

December 12, 2011

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

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PUBLIC SERVICE  
COMMISSION

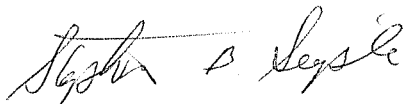
**RE: Case No. 2011-00422**

Dear Mr Derouen:

Pursuant to the Commission's Order issued on December 8, 2011 in the above referenced case, Columbia Gas of Kentucky, Inc. ("Columbia") submits its Statement indicating that this matter may be decided on the record.

If you have questions, please don't hesitate to contact me 614-460-4648 or Judy Cooper at 859-288-0242.

Sincerely,



Stephen B. Seiple  
Assistant General Counsel

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of: )  
 )  
THE APPLICATION OF COLUMBIA GAS )  
OF KENTUCKY, INC. FOR AN ORDER )  
APPROVING ACCOUNTING PRACTICES )  
TO ESTABLISH A REGULATORY ASSET ) Case No. 2011-00422  
RELATED TO A CHANGE IN EXPENSE )  
RECOGNITION FOR OTHER POST- )  
RETIREMENT BENEFIT COSTS INCLUD- )  
ED IN THE MANAGEMENT SERVICES )  
PROVIDED BY NISOURCE CORPORATE )  
SERVICES. )

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STATEMENT OF COLUMBIA GAS OF KENTUCKY, INC.

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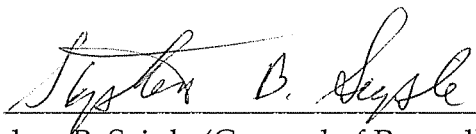
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On October 24, 2011, Columbia Gas of Kentucky, Inc. ("Columbia") filed its Application in this proceeding. In that Application Columbia requested the authority to defer a one-time charge of \$294,733 for Other Post-Retirement Benefits costs included in the management services provided by NiSource Corporate Services Company. In the Application Columbia requested expedited consideration of the Application by December 31, 2011.

By Order dated December 8, 2011, the Commission directed Columbia to state whether it desired a hearing or whether Columbia believes the matter should be submitted for a decision on the record. In response to the Commis-

sion's Order Columbia states that it believes no hearing in this matter is necessary and that the case should be submitted for a decision on the record. Columbia also renews its request for expedited consideration of its Application by December 31, 2011.

Respectfully submitted,  
**COLUMBIA GAS OF KENTUCKY, INC.**

By:   
Stephen B. Seiple (Counsel of Record)

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Attorneys for  
**COLUMBIA GAS OF KENTUCKY, INC.**