

June 15, 2009

Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

RECEIVED

JUN 15 2009

PUBLIC SERVICE
COMMISSION

**Re: Columbia Gas of Kentucky, Inc
Case No. 2009-00141**

Dear Mr. Derouen:

In compliance with 807 KAR 5:001 Section 10(4)(d), Columbia Gas of Kentucky, Inc. ("Columbia") hereby submits for filing an original and ten copies of the publishers' affidavits showing that notice of the application in this proceeding was published in newspapers of general circulation throughout Columbia's service territory. Also enclosed are copies of said notices.

As always, if you have any questions, please call me at (614) 460-4680 or email me at dcreekmur@nisource.com.

Sincerely,



Daniel A. Creekmur

Enclosures

cc: All Parties of Record
Hon. Richard S. Taylor
Hon. Stephen B. Seiple

**STATE OF KENTUCKY
COUNTY OF FAYETTE**

Before me, a Notary Public, and for said County and State, this 16th day
of May, 2009 came Jonelle Sidebotham

Personally known to me, who, being duly sworn, states as follows:

That she is Account Executive of

Lexington Herald-Leader, and that said publication date of

May 8, 15 & 22, 2009 carried the advertising

of Columbia Gas of Ky, Inc.

occupying the following space 6x20 inches.

ACCOUNT EXECUTIVE

By Jonelle K Sidebotham

(SEAL)

Alan R. Brock

Notary Public

NOTICE

Notice is hereby given that Columbia Gas of Kentucky, Inc., a Kentucky Corporation, has asked the Public Service Commission, Frankfort, Kentucky, for approval of an adjustment of rates to become effective May 31, 2009, for service rendered on and after May 31, 2009. The present rates charged in all territory served by Columbia are as follows:

	Gas Cost Base Rate Adjustment Charge	Gas Cost Adjustment Demand	Gas Cost Adjustment Commodity	Total Billing Rate
	\$	\$	\$	\$

RATE SCHEDULES GS

Residential (GSR)				
Customer Charge per billing period.	9.30			9.30
Delivery Charge per Mcf.	1.8715	1.2343	8.8881	11.9939
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124

Commercial or Industrial (GSO)¹

Customer Charge per billing period.	23.96			23.96
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124

RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE

Customer Charge per billing period.	547.37			547.37
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement	6.5672			6.5672

RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹

Customer Charge per billing period.	255.00			255.00
Delivery Charge per Mcf.	0.5905	1.2343	8.8881	10.7129
NGR&D Rider	0.0124			0.0124

RATE SCHEDULE SS - STANDBY SERVICE

Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement	6.5672			6.5672

RATE SCHEDULE DS - DELIVERY SERVICE

Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	547.37			547.37
Customer Charge - Grandfathered Service only	23.96			23.96
Customer Charge - Intrastate Utility only	255.00			255.00
<u>Delivery Rate per Mcf²</u>				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905

Delivery Rate - Grandfathered Service only

First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802

Delivery Rate - Intrastate Utility only

All volumes per billing period	0.5905			0.5905
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE

Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows:

Service only	28.28	28.28
Customer Charge - Intrastate Utility only	331.50	331.50

<u>Delivery Rate per Mcf²</u>		
First 30,000 Mcf	0.5467	0.5467
Over 30,000 Mcf	0.2905	0.2905

Delivery Rate - Grandfathered Service only

First 50 Mcf per Mo.	1.8715	1.8715
Next 350 Mcf per Mo.	1.8153	1.8153
Next 600 Mcf per Mo.	1.7296	1.7296
Over 1,000 Mcf per Mo.	1.5802	1.5802

Delivery Rate - Intrastate Utility only

All volumes per billing period	0.8729	0.8729
Banking and Balancing Service	0.0208	0.0208
NGR&D Rider	0.0124	0.0124
AMRP Rider	0.0000	0.0000
POM Rider	0.0000	0.0000

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE

Administrative Charge	55.90	55.90
Customer Charge per billing period	200.00	200.00
Delivery Rate Per Mcf	0.0858	0.0858
NGR&D Rider	0.0124	0.0124
Banking and Balancing Service	0.0208	0.0208
POM Rider	0.0000	0.0000

MISCELLANEOUS TARIFF CHANGES

Miscellaneous Fees

Columbia is proposing to increase the following charges as indicated:

	Current	Proposed
Reconnect Charge (after nonpayment of bills or for violation of tariff)	\$25.00	\$60.00
Reconnect Charge (after disconnection at customer request) - GS	Current	Proposed
GS Residential (GSR) (Effective for first year only)	\$74.40	\$143.36
GS Residential (GSR) (Effective after first year only)	\$74.40	\$212.24
GS Commercial or Industrial (GSO)	\$191.68	\$226.24

Late Payment Penalty

Columbia is proposing to assess a late payment penalty of 5%, only once if a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same manner as it currently does for Commercial and Industrial service.

IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 7.03% to Columbia. The estimated amount of increase per customer class is as follows:

Residential	\$9927944	9.93%
Commercial	\$1160537	2.06%
Industrial	\$57300	0.78%
Wholesale	\$9084	4.30%
Other	\$410865	60.08%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Residential	\$6.73	8.2
Commercial	\$7.21	1.9
Industrial	\$33.05	0.9
Wholesale	\$378.40	4.3

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. In addition to the adjustment of rates, described above, Columbia is also seeking Public Service Commission approval of the following:

- the implementation of an Accelerated Main Replacement Program ("AMRP") rider that would enable Columbia to recover its costs as it accelerates the replacement of the aging pipes and facilities on Columbia's system in order to maintain safe and reliable service for customers.
- a change in Columbia's rate design for the GSR and residential SVGTS rate schedules, which would replace, after a one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge.
- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation

	Base Rate Charge	Gas Cost Adjustment Demand	Gas Cost Adjustment Commodity	Total Billing Rate
	\$	\$	\$	\$
RATE SCHEDULE GS				
Residential (GSR) ^{3,5} (Effective for first year only)				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4604	1.2343	8.8881	11.5828
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
Residential (GSR) ^{3,5} (Effective after first year only)				
Customer Delivery Charge per Billing Period	26.53			26.53
Delivery Charge per Mcf	0.0000	1.2343	8.8881	10.1224
EAP Rider	0.0525			0.0525
NGR&D Rider ⁴	0.0124			0.0124
Gas Cost Uncollectible Charge ⁴	0.0964			0.0964
AMRP Rider ⁴	0.0000			0.0000
POM Rider ⁴	0.0000			0.0000
Commercial or Industrial (GSO) ^{3,5}				
Customer Charge per billing period	28.28			28.28
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period	620.18			620.18
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE^{3,5}				
Customer Charge per billing period	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.9953
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE SS - STANDBY SERVICE				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672
RATE SCHEDULE DS - DELIVERY SERVICE⁶				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period ²	620.18			620.18
Customer Charge - Grandfathered				

(EEC) adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.00 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency.

- the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses.
- the implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expense attributable to Columbia's commodity cost of gas billed to customers.
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.

Any corporation, association, or person with a substantial interest in this matter may, by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below. Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Cynthia Benham at:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky 40511-1018
(859) 288-0261

Any person may examine the rate application and any other filings made by Columbia at the offices of Columbia or the Commission, as listed below:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky 40511-1018
1-800-432-9345

Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602
(502) 564-3940

¹ Customers taking Small Volume Gas Transportation Service are charged the base rate charge and all applicable riders only.
² Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions
³ Customers electing Small Volume Gas Transportation Service are not charged the gas cost adjustment or Gas Cost Uncollectible Charges.
⁴ Riders and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.
⁵ Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.
⁶ Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.

NOTICE

Notice is hereby given that Columbia Gas of Kentucky, Inc., a Kentucky Corporation, has asked the Public Service Commission, Frankfort, Kentucky, for approval of an adjustment of rates to become effective May 31, 2009, for service rendered on and after May 31, 2009. The present rates charged in all territory served by Columbia are as follows:

Service only	28.28	28.28
Customer Charge - Intrastate Utility only	331.50	331.50
Delivery Rate per Mcf²		
First 30,000 Mcf	0.5467	0.5467
Over 30,000 Mcf	0.2905	0.2905

	Gas Cost	Gas Cost	Total
	Base Rate	Adjustment	Billing
	Charge	Demand	Commodity
	\$	\$	\$

Delivery Rate - Grandfathered Service only		
First 50 Mcf per Mo.	1.8715	1.8715
Next 350 Mcf per Mo.	1.8153	1.8153
Next 600 Mcf per Mo.	1.7296	1.7296
Over 1,000 Mcf per Mo.	1.5802	1.5802

RATE SCHEDULES GS

Residential (GSR)			
Customer Charge per billing period.	9.30		9.30
Delivery Charge per Mcf.	1.8715	1.2343	8.8881
EAP Rider	0.0525		0.0525
NGR&D Rider	0.0124		0.0124

Delivery Rate - Intrastate Utility only

All volumes per billing period	0.8729	0.8729
Banking and Balancing Service	0.0208	0.0208
NGR&D Rider	0.0124	0.0124
AMRP Rider	0.0000	0.0000
POM Rider	0.0000	0.0000

Commercial or Industrial (GSO)¹

Customer Charge per billing period.	23.96		23.96
Delivery Charge per Mcf			
First 50 Mcf per Mo.	1.8715	1.2343	8.8881
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881
NGR&D Rider	0.0124		0.0124

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE

Administrative Charge	55.90	55.90
Customer Charge per billing period	200.00	200.00
Delivery Rate Per Mcf	0.0858	0.0858
NGR&D Rider	0.0124	0.0124
Banking and Balancing Service	0.0208	0.0208
POM Rider	0.0000	0.0000

RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE

Customer Charge per billing period.	547.37		547.37
Delivery Charge per Mcf			
First 30,000 Mcf	0.5467		8.8881
Over 30,000 Mcf	0.2905		8.8881
NGR&D Rider	0.0124		0.0124
Firm Service Demand Charge			
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement	6.5672		6.5672

MISCELLANEOUS TARIFF CHANGES

Miscellaneous Fees

Columbia is proposing to increase the following charges as indicated:

	Current	Proposed
Reconnect Charge (after nonpayment of bills or for violation of tariff)	\$25.00	\$60.00
Reconnect Charge (after disconnection at customer request)- GS	Current	Proposed
GS Residential (GSR) (Effective for first year only)	\$74.40	\$143.36
GS Residential (GSR) (Effective after first year only)	\$74.40	\$212.24
GS Commercial or Industrial (GSO)	\$191.68	\$226.24

RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹

Customer Charge per billing period.	255.00		255.00
Delivery Charge per Mcf.	0.5905	1.2343	8.8881
NGR&D Rider	0.0124		0.0124

Late Payment Penalty

Columbia is proposing to assess a late payment penalty of 5%, only once if a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same manner as it currently does for Commercial and Industrial service.

RATE SCHEDULE SS - STANDBY SERVICE

Standby Service Demand Charge per Mcf			
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement	6.5672		6.5672

IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 7.03% to Columbia. The estimated amount of increase per customer class is as follows:

RATE SCHEDULE DS - DELIVERY SERVICE

Administrative Charge per billing period	55.90		55.90
Customer Charge per billing period	547.37		547.37
Customer Charge - Grandfathered Service only	23.96		23.96
Customer Charge - Intrastate Utility only	255.00		255.00

Residential	\$9927944	9.93%
Commercial	\$1160537	2.06%
Industrial	\$57300	0.78%
Wholesale	\$9084	4.30%
Other	\$410865	60.08%

Delivery Rate per Mcf²

First 30,000 Mcf	0.5467	0.5467
Over 30,000 Mcf	0.2905	0.2905

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Delivery Rate - Grandfathered Service only

First 50 Mcf per Mo.	1.8715	1.8715
Next 350 Mcf per Mo.	1.8153	1.8153
Next 600 Mcf per Mo.	1.7296	1.7296
Over 1,000 Mcf per Mo.	1.5802	1.5802

Residential	\$6.73	8.2
Commercial	\$7.21	1.9
Industrial	\$33.05	0.9
Wholesale	\$378.40	4.3

Delivery Rate - Intrastate Utility only

All volumes per billing period	0.5905	0.5905
Banking and Balancing Service	0.0208	0.0208
NGR&D Rider	0.0124	0.0124

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. In addition to the adjustment of rates described above, Columbia is also seeking Public Service Commission approval of the following:

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE

Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service	0.0208			0.0208

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows:

	Base Rate Charge	Gas Cost Adjustment Demand	Gas Cost Adjustment Commodity	Total Billing Rate
	\$	\$	\$	\$

RATE SCHEDULE GS

Residential (GSR) ⁵ (Effective for first year only)				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4604	1.2343	8.8881	11.5828
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

Residential (GSR)^{3,5} (Effective after first year only)

Customer Delivery Charge per Billing Period	26.53			26.53
Delivery Charge per Mcf	0.0000	1.2343	8.8881	10.1224
EAP Rider	0.0525			0.0525
NGR&D Rider ⁴	0.0124			0.0124
Gas Cost Uncollectible Charge ⁴	0.0964			0.0964
AMRP Rider ⁴	0.0000			0.0000
POM Rider ⁴	0.0000			0.0000

Commercial or Industrial (GSO)^{3,5}

Customer Charge per billing period	28.28			28.28
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
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RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE

Customer Charge per billing period	620.18			620.18
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First 30,000 Mcf	0.5467		8.8881	9.4348
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AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE^{3,5}

Customer Charge per billing period	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.9953
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE SS - STANDBY SERVICE

Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement	6.5672			6.5672

RATE SCHEDULE DS - DELIVERY SERVICE⁶

Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period ²	620.18			620.18
Customer Charge - Grandfathered				

- the implementation of an Accelerated Main Replacement Program ("AMRP") rider that would enable Columbia to recover its costs as it accelerates the replacement of the aging pipes and facilities on Columbia's system in order to maintain safe and reliable service for customers.
- a change in Columbia's rate design for the GSR and residential SVGTS rate schedules, which would replace, after a one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge.
- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation (EEC) adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.00 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency.
- the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses.
- the implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expense attributable to Columbia's commodity cost of gas billed to customers.
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.

Any corporation, association, or person with a substantial interest in this matter may, by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below.

Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Cynthia Benham at:

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² Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions

³ Customers electing Small Volume Gas Transportation Service are not charged the gas cost adjustment or Gas Cost Uncollectible Charges.

⁴ Riders and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.

⁵ Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.

⁶ Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.

Client Name: Advertiser: Section/Page/Zone: CLD/D03/ Description: Ad Number: Insertion Number: Size: Color Type:

HERALD LEADER Speedsheets

Publication Date: 05/22/2009

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LEXINGTON HERALD LEADER FULL CASE SELECTORS McLane Cumberland in Nicholasville, KY is hiring Full Case Salespersons to accurately & efficiently sell customer orders for shipping.

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FAIR SCHEDULES GS Residential (GS) Customer Charge per billing period: 9.30 9.30 Delivery Charge per M3 1.8715 1.2343 8.8881 11.9939

FAIR SCHEDULES GS - INTERMEDIATE SALES SERVICE Customer Charge per billing period \$47.37 \$47.37 Delivery Charge per M3 0.5467 8.8881 9.4348

FAIR SCHEDULES GS - STANDBY SERVICE Standby Service Demand Charge per M3 Demand Charge times Standby Service Volume (M3) in Customer Agreement 6.5672 6.5672

FAIR SCHEDULES GS - DELIVERY SERVICE Administrative Charge 55.90 55.90 Customer Charge per billing period \$47.37 \$47.37

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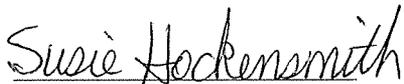
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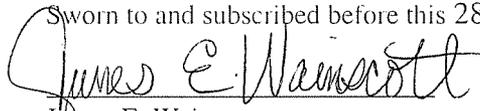
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Susie Hockensmith

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Commission Expires October, 2010

BREWERS 15, REDS 3

Braun, Brewers bash Reds

BY JOE KAY
AP SPORTS WRITER

CINCINNATI (AP) — Ryan Braun began his career night with a grand slam off Cincinnati's starting pitcher, then completed it with a two-run single off the Reds' shortstop.

The shortstop it was that kind of night. The Milwaukee Brewers followed Braun's lead and rolled to a 15-3 victory over the Reds on Wednesday, making quick work out of whoever was on the mound.

"Nights like this are fun kind of few and far between," said Braun, who had a career-high six RBIs. "So you have to enjoy them when they come."

From Milwaukee's standpoint, there was a lot to like. The Brewers knocked Bronson Arroyo (4-2) out of the game before he could retire a batter in the second. JJ Hardy also had a three-run homer off the right-hander, who left the game down 9-0. It matched the shortest outing of his career.

"We put together some good at-bats against Bronson up and down the lineup," Braun said. "Guys were really making him throw strikes and putting good swings on them."

Milwaukee's biggest offensive splurge of the season helped Manny Parra (1-4) end his four-game losing streak.

The Brewers topped it off

with five runs in the ninth off shortstop Paul Janish, who moved to the mound to save Cincinnati's depleted pitching staff. The bullpen was still recovering from a 14-inning loss in Florida on Monday, and manager Dusty Baker decided to let Janish — a pitcher at Rice — take the final inning.

"That's the first time I've done that in my career," Baker said. "It was a process of elimination. It was almost like Little League — 'Who wants to pitch?'"

Janish hit 92 mph on the radar gun and struck out Hardy to open the inning, then found it tougher going if didn't take the hitters long to figure him out.

"I threw a couple of changeups in there," Janish said. "I was just running the ball across the plate."

Braun singled home two runs, and Prince Fielder had a two-run homer off Janish, helping Milwaukee finish with a season-high 20 hits. It was Cincinnati's most lopsided loss since a 16-7 drubbing by the Cubs on opening day 2006.

After a slow start, the Brewers have gone 12-3 with solid pitching and an offense that's among the NL leaders in home runs. Their lineup had its way with Arroyo, who was coming off one of his best performances — eight shutout innings in Pittsburgh on Friday.

This time, he was gone af-

ter only 46 pitches.

"This game's bizarre," Arroyo said. "In Pittsburgh, I felt horrible and I didn't give up a run. Today, I thought I'd roll through this game like it was nothing. This was just one of those days."

Hardy's homer made it 5-0 in the first inning, when the Brewers sent eight batters to the plate. Arroyo gave up a pair of singles and a walk that opened the second inning and brought up Braun, who hit a hanging 1-2 pitch to left-center field for a 9-0 lead.

Braun missed a pair of games over the weekend with a sore back. He has five homers in his last 14 games.

Arroyo faced 12 batters overall and retired only two of them — Rickie Weeks was thrown out at the plate in the first inning. The right-hander gave up seven hits and walked three. The nine runs allowed were one shy of his career high.

Notes: The start of the game was delayed 46 minutes by rain. Braun's other grand slam was Sept. 25 off Pittsburgh's Jesse Chavez in the 10th inning of a 5-1 win.

Reds 3B Edwin Encarnacion had the cast removed from his left arm and was fitted with a removable splint. He chipped a bone in his left wrist on a swing April 27 and went on the DL.

Commercial or Industrial (GSO) ¹				28.28		28.28
Customer Charge per billing period						
Delivery Charge per Mcf						
First 50 Mcf per Mo	1.8715	1.2343	8.8881	11.9939		
Next 350 Mcf per Mo	1.8153	1.2343	8.8881	11.9377		
Next 600 Mcf per Mo	1.7296	1.2343	8.8881	11.8520		
Over 1,000 Mcf per Mo	1.5802	1.2343	8.8881	11.7026		
NGR&D Rider				0.0124		
Gas Cost Uncollectible Charge				0.0964		
AMRP Rider				0.0600		
POM Rider				0.0600		

RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE						
Customer Charge per billing period				620.18		620.18
Delivery Charge per Mcf						
First 30,000 Mcf	0.5467		8.8881	9.4348		
Over 30,000 Mcf	0.2905		8.8881	9.1786		
NGR&D Rider				0.0124		

Firm Service Demand Charge						
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672		
Gas Cost Uncollectible Charge				0.0964		
AMRP Rider				0.0600		
POM Rider				0.0600		

RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE ²						
Customer Charge per billing period				331.50		331.50
Delivery Charge per Mcf				0.8729	1.2343	8.8881
NGR&D Rider				0.0124		
Gas Cost Uncollectible Charge				0.0964		
AMRP Rider				0.0600		
POM Rider				0.0600		

RATE SCHEDULE SS - STANDBY SERVICE						
Standby Service Demand Charge per Mcf						
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672		

RATE SCHEDULE DS - DELIVERY SERVICE ²						
Administrative Charge per billing period				55.90		55.90
Customer Charge per billing period ³				620.18		620.18
Customer Charge - Grandfathered Service only				28.28		28.28
Customer Charge - Intrastate Utility only				331.50		331.50

Delivery Rate per Mcf						
First 30,000 Mcf	0.5467			0.5467		
Over 30,000 Mcf	0.2905			0.2905		
Delivery Rate - Grandfathered Service only						
First 50 Mcf per Mo	1.8715			1.8715		
Next 350 Mcf per Mo	1.8153			1.8153		
Next 600 Mcf per Mo	1.7296			1.7296		
Over 1,000 Mcf per Mo	1.5802			1.5802		

Delivery Rate - Intrastate Utility only						
All volumes per billing period	0.8729		0.0208	0.8729		0.0208
Banking and Balancing Service				0.0124		0.0124
NGR&D Rider				0.0600		0.0600
AMRP Rider				0.0600		0.0600
POM Rider				0.0600		0.0600

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE						
Administrative Charge				55.90		55.90
Customer Charge per billing period				200.00		200.00
Delivery Rate Per Mcf				0.0858		0.0858
NGR&D Rider				0.0124		0.0124
Banking and Balancing Service				0.0208		0.0208
POM Rider				0.0600		0.0600

MISCELLANEOUS TARIFF CHANGES

Miscellaneous Fees
Columbia is proposing to increase the following charges as indicated. Current Proposed
Reconnect Charge (after unpayment of bills or for violation of tariff) \$25.00 \$60.00

Reconnect Charge (after disconnection at customer request) - GS				Current	Proposed
GS Residential (GSR) (Effective for first year only)				\$74.40	\$141.36
GS Residential (GSH) (Effective after first year only)				\$74.40	\$212.24
GS Commercial or Industrial (GSO)				\$191.68	\$326.24

Late Payment Penalty:
Columbia is proposing to assess a late payment penalty of 5% only once if a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same manner as it currently does for Commercial and Industrial service.

IMPACT OF PROPOSED RATES

The following proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 70% to Columbia. The estimated amount of increase per customer class is as follows:

Residential	\$9,279.44	9.93%
Commercial	\$1,160,537	2.06%
Industrial	\$33,065	0.75%
Wholesale	\$9,084	4.30%
Other	\$410,865	60.08%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Residential	\$6.73	8.2%
Commercial	\$7.21	1.9%
Industrial	\$33.05	0.9%
Wholesale	\$78.40	4.3%

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may not accept the proposed rates contained in this notice. In addition to the adjustment of rates described above, Columbia is also seeking Public Service Commission approval of the following:

- the implementation of an Accelerated Main Replacement Program ("AMRP") rider that would enable Columbia to recover the true cost as it accelerates the replacement of the aging pipes and facilities on Columbia's system in order to maintain safe and reliable service for customers;
- a change in Columbia's rate design for the GSR and residential SVGTs rate schedules, which would replace after a one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge;
- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation (EEC) adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.60 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency;
- the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses;
- the implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expenses attributable to Columbia's commodity cost of gas billed to customers;
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.

Any corporate association, or person may by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below.

Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Cynthia Benham at:
Columbia Gas of Kentucky, Inc.
2001 Mercers Road
Lexington, Kentucky 40511-1018
(502) 288-0261

Any person may examine the rate application and any other filings made by Columbia at the offices of Columbia or the Commission, as listed below.

Columbia Gas of Kentucky, Inc.
2001 Mercers Road
Lexington, Kentucky 40511-1018
1-800-432-9345

Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602
(502) 864-3940

Legal Notice

NOTICE

Notice is hereby given that Columbia Gas of Kentucky, Inc., a Kentucky Corporation, has asked the Public Service Commission, Frankfort, Kentucky, for approval of an adjustment of rates to become effective May 31, 2009 for service rendered on and after May 31, 2009. The present rates charged in all territory served by Columbia are as follows.

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS Residential (GSR)				
Customer Charge per billing period	0.30			0.30
Delivery Charge per Mcf	1.8715	1.2343	8.8881	11.9939
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124

Commercial or Industrial (GSO) ¹				23.96
Customer Charge per billing period				
Delivery Charge per Mcf				
First 50 Mcf per Mo	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124

RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period				547.37
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider				0.0124

Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
Gas Cost Uncollectible Charge				0.0964
AMRP Rider				0.0600
POM Rider				0.0600

RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE ²				
Customer Charge per billing period				255.00
Delivery Charge per Mcf				0.8729
NGR&D Rider				0.0124

RATE SCHEDULE SS - STANDBY SERVICE ³				
Standby Service Demand Charge per Mcf				255.00
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672

RATE SCHEDULE DS - DELIVERY SERVICE ²				
Administrative Charge per billing period				55.90
Customer Charge per billing period ³				547.37
Customer Charge - Grandfathered Service only				23.96
Customer Charge - Intrastate Utility only				255.00
Delivery Rate per Mcf				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905

Delivery Rate - Grandfathered Service only				
First 50 Mcf per Mo	1.8715			1.8715
Next 350 Mcf per Mo	1.8153			1.8153
Next 600 Mcf per Mo	1.7296			1.7296
Over 1,000 Mcf per Mo	1.5802			1.5802
Delivery Rate - Intrastate Utility only				
All volumes per billing period	0.5905		0.0208	0.5905
Banking and Balancing Service				0.0208
NGR&D Rider				0.0124

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE				
Administrative Charge				55.90
Customer Charge per billing period				200.00
Delivery Rate Per Mcf				0.0858
NGR&D Rider				0.0124
Banking and Balancing Service				0.0208

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows.

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS Residential (GSR) ¹ (Effective for first year only)				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4664	1.2343	8.8881	11.5829
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0600			0.0600
POM Rider	0.0600			0.0600

Commercial (GSO) ¹ (Effective after first year only)				26.53
Customer Delivery Charge per Billing Period				
Delivery Charge per Mcf				
First 50 Mcf per Mo	1.8715	1.2343	8.8881	10.1222
Next 350 Mcf per Mo	1.8153			10.1222
Next 600 Mcf per Mo	1.7296			10.1222
Over 1,000 Mcf per Mo	1.5802			10.1222
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge ⁴	0.0964			0.0964
AMRP Rider	0.0600			0.0600
POM Rider	0.0600			0.0600

PREAKNESS | Filly will break from outside post in field of 13

CONTINUED FROM PAGE B1

industry," said Jess Jackson, the filly's co-owner. "I hope this helps revive horse racing in the United States."

Jackson, who founded Kendall-Jackson winery, and Harold McCormick bought Rachel Alexandra for an undisclosed price last week. They paid a \$100,000 supplemental fee — above and beyond the entry fees — to get her into the Preakness because she wasn't nominated for the Triple Crown races by her previous owners. They had expected her to only run against fillies.

"I think the fans deserve to see the best horses compete regardless of sex," Jackson said on a conference call. "This isn't about male or female, it's about the best athletes."

Rachel Alexandra has a front-running style, and hasn't been farther back than second while running her last five races.

"It's a good spot for her," said Bob Baffert, who trains rival Pioneer of the Nile. "She's out there in the clear. If you're in the middle and you don't break well, they can jam you up. She's going to be (running) one, two or three; that's a good spot for her."

Pioneer of the Nile, the Kentucky Derby runner-up, was made the 5-1 second choice in the 13-horse field by Pimlico oddsmaker Frank Corallo. The colt drew the No. 9 post.

Mine That Bird and Friesan Fire were the co-third choices at 6-1. Mine That Bird will break from the No. 2 post, while Friesan Fire is in the No. 5 spot.

Bernie Woolley Jr., who trains Mine That Bird, was happy with his colt's post, pointing out that speedster Big Drama is in the No. 1 hole and Musket Man will start from No. 3.

"They should clear away from us, put us in a nice spot to clear down the front side," he said. "I like the fact that Big Drama is inside of me. He will move on. It should leave



AP/GABBY JONES

Preakness favorite Rachel Alexandra is led to a barn by assistant trainer Scott Blasi at Pimlico Race Course Wednesday. The Preakness will be run Saturday.

me a little bit of a spot there."

Musket Man, third in the Derby, was 8-1.

The draw was done in a tent near the stakes barn at Pimlico after being held in downtown Baltimore in recent years. It was a traditional "pill pull" where the horses' entry blanks were drawn simultaneously with a numbered pill to determine their position in the starting gate.

The field from the rail out, is Big Drama (10-1), Mine That Bird (6-1), Musket Man (8-1), Luv Gov (50-1), Friesan Fire (6-1), Terrain (30-1), Papa Clem (12-1), General Quarters (20-1), Pioneer of the Nile (5-1), Flying Private (50-1), Take the Points (30-1), Tone It Down (50-1) and Rachel Alexandra (0-5).

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	Base Rate Charge	Gas Cost Adjustment Demand	Gas Cost Adjustment Commodity	Initial Billing Rate
RATE SCHEDULES GS				
Residential (GSR) ¹				
Customer Charge per billing period	9.30			9.30
Delivery Charge per Mcf	1.8715	1.2343	8.8881	11.9939
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Commercial or Industrial (GSO)¹				
Customer Charge per billing period	23.96			23.96
Delivery Charge per Mcf				
First 50 Mcf per Mo	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period	547.37			547.37
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	945.48
Over 30,000 Mcf	0.2905		8.8881	917.86
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement	6.5672			6.5672
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	255.00			255.00
Delivery Charge per Mcf	0.5905	1.2343	8.8881	10.7126
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE SS - STANDBY SERVICE				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement	6.5672			6.5672
RATE SCHEDULE DS - DELIVERY SERVICE¹				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	547.37			547.37
Customer Charge - Grandfathered Service only	23.96			23.96
Customer Charge - Intrastate Utility only	255.00			255.00
Delivery Rate per Mcf ²				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
Delivery Rate - Grandfathered Service only				
First 50 Mcf per Mo	1.8715			1.8715
Next 350 Mcf per Mo	1.8153			1.8153
Next 600 Mcf per Mo	1.7296			1.7296
Over 1,000 Mcf per Mo	1.5802			1.5802
Delivery Rate - Intrastate Utility only				
All volumes per billing period	0.5905			0.5905
Banking and Balancing Service	0.0208			0.0208
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE MLDs - MAINLINE DELIVERY SERVICE¹				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0958			0.0958
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service	0.0208			0.0208
The proposed rates to be charged in all territory served by Columbia Gas of Kentucky Inc. are as follows:				
	Base Rate Charge	Gas Cost Adjustment Demand	Gas Cost Adjustment Commodity	Initial Billing Rate
RATE SCHEDULES GS				
Residential (GSR) ¹ (Effective for first year only)				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4604	1.2343	8.8881	11.5828
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
Residential (GSR)¹ (Effective after first year only)				
Customer Delivery Charge per Billing Period	20.55			20.55
Delivery Charge per Mcf	0.0900	1.2343	8.8881	10.1224
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge ⁴	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

Commercial or Industrial (GSO) ¹				
Customer Charge per billing period	28.28			28.28
Delivery Charge per Mcf				
First 50 Mcf per Mo	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period	620.18			620.18
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	945.48
Over 30,000 Mcf	0.2905		8.8881	917.86
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement	6.5672			6.5672
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹				
Customer Charge per billing period	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.3955
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE SS - STANDBY SERVICE				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement	6.5672			6.5672

RATE SCHEDULE DS - DELIVERY SERVICE¹				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	620.18			620.18
Customer Charge - Grandfathered Service only	28.28			28.28
Customer Charge - Intrastate Utility only	331.50			331.50

Delivery Rate per Mcf²				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905

Delivery Rate - Grandfathered Service only				
First 50 Mcf per Mo	1.8715			1.8715
Next 350 Mcf per Mo	1.8153			1.8153
Next 600 Mcf per Mo	1.7296			1.7296
Over 1,000 Mcf per Mo	1.5802			1.5802

Delivery Rate - Intrastate Utility only				
All volumes per billing period	0.8729			0.8729
Banking and Balancing Service	0.0208			0.0208
NGR&D Rider	0.0124			0.0124
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE MLDs - MAINLINE DELIVERY SERVICE				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0958			0.0958
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service	0.0208			0.0208
POM Rider	0.0000			0.0000

MISCELLANEOUS TARIFF CHANGES

Miscellaneous Fees				
Columbia is proposing to increase the following charges as indicated.	Current	Proposed		
Reconnect Charge (after nonpayment of bills or for violation of tariff)	\$25.00	\$60.00		
Reconnect Charge (after disconnection at customer request) - GS				
GS Residential (GSR) (Effective for first year only)	Current	Proposed		
GS Residential (GSR) (Effective after first year only)	\$143.36	\$143.36		
GS Commercial or Industrial (GSO)	\$191.68	\$230.24		

Late Payment Penalty
Columbia is proposing to assess a late payment penalty of 5% only once of a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same month as it currently does for Commercial and Industrial service.

IMPACT OF PROPOSED RATES
The foregoing proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 7.03% to Columbia. The estimated amount of increase per customer class is as follows:
Residential: \$9,227,944 9.93%
Commercial: \$1,160,537 2.06%
Industrial: \$57,860 0.78%
Wholesale: \$9,084 4.30%
Other: \$410,865 60.95%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:
Residential: \$6.73 8.2%
Commercial: \$7.21 1.9%
Industrial: \$33.05 9.5%
Wholesale: \$378.40 4.3%

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. In addition to the adjustment of rates described above, Columbia is also seeking Public Service Commission approval of the following:

- the implementation of an Accelerated Main Replacement Program ("AMRP") rider that would enable Columbia to recover the full cost as it accelerates the replacement of the aging pipes and facilities on Columbia's system in order to maintain safe and reliable service for customers;
 - a change in Columbia's rate design for the GSR and residential SVGTs rate schedules, which would replace after a one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge;
 - the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills along with an automatic Energy Efficiency Conservation ("EEC") adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is 50.7¢ and is 50.0¢ for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's revenue deficiency;
 - the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses;
 - the implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expense attributable to Columbia's commodity cost of gas billed to customers;
 - the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.
- Any corporation, association, or person may by written request within thirty (30) days after publication of this notice of the proposed rate changes request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below. Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Cynthia Benham at:
Columbia Gas of Kentucky, Inc.
200 Mercer Road
Lexington, Kentucky 40511-1018
(502) 288-0261
Any person may examine the rate application and any other filings made by Columbia at the offices of Columbia or the Commission as listed below:
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky 40511-1018
1-800-432-9348

Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602
(502) 566-3940

¹ Customers taking Small Volume Gas Transportation Service are charged the base rate charge and all applicable riders only.
² Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.
³ Customers electing Small Volume Gas Transportation Service are not charged the gas cost adjustment or Gas Cost Uncollectible Charges.
⁴ Riders and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.
⁵ Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.
⁶ Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.

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Kanaan still looking for first Indianapolis 500 win

BY MIKE HARRIS
AP AUTO RACING WRITER

INDIANAPOLIS (AP) — Tony Kanaan finds it laughable when people start to talk about his bad luck in the Indianapolis 500.

The fun-loving Brazilian is probably the best active IndyCar driver never to have won the sport's biggest event. Still, he can't bring himself to think of either his close calls or his failures here as some kind of jinx.

"I've led the race every time I've been here, something nobody else has (done) and I haven't started worse than sixth," Kanaan said last week while relaxing before practice in the Andreotti Green Hooper garage. "You can't say this place is bad luck for me. I just haven't nailed it yet."

In Kanaan's first seven tries on the famed 2.5-mile Brickyard oval, the annual prerace favorite has five finishes of 12th or better, including third in 2003, second in 2004, eighth in 2005 and fifth in 2006.

"Because it's Indianapolis, people make a big deal about it," he said. "I don't think I have bad luck here. I just think I haven't had the luck to win. But I've been fortunate with what I have done. It's hard to win a race and even harder to pick the race that you want to win."

"I don't think this place owes me anything and I've just got to keep trying." But last year's 29th-place finish may have been the closest so far for Kanaan to swallow.

He went from leading the race to crashing out of it just past the halfway point when teammate Marco Andretti crowded him in a turn. Kanaan brushed the wall and then collided with Sarah Fisher.

Affthorace frustrated Kanaan called the move by Andretti, the son of team co-owner Michael Andretti "stupid."

But the hard feelings didn't last very long for Kanaan, acknowledged by younger teammates Andretti, Danica Patrick and Hideki Mutoh as the team leader.

"We still have different opinions, I think, about what happened," Kanaan said. "But that's good because we both have different personalities and see it in different ways. But that did not effect us as teammates. It did not effect us as friends. We still hang around and still have fun."

"Nobody really remembers what happened between me and Marco. They remember that Scott Dixon won the race. You have to move on and move forward."

The 22-year-old Andretti, 12 years younger than his teammate, agreed.

"Tony and I are fine," he said. "Things happen on the track, but I'm the leader of this team. He has everybody's respect."

Kanaan doesn't mind being the one that his teammates look up to. "I am the oldest guy by far," he said. "Everybody relies a lot on me. They being a young crowd they do have a tendency to lose their patience a lot quicker than I do."

"I'm not talking about car setup, because they are very capable of doing everything," Kanaan added. "But when I kind of struggle, it kind of falls down to everybody else. That's why I've got to keep my mind straight all the time. I'm fully aware of the responsibility that I have on this team. So I can't really show sometimes a lot of the emotions that I want to show."

Kanaan, who will start sixth on Sunday, still believes that he's got plenty of time to win this race.

"I took Johnny Rutherford 11 tries (to win) here," he said, referring to the three-time Indy winner. "I'm on my eighth. I told him the other day 'I guess I have five to go.'"

Legal Notice

NOTICE
Notice is hereby given that Columbia Gas of Kentucky Inc., a Kentucky Corporation, has asked the Public Service Commission, Frankfort, Kentucky, for approval of an adjustment of rates to become effective May 31, 2009, for service rendered on and after May 31, 2009. The present rates charged in all territory served by Columbia are as follows:

	Base Rate Charge	Gas Cost Adjustment \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS - RESIDENTIAL (GSR)¹				
Customer Charge per billing period	9.30			9.30
Delivery Charge per Mcf	1.8715	1.2343	8.8881	11.9939
EAP Rider	0.0925			0.0925
NGR&D Rider	0.0124			0.0124
Commercial or Industrial (GSO)¹				
Customer Charge per billing period	23.96			23.96
Delivery Charge per Mcf				
First 50 Mcf per Mo	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE IUS - INTERRUPTIBLE SALES SERVICE¹				
Customer Charge per billing period	547.37			547.37
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4548
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement	6.5672			6.5672
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹				
Customer Charge per billing period	255.00			255.00
Delivery Charge per Mcf	0.0985	1.2343	8.8881	10.7129
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE SS - STANDBY SERVICE¹				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement	6.5672			6.5672
RATE SCHEDULE DS - DELIVERY SERVICE¹				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	547.37			547.37
Customer Charge - Grandfathered Service only	23.96			23.96
Customer Charge - Intrastate Utility only	255.00			255.00
Delivery Rate per Mcf ²				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
Delivery Rate - Grandfathered Service only				
First 50 Mcf per Mo	1.8715			1.8715
Next 350 Mcf per Mo	1.8153			1.8153
Next 600 Mcf per Mo	1.7296			1.7296
Over 1,000 Mcf per Mo	1.5802			1.5802
Delivery Rate - Intrastate Utility only				
All volumes per billing period	0.5905			0.5905
Banking and Balancing Service	0.0208			0.0208
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE¹				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service	0.0208			0.0208

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky Inc. are as follows:

	Base Rate Charge	Gas Cost Adjustment \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS - RESIDENTIAL (GSR)¹ (Effective for first year only)				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4604	1.2343	8.8881	11.5828
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
Residential (GSR)¹ (Effective after first year only)				
Customer Delivery Charge per Billing Period	26.53			26.53
Delivery Charge per Mcf	0.0000	1.2343	8.8881	10.1224
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge ⁴	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

Commercial or Industrial (GSO) ¹				
Customer Charge per billing period	28.28			28.28
Delivery Charge per Mcf				
First 50 Mcf per Mo	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE IUS - INTERRUPTIBLE SALES SERVICE¹				
Customer Charge per billing period	620.18			620.18
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4548
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement	6.5672			6.5672
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹				
Customer Charge per billing period	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.9953
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE SS - STANDBY SERVICE¹				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement	6.5672			6.5672

RATE SCHEDULE DS - DELIVERY SERVICE¹				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	620.18			620.18
Customer Charge - Grandfathered Service only	28.28			28.28
Customer Charge - Intrastate Utility only	331.50			331.50

Delivery Rate per Mcf ²				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905

Delivery Rate - Grandfathered Service only				
First 50 Mcf per Mo	1.8715			1.8715
Next 350 Mcf per Mo	1.8153			1.8153
Next 600 Mcf per Mo	1.7296			1.7296
Over 1,000 Mcf per Mo	1.5802			1.5802

Delivery Rate - Intrastate Utility only				
All volumes per billing period	0.8729	0.0208		0.8729
Banking and Balancing Service	0.0208			0.0208
NGR&D Rider	0.0124			0.0124
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE¹				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service	0.0208			0.0208
POM Rider	0.0000			0.0000

MISCELLANEOUS TARIFF CHANGES

Miscellaneous Fees:

Columbia is proposing to increase the following charges as indicated. Current Proposed

Reconnect Charge (after nonpayment of bills or for violation of tariff)	\$25.00	\$60.00
Reconnect Charge (after disconnection at customer request) - GS		
GS Residential (GSR) (Effective for first year only)	\$74.40	\$113.36
GS Residential (GSR) (Effective after first year only)	\$74.40	\$212.24
GS Commercial or Industrial (GSO)	\$191.68	\$226.24

Late Payment Penalty

Columbia is proposing to assess a late payment penalty of 5% only once if a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same manner as it currently does for Commercial and Industrial service.

IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 7.03% to Columbia. The estimated amount of increase per customer class is as follows:

Residential	\$9,927,914	9.93%
Commercial	\$1,160,837	2.06%
Industrial	\$57,300	0.78%
Wholesale	\$5,084	4.30%
Other	\$410,865	60.08%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Residential	\$6.73	8.2%
Commercial	\$7.21	1.9%
Industrial	\$33.05	0.9%
Wholesale	\$378.40	4.3%

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. In addition to the adjustment of rates described above, Columbia is also seeking Public Service Commission approval of the following:

- the implementation of an Accelerated Main Replacement Program ("AMRP") rider that would enable Columbia to recover the net costs as it accelerates the replacement of the aging pipes and facilities on Columbia's system in order to maintain safe and reliable service for customers;
- a change in Columbia's rate design for the GSR and residential SVGS rate schedules, which would replace after one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge;
- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation ("EEC") adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.00 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency;
- the implementation of an automatic Pension and OPEB Mechanism ("POM") adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses;
- the implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expenses attributable to the Commission's commodity cost of gas billed to customers;
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity sales option in place of the Gas Cost Adjustment.

Any corporation, association, or person may by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at its offices listed below.

Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Cynthia Benham at:

Columbia Gas of Kentucky Inc.
2001 Mercer Road
Lexington, Kentucky 40511-0118
(859) 288-0261

Any person may examine the rate application and any other filings made by Columbia at the offices of Columbia or the Commission as listed below:

Columbia Gas of Kentucky Inc.
2001 Mercer Road
Lexington, Kentucky 40511-0118
1-800-432-9345

Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602
(502) 564-0940

¹ Customers taking Small Volume Gas Transportation Service are charged the base rate charge and all applicable riders only.

² Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

³ Customers electing Small Volume Gas Transportation Service are not charged the gas cost at adjustment or Gas Cost Uncollectible Charges.

⁴ Rates and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.

⁵ Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.

⁶ Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.

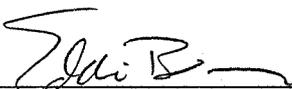
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COLUMBIA GAS OF KY
200 CIVIC CENTER CRIVE
COLUMBUS OH 43215

NEWSPAPER AFFIDAVIT

I, EDDIE BLAKELEY, PUBLISHER OF THE DAILY INDEPENDENT NEWSPAPER PUBLISHED IN ASHLAND, AND HAVING THE LARGEST CIRCULATION OF ANY NEWSPAPER IN THE BOYD COUNTY, KENTUCKY, DO HEREBY CERTIFY THAT FROM MY OWN KNOWLEDGE AND A CHECK OF THE FILES OF THIS NEWSPAPER THAT THE FOLLOWING ADVERTISEMENT WAS INSERTED IN THE DAILY INDEPENDENT.

SIGNATURE: 

SUBSCRIBED AND SWORN TO BEFORE ME BY THE ABOVE, THIS 20th DAY OF May, 2009

NOTARY PUBLIC Alison R. Barlow

MY COMMISSION EXPIRES June 7, 2010

COMMENTS	EXPIRED DATE	AD CAPTION	#TIMES	AMOUNT
THE INDEPENDENT	05/20/2009	RATE ADJUSTMENT	3	8185.59
05/06/2009	05/13/2009	05/20/2009		

NOTICE

Notice is hereby given that Columbia Gas of Kentucky, Inc., a Kentucky Corporation, has asked the Public Service Commission, Frankfort, Kentucky, for approval of an adjustment of rates to become effective May 31, 2009, for service rendered on and after May 31, 2009. The present rates charged in all territory served by Columbia are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
<u>RATE SCHEDULES GS</u>				
Residential (GSR)				
Customer Charge per billing period.	9.30			9.30
Delivery Charge per Mcf.	1.8715	1.2343	8.8881	11.9939
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Commercial or Industrial (GSO)¹				
Customer Charge per billing period.	23.96			23.96
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</u>				
Customer Charge per billing period.	547.37			547.37
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
<u>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹</u>				
Customer Charge per billing period.	255.00			255.00
Delivery Charge per Mcf.	0.5905	1.2343	8.8881	10.7129
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE SS - STANDBY SERVICE¹</u>				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672
<u>RATE SCHEDULE DS - DELIVERY SERVICE</u>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	547.37			547.37
Customer Charge - Grandfathered Service only	23.96			23.96
Customer Charge - Intrastate Utility only	255.00			255.00
<u>Delivery Rate per Mcf²</u>				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
<u>Delivery Rate - Grandfathered Service only</u>				
First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802
<u>Delivery Rate - Intrastate Utility only</u>				
All volumes per billing period	0.5905			0.5905
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</u>				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
<u>RATE SCHEDULES GS</u>				
<i>Residential (GSR)^{3,5} (Effective for first year only)</i>				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4604	1.2343	8.8881	11.5828
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
<i>Residential (GSR)^{3,5} (Effective after first year only)</i>				
Customer Delivery Charge per Billing Period	26.53			26.53
Delivery Charge per Mcf	0.0000	1.2343	8.8881	10.1224
EAP Rider	0.0525			0.0525
NGR&D Rider ⁴	0.0124			0.0124
Gas Cost Uncollectible Charge ⁴	0.0964			0.0964
AMRP Rider ⁴	0.0000			0.0000
POM Rider ⁴	0.0000			0.0000
<i>Commercial or Industrial (GSO)^{3,5}</i>				
Customer Charge per billing period	28.28			28.28
Delivery Charge per Mcf	0.0000			
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
<u>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</u>				
Customer Charge per billing period.	620.18			620.18
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
<u>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE^{3,5}</u>				
Customer Charge per billing period.	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.9953
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
<u>RATE SCHEDULE SS - STANDBY SERVICE</u>				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672

	Base Rate Charge	Gas Cost Adjustment Demand	Gas Cost Adjustment Commodity	Total Billing Rate
	\$	\$	\$	\$
RATE SCHEDULE DS - DELIVERY SERVICE⁶				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period ²	620.18			620.18
Customer Charge - Grandfathered Service only	28.28			28.28
Customer Charge - Intrastate Utility only	331.50			331.50

Delivery Rate per Mcf⁶				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905

Delivery Rate - Grandfathered Service only				
First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802

Delivery Rate - Intrastate Utility only				
All volumes per billing period	0.8729			0.8729
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208
POM Rider	0.0000			0.0000

MISCELLANEOUS TARIFF CHANGES

Miscellaneous Fees

Columbia is proposing to increase the following charges as indicated:

	Current	Proposed
Reconnect Charge (after nonpayment of bills or for violation of tariff)	\$25.00	\$60.00
Reconnect Charge (after disconnection at customer request) - GS		
GS Residential (GSR) (Effective for first year only)	\$74.40	\$143.36
GS Residential (GSR) (Effective after first year only)	\$74.40	\$212.24
GS Commercial or Industrial (GSO)	\$191.68	\$226.24

Late Payment Penalty

Columbia is proposing to assess a late payment penalty of 5%, only once if a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same manner as it currently does for Commercial and Industrial service.

IMPACT

The following proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 7.03% to Columbia. The estimated amount of increase per customer class is as follows:

Customer Class	Current	Proposed
Residential	\$9,927,944	9.93%
Commercial	\$1,160,537	2.06%
Industrial	\$57,300	0.78%
Wholesale	\$9,084	4.30%
Other	\$410,865	60.08%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Residential	\$6.73	8.2%
Commercial	\$7.21	1.9%
Industrial	\$33.05	0.9%
Wholesale	\$378.40	4.3%

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. In addition to the adjustment of rates described above, Columbia is also seeking Public Service Commission approval of the following:

- the implementation of an Accelerated Main Replacement Program ("AMRP") rider that would enable Columbia to recover its costs as it accelerates the replacement of the aging pipes and facilities on Columbia's system in order to maintain safe and reliable service for customers.
- a change in Columbia's rate design for the GSR and residential SVGTS rate schedules, which would replace, after a one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge.
- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation (EEC) adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.00 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency.
- the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses.
- The implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expense attributable to Columbia's commodity cost of gas billed to customers.
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.

Any corporation, association, or person may, by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below.

Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Cynthia Benham at:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky 40511-1018
(859) 288-0261

Any person may examine the rate application and any other filings made by Columbia at the offices of Columbia or the Commission, as listed below:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky 40511-1018
1-800-432-9345

Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602
(502) 564-3940

1 Customers taking Small Volume Gas Transportation Service are charged the base rate charge and all applicable riders only.

2 Applicable to all Rate Schedule DS customers except those served under Grandfathered or In-trastate Utility provisions

3 Customers electing Small Volume Gas Transportation Service are not charged the gas cost adjustment or Gas Cost Uncollectible Charges.

4 Riders and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.

5 Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.

6 Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.

Published: May 6, 13, 20, 2009

NOTICE

Notice is hereby given that Columbia Gas of Kentucky, Inc., a Kentucky Corporation, has asked the Public Service Commission, Frankfort, Kentucky, for approval of an adjustment of rates to become effective May 31, 2009, for service rendered on and after May 31, 2009. The present rates charged in all territory served by Columbia are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS				
Residential (GSR) ¹	9.30			9.30
Customer Charge per billing period.	1.8715	1.2343	8.8881	11.9939
Delivery Charge per Mcf.	0.0525			0.0525
EAP Rider	0.0124			0.0124
NGR&D Rider				
Commercial or Industrial (GSO)¹				
Customer Charge per billing period.	23.96			23.96
Delivery Charge per Mcf	1.8715	1.2343	8.8881	11.9939
First 50 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 350 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Next 600 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
Over 1,000 Mcf per Mo.	0.0124			0.0124
NGR&D Rider				
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period.	547.37			547.37
Delivery Charge per Mcf	0.5467		8.8881	9.4348
First 30,000 Mcf	0.2905		8.8881	9.1786
Over 30,000 Mcf	0.0124			0.0124
NGR&D Rider				
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹				
Customer Charge per billing period.	255.00			255.00
Delivery Charge per Mcf.	0.5905	1.2343	8.8881	10.7129
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE SS - STANDBY SERVICE¹				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672
RATE SCHEDULE DS - DELIVERY SERVICE				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	547.37			547.37
Customer Charge - Grandfathered Service only	23.96			23.96
Customer Charge - Intrastate Utility only	255.00			255.00
Delivery Rate per Mcf²				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
Delivery Rate - Grandfathered Service only				
First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802
Delivery Rate - Intrastate Utility only				
All volumes per billing period	0.5905			0.5905
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS				
Residential (GSR)^{3,5} (Effective for first year only)				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4604	1.2343	8.8881	11.5828
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
Residential (GSR)^{3,5} (Effective after first year only)				
Customer Delivery Charge per Billing Period	26.53			26.53
Delivery Charge per Mcf	0.0000	1.2343	8.8881	10.1224
EAP Rider	0.0525			0.0525
NGR&D Rider ¹	0.0124			0.0124
Gas Cost Uncollectible Charge ¹	0.0964			0.0964
AMRP Rider ¹	0.0000			0.0000
POM Rider ¹	0.0000			0.0000
Commercial or Industrial (GSO)^{3,5}				
Customer Charge per billing period.	28.28			28.28
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period.	620.18			620.18
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE^{3,5}				
Customer Charge per billing period.	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.9953
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE SS - STANDBY SERVICE				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
<u>RATE SCHEDULE DS - DELIVERY SERVICE⁶</u>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period ²	620.18			620.18
Customer Charge - Grandfathered Service only	28.28			28.28
Customer Charge - Intrastate Utility only	331.50			331.50
<u>Delivery Rate per Mcf⁵</u>				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
<u>Delivery Rate - Grandfathered Service only</u>				
First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802
<u>Delivery Rate - Intrastate Utility only</u>				
All volumes per billing period	0.8729			0.8729
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
<u>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</u>				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208
POM Rider	0.0000			0.0000
<u>MISCELLANEOUS TARIFF CHANGES</u>				
<u>Miscellaneous Fees</u>				
Columbia is proposing to increase the following charges as indicated:				
	<u>Current</u>		<u>Proposed</u>	
Reconnect Charge (after nonpayment of bills or for violation of tariff)	\$25.00		\$60.00	
Reconnect Charge (after disconnection at customer request)- GS	<u>Current</u>		<u>Proposed</u>	
GS Residential (GSR) (Effective for first year only)	\$74.40		\$143.36	
GS Residential (GSR) (Effective after first year only)	\$74.40		\$212.24	
GS Commercial or Industrial (GSO)	\$191.68		\$226.24	
<u>Late Payment Penalty</u>				
Columbia is proposing to assess a late payment penalty of 5%, only once if a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same manner as it currently does for Commercial and Industrial service.				
<u>IMPACT OF PROPOSED RATES</u>				
The foregoing proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 7.03% to Columbia. The estimated amount of increase per customer class is as follows:				
Residential	\$9,927,944		9.93%	
Commercial	\$1,160,537		2.06%	
Industrial	\$57,300		0.78%	
Wholesale	\$9,084		4.30%	
Other	\$410,865		60.08%	

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Residential	\$6.73	8.2%
Commercial	\$7.21	1.9%
Industrial	\$33.05	0.9%
Wholesale	\$378.40	4.3%

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. In addition to the adjustment of rates described above, Columbia is also seeking Public Service Commission approval of the following:

- the implementation of an Accelerated Main Replacement Program ("AMRP") rider that would enable Columbia to recover its costs as it accelerates the replacement of the aging pipes and facilities on Columbia's system in order to maintain safe and reliable service for customers.
- a change in Columbia's rate design for the GSR and residential SVGTS rate schedules, which would replace, after a one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge.
- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation (EEC) adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.00 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency.
- the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses.
- The implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expense attributable to Columbia's commodity cost of gas billed to customers.
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.

Any corporation, association, or person may, by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below.

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Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602
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- 1 Customers taking Small Volume Gas Transportation Service are charged the base rate charge and all applicable riders only.
- 2 Applicable to all Rate Schedule DS customers except those served under Grandfathered or In-trastate Utility provisions
- 3 Customers electing Small Volume Gas Transportation Service are not charged the gas cost adjustment or Gas Cost Uncollectible Charges.
- 4 Riders and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.
- 5 Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.
- 6 Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.

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	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
<u>RATE SCHEDULES GS</u>				
Residential (GSR)¹				
Customer Charge per billing period.	9.30			9.30
Delivery Charge per Mcf.	1.8715	1.2343	8.8881	11.9939
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Commercial or Industrial (GSO)¹				
Customer Charge per billing period.	23.96			23.96
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</u>				
Customer Charge per billing period.	547.37			547.37
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
<u>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹</u>				
Customer Charge per billing period.	255.00			255.00
Delivery Charge per Mcf.	0.5905	1.2343	8.8881	10.7129
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE SS - STANDBY SERVICE¹</u>				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672
<u>RATE SCHEDULE DS - DELIVERY SERVICE</u>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	547.37			547.37
Customer Charge - Grandfathered Service only	23.96			23.96
Customer Charge - Intrastate Utility only	255.00			255.00
<u>Delivery Rate per Mcf²</u>				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
<u>Delivery Rate - Grandfathered Service only</u>				
First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802
<u>Delivery Rate - Intrastate Utility only</u>				
All volumes per billing period	0.5905			0.5905
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</u>				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULE GS				
Residential (GSR) ^{3,5} (Effective for first year only)				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4604	1.2343	8.8881	11.5828
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
Residential (GSR)^{3,5} (Effective after first year only)				
Customer Delivery Charge per Billing Period	26.53			26.53
Delivery Charge per Mcf	0.0000	1.2343	8.8881	10.1224
EAP Rider	0.0525			0.0525
NGR&D Rider ¹	0.0124			0.0124
Gas Cost Uncollectible Charge ⁴	0.0964			0.0964
AMRP Rider ¹	0.0000			0.0000
POM Rider ¹	0.0000			0.0000
Commercial or Industrial (GSO)^{3,5}				
Customer Charge per billing period.	28.28			28.28
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period.	620.18			620.18
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm				
Volumes (Mcf) in Customer Agreement		6.5672		6.5672
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE^{3,5}				
Customer Charge per billing period.	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.9953
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE SS - STANDBY SERVICE				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service				
Volumes (Mcf) in Customer Agreement		6.5672		6.5672

	Base Rate Charge	Gas Cost Adjustment Demand	Gas Cost Adjustment Commodity	Total Billing Rate
	\$	\$	\$	\$
RATE SCHEDULE DS - DELIVERY SERVICE				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period ²	620.18			620.18
Customer Charge - Grandfathered Service only	28.28			28.28
Customer Charge - Intrastate Utility only	331.50			331.50
Delivery Rate per Mcf²				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
Delivery Rate - Grandfathered Service only				
First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802
Delivery Rate - Intrastate Utility only				
All volumes per billing period	0.8729			0.8729
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208
POM Rider	0.0000			0.0000
MISCELLANEOUS TARIFF CHANGES				
<u>Miscellaneous Fees</u>				
Columbia is proposing to increase the following charges as indicated:				
	Current	Proposed		
Reconnect Charge (after nonpayment of bills or for violation of tariff)	\$25.00	\$60.00		
Reconnect Charge (after disconnection at customer request)- GS	Current	Proposed		
GS Residential (GSR) (Effective for first year only)	\$74.40	\$143.36		
GS Residential (GSR) (Effective after first year only)	\$74.40	\$212.24		
GS Commercial or Industrial (GSO)	\$191.68	\$226.24		
Late Payment Penalty				
Columbia is proposing to assess a late payment penalty of 5%, only once if a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same manner as it currently does for Commercial and Industrial service.				
IMPACT OF PROPOSED RATES				
The foregoing proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 7.03% to Columbia. The estimated amount of increase per customer class is as follows:				
Residential	\$9,927,944	9.93%		
Commercial	\$1,160,537	2.06%		
Industrial	\$57,300	0.78%		
Wholesale	\$9,084	4.30%		
Other	\$410,865	60.08%		

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Residential	\$6.73	8.2%
Commercial	\$7.21	1.9%
Industrial	\$33.05	0.9%
Wholesale	\$378.40	4.3%

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. In addition to the adjustment of rates described above, Columbia is also seeking Public Service Commission approval of the following:

- the implementation of an Accelerated Main Replacement Program ("AMRP") rider that would enable Columbia to recover its costs as it accelerates the replacement of the aging pipes and facilities on Columbia's system in order to maintain safe and reliable service for customers.
- a change in Columbia's rate design for the GSR and residential SVGTS rate schedules, which would replace, after a one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge.
- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation (EEC) adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.00 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency.
- the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses.
- The implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expense attributable to Columbia's commodity cost of gas billed to customers.
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.

Any corporation, association, or person may, by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below.

Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Cynthia Benham at:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky 40511-1018
(859) 288-0261

Any person may examine the rate application and any other filings made by Columbia at the offices of Columbia or the Commission, as listed below:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky 40511-1018
1-800-432-9345

Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602
(502) 564-3940

- 1 Customers taking Small Volume Gas Transportation Service are charged the base rate charge and all applicable riders only.
- 2 Applicable to all Rate Schedule DS customers except those served under Grandfathered or In-trastate Utility provisions
- 3 Customers electing Small Volume Gas Transportation Service are not charged the gas cost adjustment or Gas Cost Uncollectible Charges.
- 4 Riders and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.
- 5 Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.
- 6 Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.

Published: May 6, 13, 20, 2009

AFFIDAVIT OF PUBLICATION

State of Kentucky
County of Mason

Kelli Cracraft being duly sworn,

Deposes and says that ~~he~~/she is ~~publisher~~/controller/~~advertising manager~~ of The Ledge Independent, a newspaper published in the city of Maysville, and that advertising for Hi Source Corp / Columbia Gas of Ky was published in the said newspaper and that the following is a true description of each advertisement as to date of publication and amount of space occupied:

Date	Space	Caption
5/20/09	102"	Notes of adjusted rates
5/13/09	102"	" " " "
5/7/09	102"	" " " "

Subscribed and sworn to before me this 20th day of May 2009

Kelli Cracraft
Signed

Rita Kinote
Notary Public
State of Kentucky
My commission expires May 23, 2012

NOTICE

Notice is hereby given that Columbia Gas of Kentucky, Inc., a Kentucky Corporation, has asked the Public Service Commission, Frankfort, Kentucky, for approval of an adjustment of rates to become effective May 31, 2009, for service rendered on and after May 31, 2009. The present rates charged in all territory served by Columbia are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
<u>RATE SCHEDULES GS</u>				
Residential (GSR)¹				
Customer Charge per billing period.	9.30			9.30
Delivery Charge per Mcf.	1.8715	1.2343	8.8881	11.9939
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Commercial or Industrial (GSO)¹				
Customer Charge per billing period.	23.96			23.96
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE IS - INTERRUPTIBLE</u>				
<u>SALES SERVICE</u>				
Customer Charge per billing period.	547.37			547.37
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
<u>RATE SCHEDULE IUS - INTRASTATE</u>				
<u>UTILITY SERVICE¹</u>				
Customer Charge per billing period.	255.00			255.00
Delivery Charge per Mcf.	0.5905	1.2343	8.8881	10.7129
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE SS - STANDBY</u>				
<u>SERVICE</u>				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672
<u>RATE SCHEDULE DS - DELIVERY</u>				
<u>SERVICE</u>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period ²	547.37			547.37
Customer Charge - Grandfathered Service only	23.96			23.96
Customer Charge - Intrastate Utility only	255.00			255.00
Delivery Rate per Mcf²				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
Delivery Rate - Grandfathered Service only				
First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802
Delivery Rate - Intrastate Utility only				
All volumes per billing period	0.5905			0.5905
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE MLDS - MAINLINE</u>				
<u>DELIVERY SERVICE</u>				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS				
Residential (GSR) ²⁵ (Effective for first year only)				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4604	1.2343	8.8881	11.5828
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
Residential (GSR) ²⁵ (Effective after first year only)				
Customer Delivery Charge per Billing Period	26.53			26.53
Delivery Charge per Mcf	0.0000	1.2343	8.8881	10.1224
EAP Rider ⁴	0.0525			0.0525
NGR&D Rider ⁴	0.0124			0.0124
Gas Cost Uncollectible Charge ⁴	0.0964			0.0964
AMRP Rider ⁴	0.0000			0.0000
POM Rider ⁴	0.0000			0.0000
Commercial or Industrial (GSO) ²⁵				
Customer Charge per billing period.	28.28			28.28
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period.	620.18			620.18
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE²⁵				
Customer Charge per billing period.	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.9953
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

LEDGER INDEPENDENT • THURSDAY, MAY 7, 2009

RATE SCHEDULE SS - STANDBY

SERVICE

Standby Service Demand Charge per Mcf		
Demand Charge times Standby Service		
Volumes (Mcf) in Customer Agreement	6.5672	6.5672

RATE SCHEDULE DS - DELIVERY

SERVICE⁶

Administrative Charge per billing period	55.90	55.90
Customer Charge per billing period	620.18	620.18
Customer Charge - Grandfathered Service only	28.28	28.28
Customer Charge - Intrastate Utility only	331.50	331.50

Delivery Rate per Mcf:

First 30,000 Mcf	0.5467	0.5467
Over 30,000 Mcf	0.2905	0.2905

Delivery Rate - Grandfathered Service only

First 50 Mcf per Mo.	1.8715	1.8715
Next 350 Mcf per Mo.	1.8153	1.8153
Next 600 Mcf per Mo.	1.7296	1.7296
Over 1,000 Mcf per Mo.	1.5802	1.5802

Delivery Rate - Intrastate Utility only

All volumes per billing period	0.8729	0.8729
Banking and Balancing Service	0.0208	0.0208
NGR&D Rider	0.0124	0.0124
AMRP Rider	0.0000	0.0000
POM Rider	0.0000	0.0000

RATE SCHEDULE MLDS - MAINLINE

DELIVERY SERVICE

Administrative Charge	55.90	55.90
Customer Charge per billing period	200.00	200.00
Delivery Rate Per Mcf	0.0858	0.0858
NGR&D Rider	0.0124	0.0124
Banking and Balancing Service	0.0208	0.0208
POM Rider	0.0000	0.0000

MISCELLANEOUS TARIFF CHANGES

Miscellaneous Fees

Columbia is proposing to increase the following charges as indicated:

	<u>Current</u>	<u>Proposed</u>
Reconnect Charge (after nonpayment of bills or for violation of tariff)	\$25.00	\$60.00
Reconnect Charge (after disconnection at customer request)- GS	<u>Current</u>	<u>Proposed</u>
GS Residential (GSR) (Effective for first year only)	\$74.40	\$143.36
GS Residential (GSR) (Effective after first year only)	\$74.40	\$212.24
GS Commercial or Industrial (GSO)	\$191.68	\$226.24

Late Payment Penalty

Columbia is proposing to assess a late payment penalty of 5%, only once if a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same manner as it currently does for Commercial and Industrial service.

IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 7.03% to Columbia. The estimated amount of increase per customer class is as follows:

Residential	\$9,927,944	9.93%
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Industrial	\$57,300	0.78%
Wholesale	\$9,084	4.30%
Other	\$410,865	60.08%

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- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation (EEC) adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.00 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency.
- the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses.
- The implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expense attributable to Columbia's commodity cost of gas billed to customers.
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.

Any corporation, association, or person may, by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below.

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¹ Customers taking Small Volume Gas Transportation Service are charged the base rate charge and all applicable riders only.

² Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions

³ Customers electing Small Volume Gas Transportation Service are not charged the gas cost adjustment or Gas Cost Uncollectible Charges.

⁴ Riders and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.

⁵ Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.

⁶ Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.

NOTICE

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	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS				
Residential (GSR)				
Customer Charge per billing period.	9.30			9.30
Delivery Charge per Mcf.	1.8715	1.2343	8.8881	11.9939
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Commercial or Industrial (GSO)				
Customer Charge per billing period.	23.96			23.96
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE IS - INTERRUPTIBLE				
SALES SERVICE				
Customer Charge per billing period.	547.37			547.37
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
RATE SCHEDULE IUS - INTRASTATE				
UTILITY SERVICE				
Customer Charge per billing period.	255.00			255.00
Delivery Charge per Mcf.	0.5905	1.2343	8.8881	10.7129
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE SS - STANDBY				
SERVICE				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672
RATE SCHEDULE DS - DELIVERY				
SERVICE				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	547.37			547.37
Customer Charge - Grandfathered Service only	23.96			23.96
Customer Charge - Intrastate Utility only	255.00			255.00
Delivery Rate per Mcf				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
Delivery Rate - Grandfathered Service only				
First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802
Delivery Rate - Intrastate Utility only				
All volumes per billing period	0.5905			0.5905
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE MLDS - MAINLINE				
DELIVERY SERVICE				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS				
Residential (GSR) ³⁵ (Effective for first year only)				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4604	1.2343	8.8881	11.5828
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
Residential (GSR) ³⁵ (Effective after first year only)				
Customer Delivery Charge per Billing Period	26.53			26.53
Delivery Charge per Mcf	0.0000	1.2343	8.8881	10.1224
EAP Rider ⁴	0.0525			0.0525
NGR&D Rider ⁴	0.0124			0.0124
Gas Cost Uncollectible Charge ⁴	0.0964			0.0964
AMRP Rider ⁴	0.0000			0.0000
POM Rider ⁴	0.0000			0.0000
Commercial or Industrial (GSO) ³⁵				
Customer Charge per billing period.	28.28			28.28
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period.	620.18			620.18
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE³⁵				
Customer Charge per billing period.	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.9953
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE SS - STANDBY SERVICE

Standby Service Demand Charge per Mcf			
Demand Charge times Standby Service			
Volumes (Mcf) in Customer Agreement	6.5672		6.5672

RATE SCHEDULE DS - DELIVERY SERVICE

Administrative Charge per billing period	55.90		55.90
Customer Charge per billing period	620.18		620.18
Customer Charge - Grandfathered Service only	28.28		28.28
Customer Charge - Intrastate Utility only	331.50		331.50

Delivery Rate per Mcf

First 30,000 Mcf	0.5467		0.5467
Over 30,000 Mcf	0.2905		0.2905

Delivery Rate - Grandfathered Service only

First 50 Mcf per Mo.	1.8715		1.8715
Next 350 Mcf per Mo.	1.8153		1.8153
Next 600 Mcf per Mo.	1.7296		1.7296
Over 1,000 Mcf per Mo.	1.5802		1.5802

Delivery Rate - Intrastate Utility only

All volumes per billing period	0.8729		0.8729
Banking and Balancing Service		0.0208	0.0208
NGR&D Rider	0.0124		0.0124
AMRP Rider	0.0000		0.0000
POM Rider	0.0000		0.0000

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE

Administrative Charge	55.90		55.90
Customer Charge per billing period	200.00		200.00
Delivery Rate Per Mcf	0.0858		0.0858
NGR&D Rider	0.0124		0.0124
Banking and Balancing Service		0.0208	0.0208
POM Rider	0.0000		0.0000

MISCELLANEOUS TARIFF CHANGES

Miscellaneous Fees

Columbia is proposing to increase the following charges as indicated:

	<u>Current</u>	<u>Proposed</u>
Reconnect Charge (after nonpayment of bills or for violation of tariff)	\$25.00	\$60.00
Reconnect Charge (after disconnection at customer request) - GS		
GS Residential (GSR) (Effective for first year only)	\$74.40	\$143.36
GS Residential (GSR) (Effective after first year only)	\$74.40	\$212.24
GS Commercial or Industrial (GSO)	\$191.68	\$226.24

Late Payment Penalty

Columbia is proposing to assess a late payment penalty of 5%, only once if a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same manner as it currently does for Commercial and Industrial service.

IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 7.03% to Columbia. The estimated amount of increase per customer class is as follows:

Residential	\$9,927,944	9.93%
Commercial	\$1,160,537	2.06%
Industrial	\$57,300	0.78%
Wholesale	\$9,084	4.30%
Other	\$410,865	60.08%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Residential	\$6.73	8.2%
Commercial	\$7.21	1.9%
Industrial	\$33.05	0.9%
Wholesale	\$378.40	4.3%

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. In addition to the adjustment of rates described above, Columbia is also seeking Public Service Commission approval of the following:

- the implementation of an Accelerated Main Replacement Program ("AMRP") rider that would enable Columbia to recover its costs as it accelerates the replacement of the aging pipes and facilities on Columbia's system in order to maintain safe and reliable service for customers.
- a change in Columbia's rate design for the GSR and residential SVGTS rate schedules, which would replace, after a one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge.
- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation (EEC) adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.00 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency.
- the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses.
- The implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expense attributable to Columbia's commodity cost of gas billed to customers.
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.

Any corporation, association, or person may, by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below.

Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Cynthia Benham at:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky 40511-1018
(859) 288-0261

Any person may examine the rate application and any other filings made by Columbia at the offices of Columbia or the Commission, as listed below:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky 40511-1018
1-800-432-9345

Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602
(502) 564-3940

¹ Customers taking Small Volume Gas Transportation Service are charged the base rate charge and all applicable riders only.

² Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions

³ Customers electing Small Volume Gas Transportation Service are not charged the gas cost adjustment or Gas Cost Uncollectible Charges.

⁴ Riders and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.

⁵ Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.

⁶ Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.

NI Source

NOTICE

Notice is hereby given that Columbia Gas of Kentucky, Inc., a Kentucky Corporation, has asked the Public Service Commission, Frankfort, Kentucky, for approval of an adjustment of rates to become effective May 31, 2009, for service rendered on and after May 31, 2009. The present rates charged in all territory served by Columbia are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS				
Residential (GSR)'				
Customer Charge per billing period.	9.30			9.30
Delivery Charge per Mcf.	1.8715	1.2343	8.8881	11.9939
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Commercial or Industrial (GSO)'				
Customer Charge per billing period.	23.96			23.96
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE IS - INTERRUPTIBLE				
SALES SERVICE				
Customer Charge per billing period.	547.37			547.37
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
RATE SCHEDULE IUS - INTRASTATE				
UTILITY SERVICE'				
Customer Charge per billing period.	255.00			255.00
Delivery Charge per Mcf.	0.5905	1.2343	8.8881	10.7129
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE SS - STANDBY				
SERVICE				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672
RATE SCHEDULE DS - DELIVERY				
SERVICE				
Administrative Charge per billing period.	55.90			55.90
Customer Charge per billing period'	547.37			547.37
Customer Charge - Grandfathered Service only	23.96			23.96
Customer Charge - Intrastate Utility only	255.00			255.00
Delivery Rate per Mcf:				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
Delivery Rate - Grandfathered Service only				
First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802
Delivery Rate - Intrastate Utility only				
All volumes per billing period	0.5905			0.5905
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE MLDS - MAINLINE				
DELIVERY SERVICE				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS				
Residential (GSR) ^{3,5} (Effective for first year only)				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4604	1.2343	8.8881	11.5828
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
Residential (GSR) ^{3,5} (Effective after first year only)				
Customer Delivery Charge per Billing Period	26.53			26.53
Delivery Charge per Mcf	0.0000	1.2343	8.8881	10.1224
EAP Rider'	0.0525			0.0525
NGR&D Rider'	0.0124			0.0124
Gas Cost Uncollectible Charge'	0.0964			0.0964
AMRP Rider'	0.0000			0.0000
POM Rider'	0.0000			0.0000
Commercial or Industrial (GSO) ^{3,5}				
Customer Charge per billing period.	28.28			28.28
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period.	620.18			620.18
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE^{3,5}				
Customer Charge per billing period.	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.9953
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE SS - STANDBY SERVICE

Standby Service Demand Charge per Mcf		
Demand Charge times Standby Service		
Volumes (Mcf) in Customer Agreement	6.5672	6.5672

RATE SCHEDULE DS - DELIVERY SERVICE

Administrative Charge per billing period	55.90	55.90
Customer Charge per billing period	620.18	620.18
Customer Charge - Grandfathered Service only	28.28	28.28
Customer Charge - Intrastate Utility only	331.50	331.50

Delivery Rate per Mcf

First 30,000 Mcf	0.5467	0.5467
Over 30,000 Mcf	0.2905	0.2905

Delivery Rate - Grandfathered Service only

First 50 Mcf per Mo.	1.8715	1.8715
Next 350 Mcf per Mo.	1.8153	1.8153
Next 600 Mcf per Mo.	1.7296	1.7296
Over 1,000 Mcf per Mo.	1.5802	1.5802

Delivery Rate - Intrastate Utility only

All volumes per billing period	0.8729	0.8729
Banking and Balancing Service	0.0208	0.0208
NGR&D Rider	0.0124	0.0124
AMRP Rider	0.0000	0.0000
POM Rider	0.0000	0.0000

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE

Administrative Charge	55.90	55.90
Customer Charge per billing period	200.00	200.00
Delivery Rate Per Mcf	0.0858	0.0858
NGR&D Rider	0.0124	0.0124
Banking and Balancing Service	0.0208	0.0208
POM Rider	0.0000	0.0000

MISCELLANEOUS TARIFF CHANGES

Miscellaneous Fees

Columbia is proposing to increase the following charges as indicated:

	<u>Current</u>	<u>Proposed</u>
Reconnect Charge (after nonpayment of bills or for violation of tariff)	\$25.00	\$60.00
Reconnect Charge (after disconnection at customer request) - GS	<u>Current</u>	<u>Proposed</u>
GS Residential (GSR) (Effective for first year only)	\$74.40	\$143.36
GS Residential (GSR) (Effective after first year only)	\$74.40	\$212.24
GS Commercial or Industrial (GSO)	\$191.68	\$226.24

Late Payment Penalty

Columbia is proposing to assess a late payment penalty of 5%, only once if a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same manner as it currently does for Commercial and Industrial service.

IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 7.03% to Columbia. The estimated amount of increase per customer class is as follows:

Residential	\$9,927,944	9.93%
Commercial	\$1,160,537	2.06%
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Wholesale	\$9,084	4.30%
Other	\$410,865	60.08%

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Wholesale	\$378.40	4.3%

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- a change in Columbia's rate design for the GSR and residential SVGTS rate schedules, which would replace, after a one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge.
- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation (EEC) adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.00 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency.
- the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses.
- The implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expense attributable to Columbia's commodity cost of gas billed to customers.
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.

Any corporation, association, or person may, by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below.

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Columbia Gas of Kentucky, Inc.
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Lexington, Kentucky 40511-1018
(859) 288-0261

Any person may examine the rate application and any other filings made by Columbia at the offices of Columbia or the Commission, as listed below:

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Lexington, Kentucky 40511-1018
1-800-432-9345

Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602
(502) 564-3940

¹ Customers taking Small Volume Gas Transportation Service are charged the base rate charge and all applicable riders only.

² Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions

³ Customers electing Small Volume Gas Transportation Service are not charged the gas cost adjustment or Gas Cost Uncollectible Charges.

⁴ Riders and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.

⁵ Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.

⁶ Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.

Application No. _____

Newspaper ~~Article~~

I Evelena Osburne, of The Floyd County Times, published at Prestonsburg and having the largest general circulation of any newspaper in Floyd County, Kentucky, do hereby certify that from my own knowledge and a check of the files of this newspaper that the advertisement of Notice for Columbia Gas of Kentucky, Inc.

was inserted in The Floyd County Times on the following dates:

Date: 5-8-09 Page No. B6 Column No. 1-9

Date: 5-15-09 Page No. B6 Column No. 1-9

Date: 5-22-09 Page No. B7 Column No. 1-9

Date: _____ Page No. _____ Column No. _____

Date: _____ Page No. _____ Column No. _____

Date: _____ Page No. _____ Column No. _____

Signature Evelena Osburne

Subscribed and sworn to me by Evelena Osburne
on this Day 22nd May 2009

Notary Public: [Signature]

My commission Expires: 8/16/09

NOTICE

Notice is hereby given that Columbia Gas of Kentucky, Inc., a Kentucky Corporation, has asked the Public Service Commission, Frankfort, Kentucky, for approval of an adjustment of rates to become effective May 31, 2009, for service rendered on and after May 31, 2009. The present rates charged in all territory served by Columbia are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
<u>RATE SCHEDULES GS</u>				
Residential (GSR) ¹				9.30
Customer Charge per billing period.	9.30			
Delivery Charge per Mcf.	1.8715	1.2343	8.8881	11.9939
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
<u>Commercial or Industrial (GSO)¹</u>				
Customer Charge per billing period	23.96			23.96
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</u>				
Customer Charge per billing period.	547.37			547.37
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
<u>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹</u>				
Customer Charge per billing period.	255.00			255.00
Delivery Charge per Mcf.	0.5905	1.2343	8.8881	10.7129
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE SS - STANDBY SERVICE</u>				
Standby Service Demand Charge per Mcf.				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672
<u>RATE SCHEDULE DS - DELIVERY SERVICE</u>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period ²	547.37			547.37
Customer Charge - Grandfathered Service only	23.96			23.96
Customer Charge - Intrastate Utility only	255.00			255.00
<u>Delivery Rate per Mcf²</u>				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
<u>Delivery Rate - Grandfathered Service only</u>				
First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802
<u>Delivery Rate - Intrastate Utility only</u>				
All volumes per billing period	0.5905			0.5905
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</u>				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208

THE FLOYD COUNTY TIMES

B6 • FRIDAY, MAY 8, 2009

RATE SCHEDULE SS - STANDBY SERVICE

Standby Service Demand Charge per Mcf		
Demand Charge times Standby Service		
Volumes (Mcf) in Customer Agreement	6.5672	6.5672

RATE SCHEDULE DS - DELIVERY SERVICE⁶

Administrative Charge per billing period	55.90	55.90
Customer Charge per billing period ²	620.18	620.18
Customer Charge - Grandfathered Service only	28.28	28.28
Customer Charge - Intrastate Utility only	331.50	331.50

Delivery Rate per Mcf²

First 30,000 Mcf	0.5467	0.5467
Over 30,000 Mcf	0.2905	0.2905

Delivery Rate - Grandfathered Service only

First 50 Mcf per Mo.	1.8715	1.8715
Next 350 Mcf per Mo.	1.8153	1.8153
Next 600 Mcf per Mo.	1.7296	1.7296
Over 1,000 Mcf per Mo.	1.5802	1.5802

Delivery Rate - Intrastate Utility only

All volumes per billing period	0.8729	0.8729
Banking and Balancing Service	0.0208	0.0208
NGR&D Rider	0.0124	0.0124
AMRP Rider	0.0000	0.0000
POM Rider	0.0000	0.0000

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE

Administrative Charge	55.90	55.90
Customer Charge per billing period	200.00	200.00
Delivery Rate Per Mcf	0.0858	0.0858
NGR&D Rider	0.0124	0.0124
Banking and Balancing Service	0.0208	0.0208
POM Rider	0.0000	0.0000

MISCELLANEOUS TARIFF CHANGES

Miscellaneous Fees

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Reconnect Charge (after disconnection at customer request)- GS	<u>Current</u>	<u>Proposed</u>
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GS Residential (GSR) (Effective after first year only)	\$74.40	\$212.24
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IMPACT OF PROPOSED RATES

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Residential	\$9,927,944	9.93%
Commercial	\$1,160,537	2.06%
Industrial	\$57,300	0.78%
Wholesale	\$9,084	4.30%
Other	\$410,865	60.08%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Residential	\$6.73	8.2%
Commercial	\$7.21	1.9%
Industrial	\$33.05	0.9%
Wholesale	\$378.40	4.3%

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. In addition to the adjustment of rates described above, Columbia is also seeking Public Service Commission approval of the following:

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS				
Residential (GSR) ^{3,5} (Effective for first year only)				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4604	1.2343	8.8881	11.5828
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
Residential (GSR) ^{3,5} (Effective after first year only)				
Customer Delivery Charge per Billing Period	26.53			26.53
Delivery Charge per Mcf	0.0000	1.2343	8.8881	10.1224
EAP Rider ⁴	0.0525			0.0525
NGR&D Rider ⁴	0.0124			0.0124
Gas Cost Uncollectible Charge ⁴	0.0964			0.0964
AMRP Rider ⁴	0.0000			0.0000
POM Rider ⁴	0.0000			0.0000
Commercial or Industrial (GSO) ^{3,5}				
Customer Charge per billing period	28.28			28.28
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period	620.18			620.18
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE^{3,5}				
Customer Charge per billing period	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.9953
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

- the implementation of an Accelerated Main Replacement Program ("AMRP") rider that would enable Columbia to recover its costs as it accelerates the replacement of the aging pipes and facilities on Columbia's system in order to maintain safe and reliable service for customers.
- a change in Columbia's rate design for the GSR and residential SVGTS rate schedules, which would replace, after a one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge.
- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation (EEC) adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.00 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency.
- the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses.
- The implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expense attributable to Columbia's commodity cost of gas billed to customers.
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.

Any corporation, association, or person may, by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below.

Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Cynthia Benham at:
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky 40511-1018
(859) 288-0261

Any person may examine the rate application and any other filings made by Columbia at the offices of Columbia or the Commission, as listed below:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky 40511-1018
1-800-432-9345

Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602
(502) 564-3940

¹ Customers taking Small Volume Gas Transportation Service are charged the base rate charge and all applicable riders only.

² Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions

³ Customers electing Small Volume Gas Transportation Service are not charged the gas cost adjustment or Gas Cost Uncollectible Charges.

⁴ Riders and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.

⁵ Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.

⁶ Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.

NOTICE

Notice is hereby given that Columbia Gas of Kentucky, Inc., a Kentucky Corporation, has asked the Public Service Commission, Frankfort, Kentucky, for approval of an adjustment of rates to become effective May 31, 2009, for service rendered on and after May 31, 2009. The present rates charged in all territory served by Columbia are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS				
Residential (GSR) ¹				
Customer Charge per billing period.	9.30			9.30
Delivery Charge per Mcf.	1.8715	1.2343	8.8881	11.9939
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Commercial or Industrial (GSO) ¹				
Customer Charge per billing period	23.96			23.96
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period.	547.37			547.37
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹				
Customer Charge per billing period.	255.00			255.00
Delivery Charge per Mcf.	0.5905	1.2343	8.8881	10.7129
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE SS - STANDBY SERVICE				
Standby Service Demand Charge per Mcf.				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672
RATE SCHEDULE DS - DELIVERY SERVICE				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period ²	547.37			547.37
Customer Charge - Grandfathered Service only	23.96			23.96
Customer Charge - Intrastate Utility only	255.00			255.00
Delivery Rate per Mcf²				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
Delivery Rate - Grandfathered Service only				
First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802
Delivery Rate - Intrastate Utility only				
All volumes per billing period	0.5905			0.5905
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124
RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS				
Residential (GSR) ^{3,5} (Effective for first year only)				
Customer Delivery Charge per Billing Period	17.92			17.92
Delivery Charge per Mcf	1.4604	1.2343	8.8881	11.5828
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
Residential (GSR) ^{3,5} (Effective after first year only)				
Customer Delivery Charge per Billing Period	26.53			26.53
Delivery Charge per Mcf.	0.0000	1.2343	8.8881	10.1224
EAP Rider ⁴	0.0525			0.0525
NGR&D Rider ⁴	0.0124			0.0124
Gas Cost Uncollectible Charge ⁴	0.0964			0.0964
AMRP Rider ⁴	0.0000			0.0000
POM Rider ⁴	0.0000			0.0000
Commercial or Industrial (GSO) ^{3,5}				
Customer Charge per billing period.	28.28			28.28
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period.	620.18			620.18
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE^{3,5}				
Customer Charge per billing period.	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.9953
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000

RATE SCHEDULE SS - STANDBY SERVICE

Standby Service Demand Charge per Mcf		
Demand Charge times Standby Service		
Volumes (Mcf) in Customer Agreement	6.5672	6.5672

RATE SCHEDULE DS - DELIVERY SERVICE⁶

Administrative Charge per billing period	55.90	55.90
Customer Charge per billing period ²	620.18	620.18
Customer Charge - Grandfathered Service only	28.28	28.28
Customer Charge - Intrastate Utility only	331.50	331.50

Delivery Rate per Mcf²

First 30,000 Mcf	0.5467	0.5467
Over 30,000 Mcf	0.2905	0.2905

Delivery Rate - Grandfathered Service only

First 50 Mcf per Mo.	1.8715	1.8715
Next 350 Mcf per Mo.	1.8153	1.8153
Next 600 Mcf per Mo.	1.7296	1.7296
Over 1,000 Mcf per Mo.	1.5802	1.5802

Delivery Rate - Intrastate Utility only

All volumes per billing period	0.8729	0.8729
Banking and Balancing Service	0.0208	0.0208
NGR&D Rider	0.0124	0.0124
AMRP Rider	0.0000	0.0000
POM Rider	0.0000	0.0000

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE

Administrative Charge	55.90	55.90
Customer Charge per billing period	200.00	200.00
Delivery Rate Per Mcf	0.0858	0.0858
NGR&D Rider	0.0124	0.0124
Banking and Balancing Service	0.0208	0.0208
POM Rider	0.0000	0.0000

MISCELLANEOUS TARIFF CHANGES

Miscellaneous Fees

Columbia is proposing to increase the following charges as indicated:

	<u>Current</u>	<u>Proposed</u>
Reconnect Charge (after nonpayment of bills or for violation of tariff)	\$25.00	\$60.00
Reconnect Charge (after disconnection at customer request)- GS	<u>Current</u>	<u>Proposed</u>
GS Residential (GSR) (Effective for first year only)	\$74.40	\$143.36
GS Residential (GSR) (Effective after first year only)	\$74.40	\$212.24
GS Commercial or Industrial (GSO)	\$191.68	\$226.24

Late Payment Penalty

Columbia is proposing to assess a late payment penalty of 5%, only once if a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same manner as it currently does for Commercial and Industrial service.

IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 7.03% to Columbia. The estimated amount of increase per customer class is as follows:

Residential	\$9,927,944	9.93%
Commercial	\$1,160,537	2.06%
Industrial	\$57,300	0.78%
Wholesale	\$9,084	4.30%
Other	\$410,865	60.08%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Residential	\$6.73	8.2%
Commercial	\$7.21	1.9%
Industrial	\$33.05	0.9%
Wholesale	\$378.40	4.3%

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. In addition to the adjustment of rates described above, Columbia is also seeking Public Service Commission approval of the following:

- the implementation of an Accelerated Main Replacement Program ("AMRP") rider that would enable Columbia to recover the its costs as it accelerates the replacement of the aging pipes and facilities on Columbia's system in order to maintain safe and reliable service for customers.
- a change in Columbia's rate design for the GSR and residential SVGTS rate schedules, which would replace, after a one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge.
- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation (EEC) adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.00 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency.
- the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses.
- The implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expense attributable to Columbia's commodity cost of gas billed to customers.
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.

Any corporation, association, or person may, by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below.

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¹ Customers taking Small Volume Gas Transportation Service are charged the base rate charge and all applicable riders only.

² Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions

³ Customers electing Small Volume Gas Transportation Service are not charged the gas cost adjustment or Gas Cost Uncollectible Charges.

⁴ Riders and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.

⁵ Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.

⁶ Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.

NOTICE

Notice is hereby given that Columbia Gas of Kentucky, Inc., a Kentucky Corporation, has asked the Public Service Commission, Frankfort, Kentucky, for approval of an adjustment of rates to become effective May 31, 2009, for service rendered on and after May 31, 2009. The present rates charged in all territory served by Columbia are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
<u>RATE SCHEDULES GS</u>				
Residential (GSR) ¹				
Customer Charge per billing period.	9.30			9.30
Delivery Charge per Mcf.	1.8715	1.2343	8.8881	11.9939
EAP Rider	0.0525			0.0525
NGR&D Rider	0.0124			0.0124
Commercial or Industrial (GSO) ¹				
Customer Charge per billing period	23.96			23.96
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</u>				
Customer Charge per billing period.	547.37			547.37
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
<u>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹</u>				
Customer Charge per billing period.	255.00			255.00
Delivery Charge per Mcf.	0.5905	1.2343	8.8881	10.7129
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE SS - STANDBY SERVICE</u>				
Standby Service Demand Charge per Mcf.				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.5672		6.5672
<u>RATE SCHEDULE DS - DELIVERY SERVICE</u>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period ²	547.37			547.37
Customer Charge - Grandfathered Service only	23.96			23.96
Customer Charge - Intrastate Utility only	255.00			255.00
<u>Delivery Rate per Mcf²</u>				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
<u>Delivery Rate - Grandfathered Service only</u>				
First 50 Mcf per Mo.	1.8715			1.8715
Next 350 Mcf per Mo.	1.8153			1.8153
Next 600 Mcf per Mo.	1.7296			1.7296
Over 1,000 Mcf per Mo.	1.5802			1.5802
<u>Delivery Rate - Intrastate Utility only</u>				
All volumes per billing period	0.5905			0.5905
Banking and Balancing Service		0.0208		0.0208
NGR&D Rider	0.0124			0.0124
<u>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</u>				
Administrative Charge	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Rate Per Mcf	0.0858			0.0858
NGR&D Rider	0.0124			0.0124
Banking and Balancing Service		0.0208		0.0208

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows:

	Base Rate Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	Total Billing Rate \$
RATE SCHEDULES GS				
Residential (GSR) ^{3,5} (Effective for first year only)				
Customer Delivery Charge per Billing Period				
Delivery Charge per Mcf	17.92			17.92
EAP Rider	1.4604	1.2343	8.8881	11.5828
NGR&D Rider	0.0525			0.0525
Gas Cost Uncollectible Charge	0.0124			0.0124
AMRP Rider	0.0964			0.0964
POM Rider	0.0000			0.0000
	0.0000			0.0000
Residential (GSR) ^{3,5} (Effective after first year only)				
Customer Delivery Charge per Billing Period	26.53			26.53
Delivery Charge per Mcf	0.0000	1.2343	8.8881	10.1224
EAP Rider ⁴	0.0525			0.0525
NGR&D Rider ⁴	0.0124			0.0124
Gas Cost Uncollectible Charge ⁴	0.0964			0.0964
AMRP Rider ⁴	0.0000			0.0000
POM Rider ⁴	0.0000			0.0000
				0.0000
Commercial or Industrial (GSO) ^{3,5}				
Customer Charge per billing period	28.28			28.28
Delivery Charge per Mcf				
First 50 Mcf per Mo.	1.8715	1.2343	8.8881	11.9939
Next 350 Mcf per Mo.	1.8153	1.2343	8.8881	11.9377
Next 600 Mcf per Mo.	1.7296	1.2343	8.8881	11.8520
Over 1,000 Mcf per Mo.	1.5802	1.2343	8.8881	11.7026
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
				0.0000
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period	620.18			620.18
Delivery Charge per Mcf				
First 30,000 Mcf	0.5467		8.8881	9.4348
Over 30,000 Mcf	0.2905		8.8881	9.1786
NGR&D Rider	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.5672		6.5672
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
				0.0000
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE^{3,5}				
Customer Charge per billing period	331.50			331.50
Delivery Charge per Mcf	0.8729	1.2343	8.8881	10.9953
NGR&D Rider	0.0124			0.0124
Gas Cost Uncollectible Charge	0.0964			0.0964
AMRP Rider	0.0000			0.0000
POM Rider	0.0000			0.0000
				0.0000

RATE SCHEDULE SS - STANDBY SERVICE

Standby Service Demand Charge per Mcf		
Demand Charge times Standby Service		
Volumes (Mcf) in Customer Agreement	6.5672	6.5672

RATE SCHEDULE DS - DELIVERY SERVICE⁶

Administrative Charge per billing period	55.90	55.90
Customer Charge per billing period ²	620.18	620.18
Customer Charge - Grandfathered Service only	28.28	28.28
Customer Charge - Intrastate Utility only	331.50	331.50

Delivery Rate per Mcf²

First 30,000 Mcf	0.5467	0.5467
Over 30,000 Mcf	0.2905	0.2905

Delivery Rate - Grandfathered Service only

First 50 Mcf per Mo.	1.8715	1.8715
Next 350 Mcf per Mo.	1.8153	1.8153
Next 600 Mcf per Mo.	1.7296	1.7296
Over 1,000 Mcf per Mo.	1.5802	1.5802

Delivery Rate - Intrastate Utility only

All volumes per billing period	0.8729	0.8729
Banking and Balancing Service	0.0208	0.0208
NGR&D Rider	0.0124	0.0124
AMRP Rider	0.0000	0.0000
POM Rider	0.0000	0.0000

RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE

Administrative Charge	55.90	55.90
Customer Charge per billing period	200.00	200.00
Delivery Rate Per Mcf	0.0858	0.0858
NGR&D Rider	0.0124	0.0124
Banking and Balancing Service	0.0208	0.0208
POM Rider	0.0000	0.0000

MISCELLANEOUS TARIFF CHANGES

Miscellaneous Fees

Columbia is proposing to increase the following charges as indicated:

	<u>Current</u>	<u>Proposed</u>
Reconnect Charge (after nonpayment of bills or for violation of tariff)	\$25.00	\$60.00
Reconnect Charge (after disconnection at customer request)- GS	<u>Current</u>	<u>Proposed</u>
GS Residential (GSR) (Effective for first year only)	\$74.40	\$143.36
GS Residential (GSR) (Effective after first year only)	\$74.40	\$212.24
GS Commercial or Industrial (GSO)	\$191.68	\$226.24

Late Payment Penalty

Columbia is proposing to assess a late payment penalty of 5%, only once if a customer fails to pay bill by the due date shown on Customer's bill for Residential Service in the same manner as it currently does for Commercial and Industrial service.

IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 7.03% to Columbia. The estimated amount of increase per customer class is as follows:

Residential	\$9,927,944	9.93%
Commercial	\$1,160,537	2.06%
Industrial	\$57,300	0.78%
Wholesale	\$9,084	4.30%
Other	\$410,865	60.08%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Residential	\$6.73	8.2%
Commercial	\$7.21	1.9%
Industrial	\$33.05	0.9%
Wholesale	\$378.40	4.3%

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. In addition to the adjustment of rates described above, Columbia is also seeking Public Service Commission approval of the following:

- the implementation of an Accelerated Main Replacement Program ("AMRP") rider that would enable Columbia to recover its costs as it accelerates the replacement of the aging pipes and facilities on Columbia's system in order to maintain safe and reliable service for customers.
- a change in Columbia's rate design for the GSR and residential SVGTS rate schedules, which would replace, after a one-year phase-in period, the current Customer Charge and volumetric rate with a fixed Customer Delivery Charge.
- the implementation of a Demand Side Management ("DSM") program to encourage customers to conserve their consumption of natural gas and help reduce their natural gas energy bills, along with an automatic Energy Efficiency Conservation (EEC) adjustment mechanism to recover the costs of the program. Pursuant to KRS 278.285, Columbia is permitted to recover estimated costs associated with its DSM program. The proposed monthly EEC rider for residential customers is \$0.76 and is \$0.00 for commercial customers per meter per billing period and are not reflected in the rates designed to recover Columbia's base rate revenue deficiency.
- the implementation of an automatic Pension and OPEB Mechanism (POM) adjustment clause that would permit Columbia to recover pension and other post-employment benefit expenses.
- The implementation of a Gas Cost Uncollectible Charge to recover the amount of uncollectible expense attributable to Columbia's commodity cost of gas billed to customers.
- the implementation of a Price Protection Service and a Negotiated Sales Service that will permit Columbia to offer customers a fixed or index price commodity service option in place of the Gas Cost Adjustment.

Any corporation, association, or person may, by written request, within thirty (30) days after publication of this notice of the proposed rate changes, request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown. Requests to intervene should be submitted to the Public Service Commission at the address listed below.

Any person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting Cynthia Benham at:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky 40511-1018
(859) 288-0261

Any person may examine the rate application and any other filings made by Columbia at the offices of Columbia or the Commission, as listed below:

Columbia Gas of Kentucky, Inc.
 2001 Mercer Road
 Lexington, Kentucky 40511-1018
 1-800-432-9345

Public Service Commission of Kentucky
 211 Sower Boulevard
 Frankfort, Kentucky 40602
 (502) 564-3940

¹ Customers taking Small Volume Gas Transportation Service are charged the base rate charge and all applicable riders only.

² Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions

³ Customers electing Small Volume Gas Transportation Service are not charged the gas cost adjustment or Gas Cost Uncollectible Charges.

⁴ Riders and gas cost rates after the first year will be determined by subsequent filings subject to Public Service Commission approval. Only the fixed Customer Delivery Charge and Delivery Charge Per Mcf effective after the first year will be determined in this filing.

⁵ Customers electing Price Protection Service (PPS) are not charged the gas cost or the Gas Cost Uncollectible Charge. PPS customers will be charged a fixed or indexed commodity option.

⁶ Customers electing Negotiated Sales Service (NSS) are not charged the gas cost or the Gas Cost Uncollectible Charge. NSS customers will be charged a fixed or indexed commodity option.