Columbia Gas® of Kentucky
A NiSource Company

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

January 26, 2006

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

RECEIVED
JAN 2 6 2006
PUBLIC SERVICE COMMISSION

Re: Columbia Gas of Kentucky, Inc.
Gas Cost Adjustment Case No. 2006 - 00038

Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated January 30, 2001 in Administrative Case No. 384, Columbia Gas of Kentucky, Inc. ("Columbia") hereby encloses, for filing with the Commission, an original and six (6) copies of data submitted pursuant to the requirements of the Gas Cost Adjustment Provision contained in Columbia's tariff for an interim Gas Cost Adjustment ("GCA"). Columbia proposes to decrease its current rates to tariff sales customers by $3.0191 per Mcf effective with its February 2006 billing cycle on January 31, 2006.

This Expected Gas Cost decrease is composed of a decrease of $3.0280 per Mcf in the Average Commodity Cost of Gas, and an increase of $0.0089 per Mcf in the Average Demand Cost of Gas. The other components of Columbia's GCA are not adjusted in this interim filing.

Due to the recent decreases in the natural gas spot market, Columbia respectfully requests a waiver of the 30-day filing requirement so that the interim adjustment may become effective with Columbia's February billing cycle on January 31, 2006.

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

Sincerely,

Judy Cooper

Judy M. Cooper
Director, Regulatory Policy

Enclosures

BEFORE THE
PUBLIC SERVICE COMMISSION
OF KENTUCKY

COLUMBIA GAS OF KENTUCKY, INC.

CASE 2006-

GAS COST ADJUSTMENT AND REVISED RATES OF
COLUMBIA GAS OF KENTUCKY, INC. PROPOSED TO BECOME
<u>EFFECTIVE FEBRUARY 2006 BILLINGS</u>

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

Line No.		December-05 CURRENT	February-06 PROPOSED	DIFFERENCE
1	Commodity Cost of Gas	$14.1464	$11.1184	($3.0280)
2	Demand Cost of Gas	$1.2084	$1.2173	$0.0089
3	Total: Expected Gas Cost (EGC)	$15.3548	$12.3357	($3.0191)
4	SAS Refund Adjustment	($0.0001)	($0.0001)	$0.0000
5	Balancing Adjustment	$0.0051	$0.0051	$0.0000
6	Supplier Refund Adjustment	($0.0171)	($0.0171)	$0.0000
7	Actual Cost Adjustment	($0.7033)	($0.7033)	$0.0000
8	Take-or-Pay Refund (TOP) Adjustment	$0.0000	$0.0000	$0.0000
9	Cost of Gas to Tariff Customers (GCA)	$14.6394	$11.6203	($3.0191)
10	Transportation TOP Refund Adjustment	$0.0000	$0.0000	$0.0000
11	Banking and Balancing Service	$0.0205	$0.0205	$0.0000
12	Rate Schedule FI and GSO			
13	Customer Demand Charge	$7.0373	$6.5703	($0.4670)

Columbia Gas of Kentucky, Inc.
Gas Cost Adjustment Clause
Gas Cost Recovery Rate
Feb 2006 - Apr 2006

Line No.	Description		Amount	Expires
1	Expected Gas Cost (EGC)	Schedule No. 1	$12.3357	
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-	($0.0001)	11-30-06
		Schedule No. 4 Case No. 2005-00179	($0.0121)	05-31-06
		Schedule No. 4 Case No. 2005-00051	(0.0049)	02-28-06
		Total Refunds	($0.0171)	
5	Balancing Adjustment (BA)	Schedule No. 3	$0.0051	2-28-06
6	Take - or - Pay Refund Adjustment		$0.0000	
7	Gas Cost Adjustment			
8	Feb 2006 - Apr 2006		$11.6203	
9	Expected Demand Cost (EDC) per Mcf			
10	(Applicable to Rate Schedule IS/SS and GSO)	Schedule No. 1, Sheet 4	$6.5703	

DATE FILED: January 26. 2006 **BY: J. M. Cooper**

Columbia Gas of Kentucky, Inc. Schedule No. 1

Expected Gas Cost for Sales Customers Sheet 1

Feb 2006 - Apr 2006

Line No.	Description		Reference	Volume A/ Mcf (1)	Dth. (2)	Rate Per Mcf (3)	Per Dth (4)	Cost (5)
	Storage Supply							
	Includes storage activity for sales customers only							
	Commodity Charge							
1	Withdrawal				2,108,000		$0.0153	$32,252
2	Injection				795,000		$0.0153	$12,164
3	Net Withdrawals: gas cost includes pipeline fuel and commodity charges				1,313,000		$12.04	$15,808,520
	Total							
4	Volume	= 3			1,313,000			
5	Cost	sum(1:3)						$15,852,936
6	Summary	4 or 5			1,313,000			$15,852,936
	Flowing Supply							
	Excludes volumes injected into or withdrawn from storage.							
	Net of pipeline retention volumes and cost. Add unit retention cost on line 17							
7	Non-Appalachian		Sch.1, Sht. 5, Ln. 4		3,893,000			$35,792,243
8	Appalachian Supplies		Sch.1, Sht. 6, Ln. 4		185,000			$1,743,000
9	Less Fuel Retention By Interstate Pipelines		Sch. 1,Sheet 7, Lines 21, 22		(172,000)			($1,700,137)
10	Total	7 + 8 + 9			3,906,000			$35,835,106
	Total Supply							
11	At City-Gate		Line 6 + 10		5,219,000			$51,688,042
	Lost and Unaccounted For							
12	Factor				-0.9%			
13	Volume		Line 11 * 12		(46,971)			
14	At Customer Meter		Line 11 + 13		5,172,029			
15	**Sales Volume**		Line 14	4,900,075	5,172,029			
	Unit Costs $/MCF							
	Commodity Cost							
16	Excluding Cost of Pipeline Retention		Line 11 / Line 15			$10.5484		
17	Annualized Unit Cost of Retention		Sch. 1,Sheet 7, Line 24			$0.5700		
18	Including Cost of Pipeline Retention		Line 16 + 17			$11.1184		
19	Demand Cost		Sch.1, Sht. 2, Line 9			$1.2173		
20	Total Expected Gas Cost (EGC)		Line 18 + 19			$12.3357		

A/ BTU Factor = 1.0555 Dth/MCF

Columbia Gas of Kentucky, Inc.
GCA Unit Demand Cost
Feb 2006 - Apr 2006

Schedule No. 1
Sheet 2

Line No.	Description		Reference		
1	Expected Demand Cost: Annual Feb 2006 - Jan 2007		Sch. No.1, Sheet 3, Ln. 41	$20,085,750	
2	Less Rate Schedule IS/SS and GSO Customer Demand Charge Recovery		Sch. No.1, Sheet 4, Ln. 10	-$492,692	
3	Less Storage Service Recovery from Delivery Service Customers			-$199,022	
4	Net Demand Cost Applicable	1 + 2 + 3		$19,394,036	
	Projected Annual Demand: Sales + Choice February 2006 - January 2007				
	At city-gate				
	In Dth			16,969,000	Dth
	Heat content			1.0555	Dth/MCF
5	In MCF			16,076,741	MCF
	Lost and Unaccounted - For				
6	Factor			0.9%	
7	Volume	5 * 6		144,691	MCF
8	At Customer Meter	5 - 7		15,932,050	MCF
9	Unit Demand Cost (7 / 10)	To Sheet 1, line 19		$1.2173	per MCF

Columbia Gas of Kentucky, Inc. Schedule No. 1
Annual Demand Cost of Interstate Pipeline Capacity Sheet 3
Feb 2006 - Jan 2007

Line No.	Description		Dth	Monthly Rate $/Dth	# Months	Expected Annual Demand Cost
	Columbia Gas Transmission Corporation					
	Firm Storage Service (FSS)					
1	FSS Max Daily Storage Quantity (MDSQ)		220,880	$1.5000	12	$3,975,840
2	FSS Seasonal Contract Quantity (SCQ)		11,264,911	$0.0288	12	$3,893,153
	Storage Service Transportation (SST)					
3	Summer	Apr 06 - Sept. 06	110,440	$4.1850	6	$2,773,148
4	Winter	Feb.- Mar 06; Oct. 06 - Jan. 07	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)				$17,623,682
	Columbia Gulf Transmission Company					
11	FTS - 1 (Mainline)		28,991	$3.1450	12	$1,094,120
	Tennessee Gas					
21	Firm Transportation		20,506	$4.6238	12	$1,137,788
	Central Kentucky Transmission (pending FERC approval; replaced by TCO FTS for 05-06 heating season)					
31	Firm Transportation	Feb. - Mar06	28,000	$1.5300	2	$85,680
		Apr. 06 - Jan. 07	28,000	$0.5160	10	$144,480
41	**Total.** Used on Sheet 2, line 1					$20,085,750

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
Feb 2006 - Apr 2006

Line No.	Description		Capacity: Daily Dth (1)	# Months (2)	Annualized Dth (3) = (1) x (2)	Units	Annual Cost (3)
1	Expected Demand Costs (Per Sheet 3)						$20,085,750
	City-Gate Capacity:						
	Columbia Gas Transmission						
2	Firm Storage Service - FSS		220,880	12	2,650,560		
3	Firm Transportation Service - FTS		20,014	12	240,168		
4	Central Kentucky Transportation	Feb. 06 - Jan. 07	28,000	12	336,000		
5	Total	2 + 3 + 4			3,226,728	Dth	
6	Divided by Average BTU Factor				1.0555	Dth/MCF	
7	Total Capacity - Annualized	Line 5/ Line 6			3,057,061	Mcf	
8	Monthly Unit Expected Demand Cost (EDC) of Daily Capacity Applicable to Rate Schedules IS/SS and GSO Line 1 / Line 7				$6.5703	/Mcf	
9	Firm Volumes of IS/SS and GSO Customers		6,249	12	74,988	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		$492,692

Columbia Gas of Kentucky, Inc.
Non-Appalachian Supply: Volume and Cost
Feb 2006 - Apr 2006

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.

		Total Flowing Supply Including Gas Injected Into Storage				Net Flowing Supply for Current Consumption	
Line No.	Month	Volume A/ Dth (1)	Cost (2)	Unit Cost $/Dth (3) = (2) / (1)	Net Storage Injection Dth (4)	Volume Dth (5) = (1) + (4)	Cost (6) = (3) x (5)
1	Feb-06	795,000	$7,295,000	$9.18	999,000	1,794,000	$16,461,925
2	Mar-06	291,000	$2,623,000	$9.01	1,066,000	1,357,000	$12,231,653
3	Apr-06	1,494,000	$14,293,000	$9.57	(752,000)	742,000	$7,098,665
4	Total 1+2+3	2,580,000	$24,211,000	$9.38	1,313,000	3,893,000	$35,792,243

A/ Gross, before retention.

Columbia Gas of Kentucky, Inc.
Appalachian Supply: Volume and Cost
Feb 2006 - Apr 2006

Schedule No. 1
Sheet 6

Line No.	Month		Dth (2)	Cost (3)
1	Feb-06		71,000	$668,000
2	Mar-06		69,000	$647,000
3	Apr-06		45,000	$428,000
4	Total	1 + 2 + 3	185,000	$1,743,000

Columbia Gas of Kentucky, Inc.
Annualized Unit Charge for Gas Retained by Upstream Pipelines
Feb 2006 - Apr 2006

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.

			Units	Feb 2006 - Apr 2006	May - July 06	Aug - Oct 06	November 2006 - January 2007	Annual Feb 2006 - Jan 2007
	Gas purchased by CKY for the remaining sales customers							
1	Volume		Dth	2,765,000	3,959,000	3,463,000	1,425,000	11,612,000
2	Commodity Cost Including Transportation			$25,954,000	$38,426,000	$34,216,000	$16,183,000	$114,779,000
3	Unit cost		$/Dth					$9.8845
	Consumption by the remaining sales customers							
11	At city gate		Dth	3,904,000	824,000	1,066,000	5,214,000	11,008,000
12	Lost and unaccounted for portion			0.90%	0.90%	0.90%	0.90%	
	At customer meters							
13	In Dth	(100% - 12) * 11	Dth	3,868,864	816,584	1,056,406	5,167,074	10,908,928
14	Heat content		Dth/MCF	1.0555	1.0555	1.0555	1.0555	
15	In MCF	13 / 14	MCF	3,665,432	773,647	1,000,858	4,895,380	10,335,318
16	Portion of annual	line 15, quarterly / annual		35.5%	7.5%	9.7%	47.4%	100.0%
	Gas retained by upstream pipelines							
21	Volume		Dth	172,000	132,000	122,000	170,000	596,000
	Cost			To Sheet 1, line 9				
22	Quarterly. Deduct from Sheet 1	3 * 21		$1,700,137	$1,304,756	$1,205,911	$1,680,368	$5,891,172
23	Allocated to quarters by consumption			$2,089,311	$440,982	$570,493	$2,790,386	$5,891,172
				To Sheet 1, line 17				
24	Annualized unit charge	23 / 15	$/MCF	$0.5700	$0.5700	$0.5700	$0.5700	$0.5700

COLUMBIA GAS OF KENTUCKY, INC.

Schedule No. 1
Sheet 8

DETERMINATION OF THE BANKING AND BALANCING CHARGE
FOR THE PERIOD BEGINNING FEBRUARY 2006

Line No.	Description	Dth	Detail	Amount For Transportation Customers
1	Total Storage Capacity. Sheet 3, line 4	11,264,911		
2	Net Transportation Volume	10,238,103		
3	Contract Tolerance Level @ 5%	511,905		
4	Percent of Annual Storage Applicable			
5	to Transportation Customers		4.54%	
6	Seasonal Contract Quantity (SCQ)			
7	Rate		$0.0288	
8	SCQ Charge - Annualized		$3,893,153	
9	Amount Applicable To Transportation Customers			**$176,749**
10	FSS Injection and Withdrawal Charge			
11	Rate		0.0306	
12	Total Cost		$344,706	
13	Amount Applicable To Transportation Customers			**$15,650**
14	SST Commodity Charge			
15	Rate		0.0157	
16	Total Cost		$145,894	
17	Amount Applicable To Transportation Customers			**$6,624**
18	Total Cost Applicable To Transportation Customers			**$199,022**
19	Total Transportation Volume - Mcf			17,883,000
20	Flex and Special Contract Transportation Volume - Mcf			(8,183,234)
21	Net Transportation Volume - Mcf	line 19 + line 20		9,699,766
22	Banking and Balancing Rate - Mcf.	Line 18 / line 21. To line 11 of the GCA Comparison		**$0.0205**

DETAIL SUPPORTING

DEMAND/COMMODITY SPLIT

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)	$1.2173	
Demand ACA (Schedule No. 2, Sheet 1, Line 23)	0.1526	
Refund Adjustment (Schedule No. 4)	-0.0171	
SAS Refund Adjustment (Schedule No. 5)	-0.0001	
Total Demand Rate per Mcf	$1.3527	<--- to Att. E, line 21
Commodity Component of Gas Cost Adjustment		
Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 18)	$11.1184	
Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	-$0.8559	
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	$0.0051	
Total Commodity Rate per Mcf	$10.2676	
CHECK:	$1.3527	
	$10.2676	
COST OF GAS TO TARIFF CUSTOMERS (GCA)	$11.6203	
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)	$0.0051	
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
Feb 2006 - Apr 2006

Line No.	Description		Contract Volume Dth Sheet 3 (1)	Retention (2)	Monthly demand charges $/Dth Sheet 3 (3)	# months A/ (4)	Assignment proportions lines 4, 5 (5)	Adjustment for retention on downstream pipe, if any (6) = 1 / (100%-col2)	Annual costs $/Dth (7) = 3 * 4 * 5 * 6	Annual costs $/MCF
	City gate capacity assigned to Choice marketers									
	Contract									
1	CKT FTS/SST		28,000	1.000%						
2	TCO FTS		20,014	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				$1.5300	2	0.5832	1.0000	$1.7845	
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								$80.5188	$84.9474
17	100% Load Factor Rate (16 / 365 days)									$0.2327
	Balancing charge, paid by Choice marketers									
21	Demand Cost Recovery Factor in GCA, per Mcf per CKY Tariff Sheet No. 5									$1.3527
22	Less credit for cost of assigned capacity									($0.2327)
23	Plus storage commodity costs incurred by CKY for the Choice marketer									$0.1213
24	Balancing Charge, per Mcf sum(21:23)									$1.2412

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

PIPELINE COMPANY TARIFF SHEETS

Currently Effective Rates
Applicable to Rate Schedule FTS and NTS
Rate Per Dth

		Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current	Transportation Cost Rate Adjustment Surcharge	Electric Power Costs Adjustment Current	Electric Power Costs Adjustment Surcharge	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule FTS									
Reservataion Charge 3/	$	5.575	0.375	-0.011	0.036	0.001	-	5.976	0.196
Commodity									
Maximum	¢	1.04	0.23	-0.11	0.27	-0.02	0.18	1.59	1.59
Minimum	¢	1.04	0.23	-0.11	0.27	-0.02	0.18	1.59	1.59
Overrun	¢	19.37	1.46	-0.15	0.39	-0.02	0.18	21.23	21.23
Rate Schedule NTS									
Reservation Charge 3/	$	7.085	0.375	-0.011	0.036	0.001	-	7.486	0.246
Commodity									
Maximum	¢	1.04	0.23	-0.11	0.27	-0.02	0.18	1.59	1.59
Minimum	¢	1.04	0.23	-0.11	0.27	-0.02	0.18	1.59	1.59
Overrun	¢	24.33	1.46	-0.15	0.39	-0.02	0.18	26.19	26.19

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.

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

		Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current	Transportation Cost Rate Adjustment Surcharge	Electric Power Costs Adjustment Current	Electric Power Costs Adjustment Surcharge	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule SST									
Reservation Charge 3/	$	5.405	0.375	-0.011	0.036	0.001	-	5.806	0.191
Commodity									
Maximum	¢	1.02	0.23	-0.11	0.27	-0.02	0.18	1.57	1.57
Minimum	¢	1.02	0.23	-0.11	0.27	-0.02	0.18	1.57	1.57
Overrun	¢	18.79	1.46	-0.15	0.39	-0.02	0.18	20.65	20.65
Rate Schedule GTS									
Commodity									
Maximum	¢	74.23	2.70	-0.18	0.51	-0.01	0.18	77.43	77.43
Minimum	¢	3.08	0.23	-0.18	0.27	-0.01	0.18	3.57	3.57
MFCC	¢	71.15	2.47	0.00	0.24	0.00	-	73.86	73.86

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.

Currently Effective Rates
Applicable to Rate Schedule FSS, ISS, and SIT
Rate Per Dth

		Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current	Transportation Cost Rate Adjustment Surcharge	Electric Power Costs Adjustment Current	Electric Power Costs Adjustment Surcharge	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule FSS									
Reservation Charge	$	1.500	-	-	-	-	-	1.500	0.049
Capacity	¢	2.88	-	-	-	-	-	2.88	2.88
Injection	¢	1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢	1.53	-	-	-	-	-	1.53	1.53
Overrun	¢	10.87	-	-	-	-	-	10.87	10.87
Rate Schedule ISS									
Commodity									
Maximum	¢	5.92	-	-	-	-	-	5.92	5.92
Minimum	¢	0.00	-	-	-	-	-	0.00	0.00
Injection	¢	1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢	1.53	-	-	-	-	-	1.53	1.53
Rate Schedule SIT									
Commodity									
Maximum	¢	4.11	-	-	-	-	-	4.11	4.11
Minimum	¢	1.53	-	-	-	-	-	1.53	1.53

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.
2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

Currently Effective Rates
Applicable to Rate Schedule FTS-1
Rates per Dth

	Base Rate (1) $	Annual Charge Adjustment (2) $ 1/	Subtotal (3) $	Total Effective Rate (4) $	Daily Rate (5) $	Company Use and Unaccounted For (6) %
Rate Schedule FTS-1						
Rayne, LA To Points North						
Reservation Charge 2/	3.1450	-	3.1450	3.1450	0.1034	-
Commodity						
Maximum	0.0170	0.0018	0.0188	0.0188	0.0188	1.683
Minimum	0.0170	0.0018	0.0188	0.0188	0.0188	1.683
Overrun	0.1204	0.0018	0.1222	0.1222	0.1222	1.683

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).

PROPOSED TARIFF SHEETS

COLUMBIA GAS OF KENTUCKY, INC. P.S.C. Ky. No. 5

CURRENTLY EFFECTIVE BILLING RATES

	Base Rate Charge $	Gas Cost Adjustment[1/] Demand $	Commodity $	Total Billing Rate $	
RATE SCHEDULE GSR					
First 1 Mcf or less	6.95	1.3527	10.2676	18.5703	R
Over 1 Mcf	1.8715	1.3527	10.2676	13.4918	R
RATE SCHEDULE GSO					
Commercial or Industrial					
First 1 Mcf or less	18.88	1.3527	10.2676	30.5003	R
Next 49 Mcf	1.8715	1.3527	10.2676	13.4918	R
Next 350 Mcf	1.8153	1.3527	10.2676	13.4356	R
Next 600 Mcf	1.7296	1.3527	10.2676	13.3499	R
Over 1000 Mcf	1.5802	1.3527	10.2676	13.2005	R
Delivery Service					
Administrative Charge	55.90			55.90	
Standby Service Demand Charge					
Demand Charge times Daily Firm Vol. (Mcf) in Cust. Serv. Agrmt.		6.5703		6.5703	R
Delivery Rate Per Mcf					
First 400 Mcf	1.8153			1.8153	
Next 600 Mcf	1.7296			1.7296	
All Over 1000 Mcf	1.5802			1.5802	
Former IN8 Rate Per Mcf	1.0575			1.0575	
Banking and Balancing Service		0.0205		0.0205	

(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. The Gas Cost Adjustment applicable to a customer who is receiving service under Rate Schedule GS, IN6, or IUS and received service under Rate Schedule SVGTS shall be $12.3357 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS T R

R – Reduction I – Increase T - Text

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January 31, 2006

ISSUED BY: Joseph W. Kelly President

COLUMBIA GAS OF KENTUCKY, INC. P.S.C. Ky. No. 5

CURRENTLY EFFECTIVE BILLING RATES

(Continued)

	Base Rate Charge $	Gas Cost Adjustment[1/] Demand $	Gas Cost Adjustment[1/] Commodity $	Total Billing Rate $	
RATE SCHEDULE GPR[3/]					
First 1 Mcf or less	6.95	N/A	N/A	N/A	
Over 1 Mcf	1.8715	N/A	N/A	N/A	
RATE SCHEDULE GPO[3/]					
Commercial or Industrial					
First 1 Mcf or less	18.88	N/A	N/A	N/A	
Next 49 Mcf	1.8715	N/A	N/A	N/A	
Next 350 Mcf	1.8153	N/A	N/A	N/A	
Next 600 Mcf	1.7296	N/A	N/A	N/A	
Over 1000 Mcf	1.5802	N/A	N/A	N/A	
RATE SCHEDULE IS					
Customer Charge per Mo.	116.55			116.55	
First 30,000 Mcf	0.5467		10.2676 [2/]	10.8143	R
Over 30,000 Mcf	0.2905		10.2676 [2/]	10.5581	R
Standby Service Demand Charge					
Demand Charge times Daily Firm Volume (Mcf) in Customer Service Agreement		6.5703		6.5703	R
Delivery Service1					
Administrative Charge	55.90			55.90	
First 30,000 Mcf	0.5467				
Over 30,000 Mcf	0.2905			0.2905	
Banking and Balancing Service	0.0205			0.0205	

(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.
2/ IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.
3/ Currently, there are no customers on this rate schedule.

R – Reduction I - Increase

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President

CURRENTLY EFFECTIVE BILLING RATES

(Continued)

	Base Rate Charge $	Gas Cost Adjustment[1/] Demand $	Gas Cost Adjustment[1/] Commodity $	Total Billing Rate $	
RATE SCHEDULE IUS					
For All Volumes Delivered Per Mcf	0.3038	1.3527	10.2676	11.9241	R
Delivery Service					
Administrative Charge	55.90			55.90	
Delivery Rate Per Mcf	0.3038	1.3527		1.6565	I
Banking and Balancing Service		0.0205		0.0205	
MAINLINE DELIVERY SERVICE					
Administrative Charge	55.90			55.90	
Delivery Rate Per Mcf	0.0858			0.0858	
Banking and Balancing Service		0.0205		0.0205	

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.

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CURRENTLY EFFECTIVE BILLING RATES

RATE SCHEDULE SVGTS	Delivery Charge per Mcf
General Service Residential	
First 1 Mcf or less	$ 6.95 (Minimum Bill)
Over 1 Mcf	1.8715
General Service Other	
First 1 Mcf or less	$18.88 (Minimum Bill)
Next 49 Mcf	1.8715
Next 350 Mcf	1.8153
Next 600 Mcf	1.7296
Over 1000 Mcf	1.5802
Intrastate Utility Service	
For all volumes	$ 0.038
Actual Gas Cost Adjustment	
For all volumes	$ (0.8508)
Rate Schedule SVAS	
Balancing Charge – per Mcf	$ 1.2412 I

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