

October 27, 2005

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

RECEIVED

OCT 31 2005

PUBLIC SERVICE
COMMISSION

RE: Case No. 2005-00400

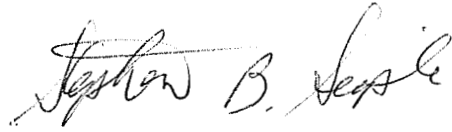
Dear Ms. O'Donnell:

On September 28, 2005, Columbia Gas of Kentucky, Inc. ("Columbia") filed its Application in this docket. In paragraph (k) of the application Columbia stated, "[t]hese expenditures will be required for the purposes of the acquisition of property and for the construction, completion, extension and improvement of company facilities." By letter dated October 18, 2005, the Commission's Staff noted a deficiency in Columbia's application. Staff noted that 807 KAR 5:001 Section 11(1)(d) requires a description of property to be acquired, including copies of contracts.

Columbia intends to use the proceeds from its proposed sale of promissory notes to purchase materials used in the ordinary course of providing public utility service – e.g., the purchase and installation of mains, service lines, meter, regulators, etc. It is Columbia's understanding that the Commission has traditionally not interpreted 807 KAR 5:001 Section 11(1)(d) to apply to the routine acquisition of property to be used in the ordinary course of business. Columbia does not intend to use the proceeds from the sale of the proposed promissory notes to finance any major acquisitions. That being the case, Columbia respectfully submits that there is no need to further describe any property to be acquired, nor to supply contracts for materials to be purchased in the ordinary course of business. Columbia therefore believes that there is no deficiency in its Application, and that the Application should be accepted for filing as of September 28, 2005, the day it was docketed with the Commission, and requests that the Commission so find.

If you have any questions about this matter, please do not hesitate to contact me at (614) 460-4648 or Judy Cooper at (859) 288-0242.

Sincerely,

A handwritten signature in black ink that reads "Stephen B. Seiple". The signature is written in a cursive style with a horizontal line crossing through the middle of the name.

Stephen B. Seiple
Lead Counsel
COLUMBIA GAS OF KENTUCKY, INC.

cc: Hon. Anita Mitchell
Hon. Richard Taylor