45,482</b>
14	<b>TOTAL AGENCY FEE TO BE REFUNDED</b>	<b>(\$2,274.10)</b>
15	(Line No. 13 * \$0.05 per MCF)	
16	DIVIDED BY: Expected Sales and Choice Volumes for the TME Aug. 30, 2006	16,447,782
17	<b>ANNUAL AGENCY FEE REFUND ADJUSTMENT</b>	<b>(\$0.0001)</b>
18	(EXPIRES AUGUST 31, 2006)	

**COLUMBIA GAS OF KENTUCKY  
CASE NO. 2005 -**

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

	\$/MCF	
Demand Component of Gas Cost Adjustment		
Demand Cost of Gas (Schedule No. 1, Sheet 1, Line 19)	\$1.1731	
Demand ACA (Schedule No. 2, Sheet 1, Line 23)	0.1526	
Refund Adjustment (Schedule No. 4)	-0.0174	
SAS Refund Adjustment (Schedule No. 5)	<u>-0.0001</u>	
Total Demand Rate per Mcf	\$1.3082	<--- to Att. E, line 21

Commodity Component of Gas Cost Adjustment

Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 18)	\$8.9457
Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	-\$0.8559
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	<u>\$0.0051</u>
Total Commodity Rate per Mcf	\$8.0949

CHECK:	\$1.3082
	<u>\$8.0949</u>
COST OF GAS TO TARIFF CUSTOMERS (GCA)	\$9.4031

Calculation of Rate Schedule SVGTS - Actual Gas Cost Adjustment

Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	-\$0.8559
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	<u>\$0.0051</u>
Total Commodity Rate per Mcf	-\$0.8508

**Columbia Gas of Kentucky, Inc.**  
**CKY Choice Program**  
**100% Load Factor Rate of Assigned FTS Capacity**  
**Balancing Charge**  
**Sept - Nov 2005**

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

**City gate capacity assigned to Choice marketers**

Contract			
1	CKT FTS/SST	28,000	1.000%
2	TCO FTS	<u>20,014</u>	2.007%
3	Total	48,014	
Assignment Proportions			
4	CKT FTS/SST	1 / 3	58.32%
5	TCO FTS	2 / 3	41.68%

**Annual demand cost of capacity assigned to choice marketers**

11	CKT FTS	\$0.5160	10	0.5832	1.0000	\$3.0091	
12	TCO SST @ CKT FTS rate	\$0.5160	2	0.5832	1.0000	\$0.6018	
13	TCO FTS	\$5.9760	12	0.4168	1.0000	\$29.8922	
14	Gulf FTS-1, upstream to CKT FTS	\$3.1450	12	0.5832	1.0101	\$22.2309	
15	TGP FTS-A, upstream to TCO FTS	\$4.6238	12	0.4168	1.0205	\$23.6021	
16	Total Demand Cost of Assigned FTS, per unit					\$79.3362	\$83.6997
17	100% Load Factor Rate (16 / 365 days)						\$0.2293

**Balancing charge, paid by Choice marketers**

21	Demand Cost Recovery Factor in GCA, per Mcf per CKY Tariff Sheet No. 5					\$1.3082	
22	Less credit for cost of assigned capacity					(\$0.2293)	
23	Plus storage commodity costs incurred by CKY for the Choice marketer					\$0.1114	
24	Balancing Charge, per Mcf sum(21:23)					\$1.1903	

A/ TCO SST and CKT, together total 12 months.



PIPELINE COMPANY TARIFF SHEETS

Columbia Gas Transmission Corporation  
 FERC Gas Tariff  
 Second Revised Volume No. 1

Currently Effective Rates  
 Applicable to Rate Schedule ITS and NTS  
 Rate per DLH

Rate Schedule FTS	Reservator Charge 1/	Base Tariff Rate	Transportation Cost Rate Adjustment Current	Electric Power Costs Adjustment Current	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Commodity	\$ 5.575	0.375	-0.011	0.036	0.001	5.976	0.196
Maximum	\$ 1.04	0.23	-0.11	0.27	0.19	1.60	1.60
Minimum	\$ 1.04	0.23	-0.11	0.27	0.19	1.60	1.60
Overrun	\$ 19.37	1.46	-0.15	0.39	0.19	21.24	21.24
Rate Schedule NTS	\$ 7.035	0.375	-0.011	0.036	0.001	7.485	0.246
Commodity	\$ 1.04	0.23	-0.11	0.27	0.19	1.60	1.60
Maximum	\$ 1.04	0.23	-0.11	0.27	0.19	1.60	1.60
Overrun	\$ 24.33	1.46	-0.15	0.39	0.19	26.20	26.20

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.  
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.  
 3/ Minimum reservation charge is \$0.00.

Issued by: Carl W. Levander, Vice President  
 Issued on: March 1, 2005

Effective: April 1, 2005

Columbia Gas Transmission Corporation  
FERC Gas Tariff  
Second Revised Volume No. 1

Currently Effective Rates  
Applicable to Rate Schedule SST and GIS  
Rate Per Dth

Rate Schedule	Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current	Electric Power Costs Adjustment Current	Annual Change Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule SST	\$ 5.405	0.175	0.036	0.001	5.806	0.191
Commodity						
Maximum	\$ 1.02	0.23	0.27	0.19	1.58	1.58
Minimum	\$ 1.02	0.23	0.27	0.19	1.58	1.58
Overrun	\$ 18.79	1.45	0.39	0.10	20.66	20.66
Rate Schedule GIS						
Commodity						
Maximum	\$ 74.24	2.70	0.51	0.19	77.45	77.45
Minimum	\$ 3.08	0.23	0.27	0.19	3.58	3.58
MFCC	\$ 71.16	2.47	0.24		73.87	73.87

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.  
2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.  
3/ Minimum reservation charge is \$0.00.

Issued by: Carl W. Levander, Vice President  
Issued on: March 1, 2005

Effective: April 1, 2005

Columbia Gas Transmission Corporation  
 FERC Gas Tariff  
 Second Revised Volume No. 1

Currently Effective Rates  
 Applicable to Rate Schedule FSS, SSS, and SIT  
 Rate Per Btu

Rate Schedule	Base Tariff Rate	Transportation Cost Rate Adjustment	Electric Power Costs Adjustment	Annual Charge	Total Effective Rate	Daily Rate
Rate Schedule FSS						
Reservation Charge	1-501	-	-	-	1-501	0.049
Capacity	2-88	-	-	-	2-88	2.88
Injection	1-53	-	-	-	1-53	1.53
Withdrawal	1-53	-	-	-	1-53	1.53
Dyncon	10-87	-	-	-	10-87	10.87
Rate Schedule SSS						
Commodity	5-92	-	-	-	5-92	5.92
Maximum	0-00	-	-	-	0-00	0.00
Minimum	1-53	-	-	-	1-53	1.53
Injection	1-53	-	-	-	1-53	1.53
Withdrawal	1-53	-	-	-	1-53	1.53
Rate Schedule SIT						
Commodity	4-11	-	-	-	4-11	4.11
Maximum	1-53	-	-	-	1-53	1.53
Minimum	1-53	-	-	-	1-53	1.53

1/ Excludes Account Btu expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.  
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

Effective: February 1, 2005

Issued by: Carl W. Iversen, Vice President  
 Issued on: December 10, 2004

Columbia Gulf Transmission Company  
FERC Gas Tariff  
Second Revised Volume No. 1

Currently Effective Rates  
Applicable to Rate Schedule F15-1  
Rates per Bbl

Base Rate (1)	Annual Charge Adjustment (2)	Subtotal (3)	Total Effective Rate (4)	Daily Rate (5)	Company Use and Unaccounted For (6)
\$ 3.1450	\$ 1/	\$ 3.1450	\$ 3.1450	0.1034	-
0.0170	0.0019	0.0189	0.0189	0.0189	2.199
0.0170	0.0019	0.0189	0.0189	0.0189	2.199
0.1204	0.0019	0.1223	\$ 0.1223	0.1223	2.199

Rate Schedule F15-1  
Rayne, LA To Pointe Morik  
Reservation Charge Z/  
Commodity  
Maximum  
Minimum  
Override

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

Effective: April 1, 2005

Issued by: Carl W. Levander, Vice President  
Issued on: March 1, 2005

PROPOSED TARIFF SHEETS

**CURRENTLY EFFECTIVE BILLING RATES**

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup> Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$	
<b><u>RATE SCHEDULE GSR</u></b>					
First 1 Mcf or less per Mo.	6.95	1.3082	8.0949	16.3531	R
Over 1 Mcf per Mo.	1.8715	1.3082	8.0949	11.2746	R
<b><u>RATE SCHEDULE GSO</u></b>					
<u>Commercial or Industrial</u>					
First 1 Mcf or less per Mo.	18.88	1.3082	8.0949	28.2831	R
Next 49 Mcf per Mo.	1.8715	1.3082	8.0949	11.2746	R
Next 350 Mcf per Mo.	1.8153	1.3082	8.0949	11.2184	R
Next 600 Mcf per Mo.	1.7296	1.3082	8.0949	11.1327	R
Over 1000 Mcf per Mo.	1.5802	1.3082	8.0949	10.9833	R
<u>Delivery Service</u>					
Administrative Charge	55.90			55.90	
<u>Standby Service Demand Charge</u>					
Demand Charge times Daily Firm Vol. (Mcf) in Cust. Serv. Agrmt.		6.6555		6.6555	R
<u>Delivery Rate Per Mcf</u>					
First 400 Mcf per Mo.	1.8153			1.8153	
Next 600 Mcf per Mo.	1.7296			1.7296	
All Over 1000 Mcf per Mo.	1.5802			1.5802	
Former IN8 Rate Per Mcf	1.0575			1.0575	
Banking and Balancing Service		0.0205		0.0205	R

(continued on following sheet)

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

R – Reduction  
I – Increase

DATE OF ISSUE: July 29, 2005

DATE EFFECTIVE: September 2005 Billing Cycle  
August 29, 2005

ISSUED BY: Joseph W. Kelly

President

**CURRENTLY EFFECTIVE BILLING RATES**

(Continued)

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup> Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$	
<b><u>RATE SCHEDULE GPR<sup>3/</sup></u></b>					
First 1 Mcf or less per Mo.	6.95	N/A	N/A	N/A	
Over 1 Mcf per Mo.	1.8715	N/A	N/A	N/A	
<b><u>RATE SCHEDULE GPO<sup>3/</sup></u></b>					
<u>Commercial or Industrial</u>					
First 1 Mcf or less per Mo.	18.88	N/A	N/A	N/A	
Next 49 Mcf per Mo.	1.8715	N/A	N/A	N/A	
Next 350 Mcf per Mo.	1.8153	N/A	N/A	N/A	
Next 600 Mcf per Mo.	1.7296	N/A	N/A	N/A	
Over 1000 Mcf per Mo.	1.5802	N/A	N/A	N/A	
<b><u>RATE SCHEDULE IS</u></b>					
<u>Customer Charge per Mo.</u>	116.55			116.55	
First 30,000 Mcf	0.5467		8.0949 <sup>2/</sup>	8.6416	R
Over 30,000 Mcf	0.2905		8.0949 <sup>2/</sup>	8.3854	R
<u>Standby Service Demand Charge</u>					
Demand Charge times Daily Firm Volume (Mcf) in Customer Service Agreement		6.6555		6.6555	R
<u>Delivery Service<sup>1</sup></u>					
Administrative Charge	55.90			55.90	
First 30,000 Mcf	0.5467				
Over 30,000 Mcf	0.2905			0.2905	
Banking and Balancing Service (continued on following sheet)	0.0205			0.0205	R
<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.</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> <p><sup>3/</sup> Currently, there are no customers on this rate schedule.</p>					
R – Reduction    I - Increase					

DATE OF ISSUE: July 29, 2005

DATE EFFECTIVE: September 2005 Billing Cycle  
August 29, 2005

ISSUED BY: Joseph W. Kelly

President



**CURRENTLY EFFECTIVE BILLING RATES**

(Continued)

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup> Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$	
<b><u>RATE SCHEDULE IUS</u></b>					
For All Volumes Delivered Per Mcf	0.3038	1.3082	8.0949	9.7069	R
<u>Delivery Service</u>					
Administrative Charge	55.90			55.90	
Delivery Rate Per Mcf	0.3038	1.3082		1.6120	I
Banking and Balancing Service		0.0205		0.0205	R
<b><u>MAINLINE DELIVERY SERVICE</u></b>					
Administrative Charge	55.90			55.90	
Delivery Rate Per Mcf	0.0858			0.0858	
Banking and Balancing Service		0.0205		0.0205	R

<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.

R – Reduction    I- Increase

DATE OF ISSUE: July 29, 2005

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President

**CURRENTLY EFFECTIVE BILLING RATES**

**RATE SCHEDULE SVGTS**

**Delivery Charge per Mcf**

General Service Residential

First 1 Mcf or less per month	\$ 6.95 (Minimum Bill)
Over 1 Mcf per month	1.8715

General Service Other

First 1 Mcf or less per month	\$18.88 (Minimum Bill)
Next 49 Mcf per month	1.8715
Next 350 Mcf per month	1.8153
Next 600 Mcf per month	1.7296
Over 1000 Mcf per month	1.5802

Intrastate Utility Service

For all volumes per month	\$ 0.038
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Actual Gas Cost Adjustment

For all volumes per month	\$ (0.8508)
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Rate Schedule SVAS

Balancing Charge – per Mcf	\$ 1.1903
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R - Reduction    I - Increase

R

I

DATE OF ISSUE: July 29, 2005

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August 29, 2005

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President