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COMMISSION

Columbia Gas<sup>®</sup>  
of Kentucky

A NiSource Company

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

February 10, 2006

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

Re: Columbia Gas of Kentucky, Inc.  
Gas Cost Adjustment Case No. 2006 - 00062

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 its March quarterly Gas Cost Adjustment ("GCA").

Columbia proposes to decrease its current rates to tariff sales customers by \$0.5793 per Mcf effective with its March 2006 billing cycle on March 1, 2006. The decrease is composed of a decrease of \$0.5609 per Mcf in the Average Commodity Cost of Gas, a decrease of \$0.0032 per Mcf in the Average Demand Cost of Gas, a decrease of \$0.0077 per Mcf in the Balancing Adjustment, and an increase of \$(0.0075) per Mcf in the Refund Adjustment.

Due to the short period of time between Columbia's previous interim adjustment and this quarterly filing, Columbia respectfully requests a waiver of the 30-day filing requirement so that the adjustment may be effective on twenty days notice beginning with Columbia's March billing cycle on March 1, 2006.

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 2006-

GAS COST ADJUSTMENT AND REVISED RATES OF  
COLUMBIA GAS OF KENTUCKY, INC. PROPOSED TO BECOME  
EFFECTIVE MARCH 2006 BILLINGS

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

Line No.	February-06 <u>CURRENT</u>	March-06 <u>PROPOSED</u>	<u>DIFFERENCE</u>	
1	Commodity Cost of Gas	\$11.1184	\$10.5575	(\$0.5609)
2	Demand Cost of Gas	<u>\$1.2173</u>	<u>\$1.2141</u>	<u>(\$0.0032)</u>
3	Total: Expected Gas Cost (EGC)	\$12.3357	\$11.7716	(\$0.5641)
4	SAS Refund Adjustment	(\$0.0001)	(\$0.0001)	\$0.0000
5	Balancing Adjustment	\$0.0051	(\$0.0026)	(\$0.0077)
6	Supplier Refund Adjustment	(\$0.0171)	(\$0.0246)	(\$0.0075)
7	Actual Cost Adjustment	(\$0.7033)	(\$0.7033)	\$0.0000
8	Take-or-Pay Refund (TOP) Adjustment	<u>\$0.0000</u>	<u>\$0.0000</u>	<u>\$0.0000</u>
9	Cost of Gas to Tariff Customers (GCA)	\$11.6203	\$11.0410	(\$0.5793)
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	\$6.5703	\$6.5610	(\$0.0093)

**Columbia Gas of Kentucky, Inc.**  
**Gas Cost Adjustment Clause**  
**Gas Cost Recovery Rate**  
**Mar - May 2006**

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC) Schedule No. 1	\$11.7716	
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. 2006-	(\$0.0124)	02-28-07
	Schedule No. 4 Case No. 2005-00318	(\$0.0001)	11-30-06
	Schedule No. 4 Case No. 2005-00179	(\$0.0121)	05-31-06
	Total Refunds	<u>(\$0.0246)</u>	
5	Balancing Adjustment (BA) Schedule No. 3	(\$0.0026)	8-31-06
6	Take - or - Pay Refund Adjustment	\$0.0000	
7	Gas Cost Adjustment		
8	Mar - May 2006	<u>\$11.0410</u>	
9	Expected Demand Cost (EDC) per Mcf		
10	(Applicable to Rate Schedule IS/SS and GSO) Schedule No. 1, Sheet 4	<u>\$6.5610</u>	

**DATE FILED: February 10, 2006**

**BY: J. M. Cooper**

**Columbia Gas of Kentucky, Inc.**  
**Expected Gas Cost for Sales Customers**  
**Mar - May 2006**

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			1,074,000		\$0.0153	\$16,432
2	Injection			1,823,000		\$0.0153	\$27,892
3	Withdrawals: gas cost includes pipeline fuel and commodity charges			1,074,000		\$9.68	\$10,391,057
Total							
4	Volume	= 3		1,074,000			
5	Cost	sum(1:3)					\$10,435,382
6	Summary	4 or 5		1,074,000			\$10,435,382
<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		2,506,000			\$23,248,316
8	Appalachian Supplies	Sch.1, Sht. 6, Ln. 4		145,000			\$1,367,000
9	Less Fuel Retention By Interstate Pipelines	Sch. 1,Sheet 7, Lines 21, 22		(146,000)			(\$1,464,037)
10	Total	7 + 8 + 9		2,505,000			\$23,151,279
<b>Total Supply</b>							
11	At City-Gate	Line 6 + 10		3,579,000			\$33,586,660
Lost and Unaccounted For							
12	Factor			-0.9%			
13	Volume	Line 11 * 12		(32,211)			
14	At Customer Meter	Line 11 + 13		3,546,789			
15	<b>Sales Volume</b>	Line 14	3,360,293	3,546,789			
<b>Unit Costs \$/MCF</b>							
Commodity Cost							
16	Excluding Cost of Pipeline Retention	Line 11 / Line 15				\$9.9952	
17	Annualized Unit Cost of Retention	Sch. 1,Sheet 7, Line 24				<u>\$0.5623</u>	
18	Including Cost of Pipeline Retention	Line 16 + 17				\$10.5575	
19	Demand Cost	Sch.1, Sht. 2, Line 9				<u>\$1.2141</u>	
20	Total Expected Gas Cost (EGC)	Line 18 + 19				\$11.7716	

A/ BTU Factor = 1.0555 Dth/MCF

**Columbia Gas of Kentucky, Inc.**  
**GCA Unit Demand Cost**  
**Mar - May 2006**

Schedule No. 1  
 Sheet 2

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	
1	Expected Demand Cost: Annual Mar 2006 - Feb 2007	Sch. No.1, Sheet 3, Ln. 41	\$20,057,358
2	Less Rate Schedule IS/SS and GSO Customer Demand Charge Recovery	Sch. No.1, Sheet 4, Ln. 10	-\$491,996
3	Less Storage Service Recovery from Delivery Service Customers		-\$199,461
4	Net Demand Cost Applicable 1 + 2 + 3		\$19,365,902
	Projected Annual Demand: Sales + Choice February 2006 - January 2007		
	At city-gate		
	In Dth		16,989,000 Dth
	Heat content		1.0555 Dth/MCF
5	In MCF		16,095,689 MCF
	Lost and Unaccounted - For		
6	Factor		0.9%
7	Volume 5 * 6		<u>144,861</u> MCF
8	At Customer Meter 5 - 7		15,950,828 MCF
9	Unit Demand Cost (7 / 10) To Sheet 1, line 19		\$1.2141 per MCF

**Columbia Gas of Kentucky, Inc.**  
**Annual Demand Cost of Interstate Pipeline Capacity**  
**Mar 2006 - Feb 2007**

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	\$1.5000	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 Mar 06; Oct. 06 - Feb. 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
<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> (pending FERC approval; replaced by TCO FTS for 05-06 heating season)					
31	Firm Transportation	28,000	\$1.5300	1	\$42,840
	Mar06	28,000	\$0.5160	11	\$158,928
	Apr. 06 - Feb. 07				
41	<b>Total.</b> Used on Sheet 2, line 1				\$20,057,358

**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**

Mar - May 2006

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)					\$20,057,358
	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 Mar. 06 - Feb. 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	
	Monthly Unit Expected Demand Cost (EDC) of Daily Capacity					
8	Applicable to Rate Schedules IS/SS and GSO Line 1 / Line 7			\$6.5610	/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	\$491,996

**Columbia Gas of Kentucky, Inc.**  
**Non-Appalachian Supply: Volume and Cost**  
**Mar - May 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.

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	Mar-06	291,000	\$2,623,000	\$9.01	1,066,000	1,357,000	\$12,231,653
2	Apr-06	1,494,000	\$14,293,000	\$9.57	(752,000)	742,000	\$7,098,665
3	May-06	1,470,000	\$14,151,000	\$9.63	(1,063,000)	407,000	\$3,917,998
4	Total 1+2+3	3,255,000	\$31,067,000	\$9.54	(749,000)	2,506,000	\$23,248,316

A/ Gross, before retention.

**Columbia Gas of Kentucky, Inc.**  
**Appalachian Supply: Volume and Cost**  
**Mar - May 2006**

Schedule No. 1  
Sheet 6

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Dth</u> <u>(2)</u>	<u>Cost</u> <u>(3)</u>
1	Mar-06	69,000	\$647,000
2	Apr-06	45,000	\$428,000
3	May-06	31,000	\$292,000
4	Total    1 + 2 + 3	145,000	\$1,367,000

**Columbia Gas of Kentucky, Inc.**  
**Annualized Unit Charge for Gas Retained by Upstream Pipelines**  
**Mar - May 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	Mar - May 2006	June - Aug 06	Sept - Nov 06	2006 - February 2007	Annual Mar 2006 - Feb 2007
Gas purchased by CKY for the remaining sales customers							
1	Volume	Dth	3,400,000	3,661,000	2,512,000	1,710,000	11,283,000
2	Commodity Cost Including Transportation		\$32,434,000	\$35,839,000	\$25,034,000	\$19,835,000	\$113,142,000
3	Unit cost	\$/Dth					\$10.0277
Consumption by the remaining sales customers							
11	At city gate	Dth	2,500,000	676,000	1,953,000	5,907,000	11,036,000
12	Lost and unaccounted for portion		0.90%	0.90%	0.90%	0.90%	
At customer meters							
13	In Dth (100% - 12) * 11	Dth	2,477,500	669,916	1,935,423	5,853,837	10,936,676
14	Heat content	Dth/MCF	1.0555	1.0555	1.0555	1.0555	
15	In MCF 13 / 14	MCF	2,347,229	634,691	1,833,655	5,546,032	10,361,607
16	Portion of annual line 15, quarterly / annual		22.7%	6.1%	17.7%	53.5%	100.0%
Gas retained by upstream pipelines							
21	Volume	Dth	146,000	124,000	117,000	194,000	581,000
Cost							
22	Quarterly. Deduct from Sheet 1 3 * 21		To Sheet 1, line 9 \$1,464,037	\$1,243,429	\$1,173,235	\$1,945,365	\$5,826,066
23	Allocated to quarters by consumption		\$1,319,787	\$356,870	\$1,031,017	\$3,118,392	\$5,826,066
24	Annualized unit charge 23 / 15	\$/MCF	To Sheet 1, line 17 \$0.5623	\$0.5623	\$0.5623	\$0.5623	\$0.5623

**COLUMBIA GAS OF KENTUCKY, INC.**

Schedule No. 1

Sheet 8

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

<b>Line No.</b>	<b>Description</b>	<b>Dth</b>	<b>Detail</b>	<b>Amount For Transportation Customers</b>
1	Total Storage Capacity. Sheet 3, line 4	11,264,911		
2	Net Transportation Volume	10,260,617		
3	Contract Tolerance Level @ 5%	513,031		
4	Percent of Annual Storage Applicable to Transportation Customers		4.55%	
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>\$177,138</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>\$15,684</b>
14	SST Commodity Charge			
15	Rate		0.0157	
16	Total Cost		<u>\$145,894</u>	
17	Amount Applicable To Transportation Customers			<b>\$6,638</b>
18	Total Cost Applicable To Transportation Customers			<b><u>\$199,461</u></b>
19	Total Transportation Volume - Mcf			17,883,000
20	Flex and Special Contract Transportation Volume - Mcf			(8,161,904)
21	Net Transportation Volume - Mcf	line 19 + line 20		9,721,096
22	Banking and Balancing Rate - Mcf.	Line 18 / line 21. To line 11 of the GCA Comparison		<b><u>\$0.0205</u></b>

BALANCING ADJUSTMENT

**COLUMBIA GAS OF KENTUCKY, INC.**

**CALCULATION OF BALANCING ADJUSTMENT  
TO BE EFFECTIVE MARCH 1, 2006**

<b><u>Line No.</u></b>	<b><u>Description</u></b>	<b><u>Detail</u></b> \$	<b><u>Amount</u></b> \$
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. 2004-00299	(\$3,504)	
4	Less: actual amount distributed	<u>(\$2,929)</u>	
5	REMAINING AMOUNT		(\$574)
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. 2004-00428	(\$4,786)	
9	Less: actual amount distributed	<u>(\$3,960)</u>	
10	REMAINING AMOUNT		(\$826)
11	<b><u>RECONCILIATION OF A PREVIOUS SAS REFUND ADJUSTMENT (a)</u></b>		
12	Total adjustment to have been distributed to		
13	customers in Case No. 2004-00299	(\$2,424)	
14	Less: actual amount distributed	<u>(\$1,953)</u>	
15	REMAINING AMOUNT		(\$471)
16	<b><u>RECONCILIATION OF A PREVIOUS BALANCING ADJUSTMENT (a)</u></b>		
17	Total adjustment to have been collected from		
17	customers in Case No. 2005-00051	\$812,069	
18	Less: actual amount collected	<u>\$862,334</u>	
19	REMAINING AMOUNT		(\$50,265)
20	<b><u>RECONCILIATION OF PREVIOUS ACTUAL COST ADJUSTMENT (a)</u></b>		
21	Total adjustment to have been collected from		
22	customers in Case No. 2004-00299	\$1,162,211	
23	Less: actual amount collected	<u>\$1,117,935</u>	Mcf
24	REMAINING AMOUNT		<u>\$44,276</u>
25	<b>TOTAL BALANCING ADJUSTMENT AMOUNT</b>		<b><u><u>(\$7,860)</u></u></b>
26	Divided by: projected sales volumes for the six months		
27	ended August 31, 2006		2,981,919
28	<b>BALANCING ADJUSTMENT (BA) TO</b>		
29	<b>    EXPIRE AUGUST 31, 2006</b>		<b><u><u>\$ (0.0026)</u></u></b>

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

Case No. 2004-00299

Expires 08/31/05

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$3,503.52)
September 2004	196,708	(\$0.0003)	(\$59.01)	(\$3,444.51)
October 2004	269,903	(\$0.0003)	(\$80.97)	(\$3,363.54)
November 2004	512,424	(\$0.0003)	(\$153.73)	(\$3,209.81)
December 2004	1,233,450	(\$0.0003)	(\$370.04)	(\$2,839.77)
January 2005	1,836,577	(\$0.0003)	(\$550.97)	(\$2,288.80)
February 2005	1,835,325	(\$0.0003)	(\$550.60)	(\$1,738.20)
March 2005	1,648,116	(\$0.0003)	(\$494.43)	(\$1,243.77)
April 2005	1,060,810	(\$0.0003)	(\$318.24)	(\$925.53)
May 2005	494,629	(\$0.0003)	(\$148.39)	(\$777.14)
June 2005	264,598	(\$0.0003)	(\$79.38)	(\$697.76)
July 2005	181,900	(\$0.0003)	(\$54.57)	(\$643.19)
August 2005	182,931	(\$0.0003)	(\$54.88)	(\$588.31)
September 2005	46,251	(\$0.0003)	(\$13.88)	(\$574.43)
			(\$2,929.09)	

SUMMARY:

REFUND AMOUNT (\$3,503.52)

AMOUNT ACTUALLY REFUNDED (\$2,929.09)

TOTAL REMAINING TO BE  
 COLLECTED (\$574.43)

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

Case No. 2004-00428

Expires 11/31/05

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$4,786.00)
December 2004	1,235,947	(\$0.0004)	(\$494.38)	(\$4,291.62)
January 2005	1,836,577	(\$0.0004)	(\$734.63)	(\$3,556.99)
February 2005	1,835,325	(\$0.0004)	(\$734.13)	(\$2,822.86)
March 2005	1,648,116	(\$0.0004)	(\$659.25)	(\$2,163.61)
April 2005	1,060,810	(\$0.0004)	(\$424.32)	(\$1,739.29)
May 2005	494,629	(\$0.0004)	(\$197.85)	(\$1,541.44)
June 2005	264,598	(\$0.0004)	(\$105.84)	(\$1,435.60)
July 2005	181,900	(\$0.0004)	(\$72.76)	(\$1,362.84)
August 2005	182,931	(\$0.0004)	(\$73.17)	(\$1,289.67)
September 2005	230,694	(\$0.0004)	(\$92.28)	(\$1,197.39)
October 2005	238,197	(\$0.0004)	(\$95.28)	(\$1,102.11)
November 2005	681,321	(\$0.0004)	(\$272.53)	(\$829.58)
December 2005	8,737	(\$0.0004)	(\$3.49)	(\$826.09)
			(\$3,959.91)	

SUMMARY:

REFUND AMOUNT	(\$4,786.00)
AMOUNT ACTUALLY REFUNDED	(\$3,959.91)
TOTAL REMAINING TO BE COLLECTED	<u>(\$826.09)</u>

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

2004-00299

Expires August 31, 2005

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$2,423.85)
September 2004	196,708	(\$0.0002)	(\$39.34)	(\$2,384.51)
October 2004	269,903	(\$0.0002)	(\$53.98)	(\$2,330.53)
November 2004	512,424	(\$0.0002)	(\$102.48)	(\$2,228.04)
December 2004	1,233,450	(\$0.0002)	(\$246.69)	(\$1,981.35)
January 2005	1,836,577	(\$0.0002)	(\$367.32)	(\$1,614.04)
February 2005	1,835,325	(\$0.0002)	(\$367.07)	(\$1,246.97)
March 2005	1,648,116	(\$0.0002)	(\$329.62)	(\$917.35)
April 2005	1,060,810	(\$0.0002)	(\$212.16)	(\$705.19)
May 2005	494,629	(\$0.0002)	(\$98.93)	(\$606.26)
June 2005	264,598	(\$0.0002)	(\$52.92)	(\$553.34)
July 2005	181,900	(\$0.0002)	(\$36.38)	(\$516.96)
August 2005	182,931	(\$0.0002)	(\$36.59)	(\$480.38)
September 2005	46,251	(\$0.0002)	(\$9.25)	(\$471.13)
			(\$1,952.72)	

SUMMARY:

REFUND AMOUNT (\$2,423.85)

AMOUNT ACTUALLY REFUNDED (\$1,952.72)

TOTAL REMAINING TO BE  
REFUNDED (\$471.13)

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

Case No. 2005-00051

Expires: 09/31/05	<u>Volume</u>	<u>Surcharge Rate</u>	<u>Surcharge Amount</u>	<u>Surcharge Balance</u>
Beginning Balance				\$812,069.00
March 2005	1,635,850	\$0.2230	\$364,794.55	\$447,274.45
April 2005	1,060,810	\$0.2230	\$236,560.63	\$210,713.82
May 2005	494,629	\$0.2230	\$110,302.27	\$100,411.55
June 2005	264,598	\$0.2230	\$59,005.35	\$41,406.20
July 2005	181,900	\$0.2230	\$40,563.70	\$842.50
August 2005	182,931	\$0.2230	\$40,793.61	(\$39,951.11)
September 2005	46,251	\$0.2230	\$10,313.97	(\$50,265.09)
<b>TOTAL SURCHARGE COLLECTED</b>			<b>\$862,334.09</b>	

**SUMMARY:**

SURCHARGE AMOUNT	\$812,069.00
AMOUNT ACTUALLY COLLECTED	<u>\$862,334.09</u>
AMOUNT TO BE COLLECTED	<u>(\$50,265.09)</u>

**Columbia Gas of Kentucky, Inc.**  
**Actual Cost Adjustment YR2004**  
**Supporting Data**

2004-00299

Expires August 31, 2005

	<u>Volume</u>	<u>Surcharge Rate</u>	<u>Surcharge Amount</u>	<u>Surcharge Balance</u>
				\$1,162,211
September 2004	196,708	\$0.1145	\$22,523	\$1,139,688
October 2004	269,903	\$0.1145	\$30,904	\$1,108,784
November 2004	512,424	\$0.1145	\$58,673	\$1,050,111
December 2004	1,233,450	\$0.1145	\$141,230	\$908,881
January 2005	1,836,577	\$0.1145	\$210,288	\$698,593
February 2005	1,835,325	\$0.1145	\$210,145	\$488,449
March 2005	1,648,116	\$0.1145	\$188,709	\$299,739
April 2005	1,060,810	\$0.1145	\$121,463	\$178,277
May 2005	494,629	\$0.1145	\$56,635	\$121,642
June 2005	264,598	\$0.1145	\$30,296	\$91,345
July 2005	181,900	\$0.1145	\$20,828	\$70,518
August 2005	182,931	\$0.1145	\$20,946	\$49,572
September 2005	46,251	\$0.1145	\$5,296	\$44,276

\$1,117,935

**SUMMARY:**

**SURCHARGE AMOUNT**

\$1,162,211

**AMOUNT ACTUALLY COLLECTED**

\$1,117,935

**TOTAL REMAINING TO BE COLLECTED**

\$44,276

REFUND ADJUSTMENT

**COLUMBIA GAS OF KENTUCKY, INC.****SUPPLIER REFUND ADJUSTMENT**

<b>Line No.</b>	<b>Description</b>	<b>Amount</b>
1	Supplier Refund from Columbia Gas Transmission (Dec. 2005)	\$65,652
2	To Be Passed Back to Customers	
3	Interest on Refund Balances	\$1,893
4	REFUND INCLUDING INTEREST	\$67,545
5	Divided By:	
6	Projected Sales for the Twelve Months Ended February 28, 2007	5,546,032
7	<b>SUPPLIER REFUND TO EXPIRE February 28, 2007</b>	<b><u>(\$0.0122)</u></b>
8	Supplier Refund from Columbia Gulf Transmission (Dec. 2005)	\$989
9	To Be Passed Back to Customers	
10	Interest on Refund Balances	\$28
11	REFUND INCLUDING INTEREST	\$1,017
12	Divided By:	
13	Projected Sales for the Twelve Months Ended February 28, 2007	5,546,032
14	<b>SUPPLIER REFUND TO EXPIRE February 28, 2007</b>	<b><u>(\$0.0002)</u></b>
15	<b>TOTAL SUPPLIER REFUND TO EXPIRE February 28, 2007</b>	<b><u><u>(\$0.0124)</u></u></b>

CKY RATE REFUND INTEREST CALCULATION  
 SELECTED INTEREST RATES  
 COMMERCIAL PAPER - 3-MONTH

December 20, 2005

<u>RATE</u>	<u>MONTH</u>	<u>DAYS</u>	x	<u>DAILY RATE</u>	x	<u>Columbia Gas Trans.</u>	=	<u>INTEREST</u>
2.53	JANUARY 2005	31		0.000079		65,651.88		160.78
2.56	FEBRUARY 2005	28		0.000079		65,651.88		145.22
2.82	MARCH 2005	31		0.000079		65,651.88		160.78
2.97	APRIL 2005	30		0.000079		65,651.88		155.59
3.09	MAY 2005	31		0.000079		65,651.88		160.78
3.27	JUNE 2005	30		0.000079		65,651.88		155.59
3.47	JULY 2005	31		0.000079		65,651.88		160.78
3.64	AUGUST 2005	31		0.000079		65,651.88		160.78
3.72	SEPTEMBER 2005	30		0.000079		65,651.88		155.59
4.01	OCTOBER 2005	31		0.000079		65,651.88		160.78
4.23	NOVEMBER 2005	30		0.000079		65,651.88		155.59
<u>4.23</u>	<u>DECEMBER 2005</u>	<u>31</u>		<u>0.000079</u>		<u>65,651.88</u>		<u>160.78</u>
40.54	TOTAL					TOTAL		1,893.04
0.000079	DAILY RATE							

COMMERCIAL PAPER - 3-MONTH

December 20, 2005

<u>RATE</u>	<u>MONTH</u>	<u>DAYS</u>	x	<u>DAILY RATE</u>	x	<u>Columbia Gulf Trans</u>	=	<u>INTEREST</u>
2.53	JANUARY 2005	31		0.000079		988.77		2.42
2.56	FEBRUARY 2005	28		0.000079		988.77		2.19
2.82	MARCH 2005	31		0.000079		988.77		2.42
2.97	APRIL 2005	30		0.000079		988.77		2.34
3.09	MAY 2005	31		0.000079		988.77		2.42
3.27	JUNE 2005	30		0.000079		988.77		2.34
3.47	JULY 2005	31		0.000079		988.77		2.42
3.64	AUGUST 2005	31		0.000079		988.77		2.42
3.72	SEPTEMBER 2005	30		0.000079		988.77		2.34
4.01	OCTOBER 2005	31		0.000079		988.77		2.42
4.23	NOVEMBER 2005	30		0.000079		988.77		2.34
<u>4.23</u>	<u>DECEMBER 2005</u>	<u>31</u>		<u>0.000079</u>		<u>988.77</u>		<u>2.42</u>
40.54	TOTAL					TOTAL		28.49
0.000079	DAILY RATE							

Note: The daily rate is calculated by taking the total of the 3-month commercial paper interest rate for 12 months; divide by 12 for the annual average; less 1/2 of 1% per order 8738-L; divide by 365 for the daily percentage; and divide by 100 for percentage conversion.

October 19, 1984 is the issue date of Order 8738-L

**Columbia Gas  
Transmission**  
*A NISource Company*

December 30, 2005

**Carl W. Levander**  
Vice President  
Policy and Regulation

12801 Fair Lakes Parkway  
Fairfax VA 22033

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(703) 227-3308 fax

clevander@nisource.com

Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Attention: Magalie Roman Salas, Secretary

Re: Columbia Gas Transmission Corporation, Docket No. \_\_\_\_\_  
Penalty Revenue Crediting Report

Dear Secretary Salas:

Pursuant to Section 19.6 of the General Terms and Conditions ("GTC") of Columbia Gas Transmission Corporation's ("Columbia") FERC Gas Tariff, Second Revised Volume No. 1 ("Tariff"), Columbia must file a report with the Federal Energy Regulatory Commission ("Commission") within 60 days of the close of each Columbia contract year (November 1 to October 31) showing any Penalty Revenues Columbia has received during the contract year, any Columbia costs netted against the Penalty Revenues, and the resulting Penalty Revenue credits due to Non-Penalized Shippers for each month of the contract year.

In compliance with GTC Section 19.6, Columbia is providing the attached Penalty Revenue Crediting Report for the 2004-2005 contract year<sup>1</sup>. As further detailed in the attached Report, Columbia collected from its Shippers Penalty Revenues totaling \$3,241,493.51, inclusive of interest (see Appendices A and C). Columbia did not incur any costs that it would propose to net against the Penalty Revenues. Finally, the attached Report reflects the calculation of the Non-Penalized Shippers' monthly allocation percentage and their respective Penalty Revenue credits (see Appendix B). In accordance with GTC Section 19.6, Columbia allocated penalties collected each month to all Shippers not assessed penalties during that month based upon such Shippers monthly commodity volumes. Columbia included the applicable Penalty Revenue credits on the Non-Penalized Shippers' December 2005 invoice for November service.

Columbia requests that the Commission accept this Penalty Revenue Crediting Report and approve the Report as reflecting the proper disposition of Penalty Revenue Credits pursuant to GTC Section 19.6 of Columbia's Tariff.

---

<sup>1</sup> In addition to crediting Penalty Revenues for the 2004-2005 contract year, Columbia has also allocated to Non-Penalized Shippers additional Penalty Revenues received by Columbia after the filing of its last Penalty Revenue Crediting Report for the 2003-2004 contract year.

**Materials Submitted Herewith**

In accordance with Section 154.501(e) of the Commission's regulation, Columbia is submitting a form of notice for this filing suitable for publication in the Federal Register, as required by Section 154.209 of the Commission's regulations, and a diskette copy of such Notice of Filing labeled "TF123005.NTB".

**Waiver**

Columbia respectfully requests that the Commission grant any waivers that it may find necessary to accept this filing.

**Posting and Certification of Service**

Pursuant to Sections 154.2(d), 154.7(b) and 154.208(b) of the Commission's regulations, a copy of this filing is being sent by first-class mail, postage prepaid, by Columbia to each of Columbia's firm customers, interruptible customers, and affected state commissions. This filing is also available for public inspection during regular business hours in a convenient form and place at Columbia's offices at 12801 Fair Lakes Parkway, Fairfax, Virginia; 1700 MacCorkle Avenue SE, Charleston, WV, and 10 G Street, N.E., Suite 580, Washington, D.C.

**Subscription**

Pursuant to Section 154.4(b) of the Commission's regulations, the undersigned certifies that: (1) he knows the contents of the filing; (2) the paper copies of the filing contain the same information as that contained on the electronic media; (3) the contents are true to the best of his knowledge and belief; and (4) that he possesses full power and authority to sign the filing.

**Service on Columbia**

It is respectfully requested that all Commission orders and correspondence as well as pleadings and correspondence from other persons concerning this filing be served upon the following:

Carl W. Levander, Vice President  
Columbia Gas Transmission Corporation  
12801 Fair Lakes Parkway  
P. O. Box 10146  
Fairfax, Virginia 22030-0146  
Phone: (703) 227-3245      Fax: (703) 227-3308  
Email: [clevander@nisource.com](mailto:clevander@nisource.com)

Magalie Roman Salas, Secretary  
Federal Energy Regulatory Commission  
December 30, 2005  
Page 3 of 3

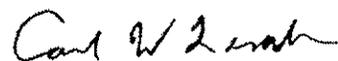
\*Kurt Krieger, Assistant General Counsel  
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1700 MacCorkle Ave, SE  
Charleston, WV 25324-1273  
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\*Sharon Theodore, Manager, Regulatory Affairs  
Columbia Gas Transmission Corporation  
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Email: [sjroyka@nisource.com](mailto:sjroyka@nisource.com)

\* Individuals designated to receive service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203 (2005)

Respectfully submitted,



Carl W. Levander  
Vice President

Enclosures

COLUMBIA GAS TRANSMSSION CORPORATION  
 SUMMARY OF PENALTY REVENUE CREDITS  
 FOR THE CONTRACT MONTHS NOVEMBER 2004 THRU OCTOBER 2005

<u>CUSTOMER NAME</u>	<u>CUST NO</u>	<u>TOTAL CREDIT AMOUNT</u>
ARISTECH CHEMICAL CORPORATION	000054	5,891.64
BALTIMORE GAS & ELECTRIC COMPA	000074	288,276.65
CALGON CARBON CORPORATION	000141	4,569.56
CENTRAL HUDSON GAS & ELECTRIC	000165	9,708.44
CITY OF CHARLOTTESVILLE	000193	10,841.96
CITY OF LANCASTER	000197	13,039.95
CITY OF RICHMOND	000198	65,158.70
COLUMBIA GAS OF KENTUCKY, INC	000208	65,651.88
COLUMBIA GAS OF MARYLAND, INC.	000209	24,412.89
COLUMBIA GAS OF OHIO, INC.	000214	539,052.39
COLUMBIA GAS OF PENNSYLVANIA,	000221	241,918.48
CORNING NATURAL GAS CORPORATIO	000261	656.90
DELTA NATURAL GAS COMPANY, INC	000284	1,128.31
EASTERN SHORE NATURAL GAS COMP	000314	39.10
ELAM UTILITY COMPANY, INC.	000322	197.09
GENERAL MOTORS CORPORATION	000383	5,742.67
OSRAM SYLVANIA, INC.	000421	4,347.89
HONDA OF AMERICA MFG, INC.	000453	658.75
ALLEGHENY TECHNOLOGIES, INC.	000500	2,190.05
MOUNTAINEER GAS COMPANY	000633	138,722.54
NEW YORK STATE ELECTRIC & GAS	000666	51,763.17
ORANGE & ROCKLAND UTILITIES, I	000700	23,239.41
PPL GAS UTILITIES CORPORATION	000723	8,847.44
PG ENERGY INC	000724	15,171.14
REYNOLDS METALS CO.	000774	824.17
RICHMOND UTILITIES BOARD	000778	1,637.39
SHELDON GAS COMPANY, INC.	000821	285.75
BP PRODUCTS NORTH AMERICA, INC	000835	2,096.38
SOUTH JERSEY GAS COMPANY	000838	49,130.39
SUBURBAN NATURAL GAS COMPANY	000870	5,886.90
SUNOCO, INC. R&M	000874	4,363.27
UNITED STATES GYPSUM COMPANY	000919	6,192.13
UGI UTILITIES INC.	000942	57,759.22
VIRGINIA NATURAL GAS, INC.	000996	86,903.80
WASHINGTON GAS LIGHT COMPANY	001006	278,285.89
WATERVILLE GAS & OIL COMPANY	001010	1,096.86
WEIRTON STEEL CORPORATION	001017	2,801.89
WATERVILLE GAS COMPANY	001062	128.04
PIKE NATURAL GAS COMPANY	001063	1,259.82
STAND ENERGY CORPORATION	001076	15,323.50
CONOCOPHILLIPS COMPANY	001129	8,035.28
ASHLAND INC.	001135	111.85

**Columbia Gulf  
Transmission**  
*A NiSource Company*

December 30, 2005

Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Carl W. Levander**  
Vice President  
Policy and Regulation

12801 Fair Lakes Parkway  
Fairfax VA 22033

(703) 227-3245 voice  
(703) 227-3308 fax

clevander@nisource.com

Attention: Magalie Roman Salas, Secretary

Re: Columbia Gulf Transmission Company, Docket No. \_\_\_\_\_  
Penalty Revenue Crediting Report

Dear Secretary Salas:

Pursuant to Section 19.6 of the General Terms and Conditions ("GTC") of Columbia Gulf Transmission Company's ("Columbia Gulf") FERC Gas Tariff, Second Revised Volume No. 1 ("Tariff"), Columbia Gulf must file a report with the Federal Energy Regulatory Commission ("Commission") within 60 days of the close of each Columbia Gulf contract year (November 1 to October 31) showing any Penalty Revenues Columbia Gulf has received during the contract year, any Columbia Gulf costs netted against the Penalty Revenues, and the resulting Penalty Revenue credits due to Non-Penalized Shippers for each month of the contract year.

In compliance with GTC Section 19.6, Columbia Gulf is providing the attached Penalty Revenue Crediting Report for the 2004-2005 contract year<sup>1</sup>. As further detailed in the attached Report, Columbia Gulf collected from its Shippers Penalty Revenues totaling \$260,821.26, inclusive of interest (see Appendices A and B). Columbia Gulf did not incur any costs that it would propose to net against the Penalty Revenues. In accordance with GTC Section 19.6, Columbia Gulf allocated penalties collected each month to all Shippers not assessed penalties during that month based upon such Shippers monthly commodity volumes. Columbia Gulf included the applicable Penalty Revenue credits on the Non-Penalized Shippers' December 2005 invoice for November service.

Columbia Gulf requests that the Commission accept this Penalty Revenue Crediting Report and approve the Report as reflecting the proper disposition of Penalty Revenue Credits pursuant to GTC Section 19.6 of Columbia Gulf's Tariff.

---

<sup>1</sup> During contract year 2004-2005, Columbia Gulf only assessed penalties for the month of November 2004.

**Materials Submitted Herewith**

In accordance with Section 154.501(e) of the Commission's regulation, Columbia Gulf is submitting a form of notice for this filing suitable for publication in the Federal Register, as required by Section 154.209 of the Commission's regulations, and a diskette copy of such Notice of Filing labeled "TF123005.NTA".

**Waiver**

Columbia Gulf respectfully requests that the Commission grant any waivers that it may find necessary to accept this filing.

**Posting and Certification of Service**

Pursuant to Sections 154.2(d), 154.7(b) and 154.208(b) of the Commission's regulations, a copy of this filing is being sent by first-class mail, postage prepaid, by Columbia Gulf to each of Columbia Gulf's firm customers, interruptible customers, and affected state commissions. This filing is also available for public inspection during regular business hours in a convenient form and place at Columbia Gulf's offices at 12801 Fair Lakes Parkway, Fairfax, Virginia; 1700 MacCorkle Avenue SE, Charleston, WV, and 10 G Street, N.E., Suite 580, Washington, D.C.

**Subscription**

Pursuant to Section 154.4(b) of the Commission's regulations, the undersigned certifies that: (1) he knows the contents of the filing; (2) the paper copies of the filing contain the same information as that contained on the electronic media; (3) the contents are true to the best of his knowledge and belief; and (4) that he possesses full power and authority to sign the filing.

**Service on Columbia Gulf**

It is respectfully requested that all Commission orders and correspondence as well as pleadings and correspondence from other persons concerning this filing be served upon the following:

Carl W. Levander, Vice President  
Columbia Gulf Transmission Company  
12801 Fair Lakes Parkway  
P. O. Box 10146  
Fairfax, Virginia 22030-0146  
Phone: (703) 227-3245 Fax: (703) 227-3308  
Email: [clevander@nisource.com](mailto:clevander@nisource.com)

Magalie Roman Salas, Secretary  
Federal Energy Regulatory Commission  
December 30, 2005  
Page 3 of 3

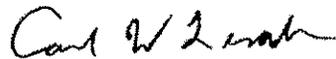
\*Kurt Krieger, Assistant General Counsel  
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\* Individuals designated to receive service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203 (2005)

Respectfully submitted,



Carl W. Levander  
Vice President

Enclosures

COLUMBIA GULF TRANSMSSION COMPANY  
ALLOCATION OF PENALTY CREDITS  
FOR THE CONTRACT MONTH NOVEMBER 30, 2004

CUSTOMER NAME	CUST NO	INVOICED DTH	ALLOCATION PERCENTAGE	CREDIT AMOUNT
BALTIMORE GAS & ELECTRIC COMPA	000074	5,390,522	8.3473%	21,771.53
1/ CARGILL INC.	000153	-	0.0000%	-
CENTRAL HUDSON GAS & ELECTRIC	000165	157,170	0.2434%	634.84
CITY OF LANCASTER	000197	162,180	0.2511%	654.92
CITY OF RICHMOND	000198	593,579	0.9192%	2,397.47
COLUMBIA GAS OF KENTUCKY, INC	000208	244,792	0.3791%	988.77
COLUMBIA GAS OF MARYLAND, INC.	000209	631,467	0.9778%	2,550.31
COLUMBIA GAS OF OHIO, INC.	000214	9,676,588	14.9843%	39,082.28
COLUMBIA GAS OF PENNSYLVANIA,	000221	354,570	0.5491%	1,432.17
MOUNTAINEER GAS COMPANY	000633	3,502,302	5.4234%	14,145.38
NEW YORK STATE ELECTRIC & GAS	000666	573,712	0.8884%	2,317.14
1/ ORANGE & ROCKLAND UTILITIES, I	000700	-	0.0000%	-
PPL GAS UTILITIES CORPORATION	000723	194,585	0.3013%	785.85
PG ENERGY INC	000724	175,710	0.2721%	709.69
REYNOLDS METALS CO.	000774	17,640	0.0273%	71.20
RICHMOND UTILITIES BOARD	000778	68,040	0.1054%	274.91
SHELDON GAS COMPANY, INC.	000821	19,500	0.0302%	78.77
SOUTH JERSEY GAS COMPANY	000838	1,098,796	1.7015%	4,437.87
UGI UTILITIES INC.	000942	301,461	0.4668%	1,217.51
VIRGINIA NATURAL GAS, INC.	000996	836,021	1.2946%	3,376.59
WASHINGTON GAS LIGHT COMPANY	001006	7,613,587	11.7897%	30,750.04
WATERVILLE GAS & OIL COMPANY	001010	25,470	0.0394%	102.76
WATERVILLE GAS COMPANY	001062	50,970	0.0789%	205.79
CONOCOPHILLIPS COMPANY	001129	2,671,322	4.1366%	10,789.13
1/ KCS ENERGY MARKETING, INC.	001215	-	0.0000%	-
1/ EXXON MOBIL CORPORATION	001630	-	0.0000%	-
1/ DELMARVA POWER & LIGHT COMPANY	001860	-	0.0000%	-
AFG INDUSTRIES INC.	001904	110,760	0.1715%	447.31
ARLINGTON NATURAL GAS COMPANY	002277	25,860	0.0400%	104.33
DUKE ENERGY TRADING AND MARKET	002356	103,560	0.1604%	418.36
SUPERIOR NATURAL GAS CORPORATI	002377	2,374,898	3.6776%	9,591.96
UNITED CITIES GAS COMPANY, A D	002395	1,454,823	2.2528%	5,875.78
NEW JERSEY NATURAL GAS COMPANY	002407	77,850	0.1206%	314.55
EAST OHIO GAS COMPANY	002412	233,777	0.3620%	944.17
OHIO CUMBERLAND GAS COMPANY	002436	20,400	0.0316%	82.42
POGO PRODUCING COMPANY	002643	19,498	0.0302%	78.77
AMERADA HESS CORPORATION	002651	609,030	0.9431%	2,459.81
FOREST OIL CORPORATION	002728	1,036,684	1.6053%	4,186.96
1/ APACHE CORPORATION	002924	-	0.0000%	-
SENECA RESOURCES CORPORATION	003083	52,530	0.0813%	212.05
W & T OFFSHORE, INC.	003106	708,834	1.0976%	2,862.77
ORWELL NATURAL GAS COMPANY	004098	4,840	0.0075%	19.56
MARINER ENERGY, INC.	004604	294,712	0.4564%	1,190.39
INTERSTATE GAS SUPPLY, INC.	006542	2,041,804	3.1618%	8,246.65
1/ BP ENERGY COMPANY	006654	-	0.0000%	-
1/ NEWFIELD EXPLORATION COMPANY	006810	-	0.0000%	-
1/ TENASKA MARKETING VENTURES	006853	-	0.0000%	-
TOTAL GAS & POWER NORTH AMERIC	007249	313,302	0.4852%	1,265.50
1/ SOUTHWEST ENERGY, LP	007427	-	0.0000%	-
PPL ENERGYPLUS,LLC	008073	3,592	0.0056%	14.61
SEMPRA ENERGY TRADING CORPORAT	008077	340,804	0.5277%	1,376.35

DETAIL SUPPORTING  
DEMAND/COMMODITY SPLIT

**COLUMBIA GAS OF KENTUCKY**  
**CASE NO. 2006 - Effective March 2006 Billing Cycle**

**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)	\$1.2141	
Demand ACA (Schedule No. 2, Sheet 1, Line 23)	0.1526	
Refund Adjustment (Schedule No. 4)	-0.0246	
SAS Refund Adjustment (Schedule No. 5)	<u>-0.0001</u>	
Total Demand Rate per Mcf	\$1.3420	<--- to Att. E, line 21

Commodity Component of Gas Cost Adjustment

Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 18)	\$10.5575
Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	-\$0.8559
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	<u>-\$0.0026</u>
Total Commodity Rate per Mcf	\$9.6990

CHECK:	\$1.3420
	<u>\$9.6990</u>
COST OF GAS TO TARIFF CUSTOMERS (GCA)	\$11.0410

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>-\$0.0026</u>
Total Commodity Rate per Mcf	-\$0.8585

**Columbia Gas of Kentucky, Inc.**  
**CKY Choice Program**  
**100% Load Factor Rate of Assigned FTS Capacity**  
**Balancing Charge**  
**Mar - May 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	\$/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	11	0.5832	1.0000	\$3.3100	
12	TCO SST @ CKT FTS rate		\$1.5300	1	0.5832	1.0000	\$0.8922	
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						\$79.9275	\$84.3235
17	100% Load Factor Rate (16 / 365 days)							\$0.2310

**Balancing charge, paid by Choice marketers**

21	Demand Cost Recovery Factor in GCA, per Mcf per CKY Tariff Sheet No. 5							\$1.3420
22	Less credit for cost of assigned capacity							(\$0.2310)
23	Plus storage commodity costs incurred by CKY for the Choice marketer							\$0.1304
24	Balancing Charge, per Mcf sum(21:23)							\$1.2414

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

PIPELINE COMPANY TARIFF SHEETS

Seventy-Sixth Revised Sheet No. 2  
 Currently Effective  
 Superseding Seventy-Fifth Revised Sheet No. 2

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

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

Base Tariff Rate	Transportation Cost		Electric Power		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
	Rate Adjustment	Surcharge	Current	Surcharge			
1/							
Rate Schedule FTS						5.976	0.196
Reservation Charge 3/	\$ 5.575	-0.011	0.035	0.001	-		
Commodity							
Maximum	¢ 1.04	-0.11	0.27	-0.02	0.18	1.59	1.59
Minimum	¢ 1.04	-0.11	0.27	-0.02	0.18	1.59	1.59
Overrun	¢ 19.37	-0.15	0.39	-0.02	0.18	21.23	21.23
Rate Schedule NTS						7.486	0.246
Reservation Charge 3/	\$ 7.085	-0.011	0.036	0.001	-		
Commodity							
Maximum	¢ 1.04	-0.11	0.27	-0.02	0.18	1.59	1.59
Minimum	¢ 1.04	-0.11	0.27	-0.02	0.18	1.59	1.59
Overrun	¢ 24.33	-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.

Effective: October 1, 2006

Issued by: Carl W. Levander, Vice President  
 Issued on: August 31, 2005

Seventy-Seventh Revised Sheet No. 2  
Superseding  
Seventy-Sixth Revised Sheet No. 2

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

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

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current	Electric Power Costs Adjustment Current	Electric Power Surcharge	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule SST	\$ 5.405	0.375	0.036	0.001	-	5.806	0.191
Reservation Charge 3/		-0.011					
Commodity	¢ 1.02	-0.11	0.27	-0.02	0.18	1.57	1.57
Maximum	¢ 1.02	-0.11	0.27	-0.02	0.18	1.57	1.57
Minimum	¢ 18.79	-0.15	0.39	-0.02	0.18	20.65	20.65
Overrun							
Rate Schedule GTS							
Commodity	¢ 74.23	-0.18	0.51	-0.01	0.13	77.43	77.43
Maximum	¢ 3.08	-0.18	0.27	-0.01	0.13	3.57	3.57
Minimum	¢ 71.15	0.00	0.24	0.00	-	73.86	73.86
MFCC							

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.

Effective: February 1, 2006

Issued by: Carl W. Levander, Vice President  
Issued on: December 30, 2005

Twenty-First Revised Sheet No. 2  
Superseding  
Twentieth Revised Sheet No. 2

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

Currently Effective Rates Applicable to Rate Schedule FSS, ISS, and SIT Rate Per Dth		Base Tariff Rate	Transportation Cost Rate Adjustment	Electric Power Costs Adjustment Current	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		1/	Current	Surcharge			
Rate Schedule FSS	\$	1.500	-	-	-	1.500	0.049
Reservation Charge	¢	2.88	-	-	-	2.88	2.88
Capacity	¢	1.53	-	-	-	1.53	1.53
Injection	¢	1.53	-	-	-	1.53	1.53
Withdrawal	¢	10.87	-	-	-	10.87	10.87
Overrun							
Rate Schedule ISS							
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/ 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 15A.402 of the Commission's Regulations.

Effective: February 1, 2006

Issued by: Carl W. Levander, Vice President  
Issued on: December 30, 2005

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

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

	Base Rate (1) \$	Annual Charge Adjustment (2) \$	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) \$	Company Use and Unaccounted For (6) \$
Rate Schedule FTS-1	3.1450	-	3.1450	3.1450	0.1034	-
Rayne, LA To Points North Reservation Charge 2/	0.0170	0.0018	0.0188	0.0188	0.0188	1.683
Commodity	0.0170	0.0018	0.0188	0.0188	0.0188	1.683
Maximum	0.1704	0.0018	0.1222	0.1222	0.1212	1.683
Minimum						
Overrun						

Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more

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

<b>CURRENTLY EFFECTIVE BILLING RATES</b>					
	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup></u> <u>Demand</u> <u>Commodity</u> \$                    \$		<u>Total Billing Rate</u> \$	
<b><u>RATE SCHEDULE GSR</u></b>					
First 1 Mcf or less	6.95	1.3420	9.6990	17.9910	R
Over 1 Mcf	1.8715	1.3420	9.6990	12.9125	R
<b><u>RATE SCHEDULE GSO</u></b>					
<u>Commercial or Industrial</u>					
First 1 Mcf or less	18.88	1.3420	9.6990	29.9210	R
Next 49 Mcf	1.8715	1.3420	9.6990	12.9125	R
Next 350 Mcf	1.8153	1.3420	9.6990	12.8563	R
Next 600 Mcf	1.7296	1.3420	9.6990	12.7706	R
Over 1000 Mcf	1.5802	1.3420	9.6990	12.6212	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.		6.5610		6.5610	R
<u>Delivery Rate Per Mcf</u>					
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)					
<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, IN6, or IUS and received service under Rate Schedule SVGTS shall be \$11.7716 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS</p>					
<p>R – Reduction                    I – Increase</p>					

DATE OF ISSUE: February 10, 2006

DATE EFFECTIVE: March 2006 Billing Cycle  
March 1, 2006

ISSUED BY: Joseph W. Kelly

President

**CURRENTLY EFFECTIVE BILLING RATES**

(Continued)

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup></u> <u>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	6.95	N/A	N/A	N/A	
Over 1 Mcf	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	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	
<b><u>RATE SCHEDULE IS</u></b>					
<u>Customer Charge per Mo.</u>	116.55			116.55	
First 30,000 Mcf	0.5467		9.6990 <sup>2/</sup>	10.2457	R
Over 30,000 Mcf	0.2905		9.6990 <sup>2/</sup>	9.9895	R
<u>Standby Service Demand Charge</u>					
Demand Charge times Daily Firm Volume (Mcf) in Customer Service Agreement		6.5610		6.5610	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	
<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					

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President

**CURRENTLY EFFECTIVE BILLING RATES**

(Continued)

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup></u> <u>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	1.3420	9.6990	11.3448	R
<b><u>Delivery Service</u></b>					
Administrative Charge	55.90			55.90	
Delivery Rate Per Mcf	0.3038	1.3420		1.6458	R
Banking and Balancing Service		0.0205		0.0205	
<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	

<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

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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
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Actual Gas Cost Adjustment

For all volumes	\$ (0.8585)
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Rate Schedule SVAS

Balancing Charge – per Mcf	\$ 1.2414
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R - Reduction    I - Increase

R  
I

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**ISSUED BY:** Joseph W. Kelly

President