

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-------------------------------------|---|------------|
| APPLICATION OF COLUMBIA GAS OF |) | CASE NO. |
| KENTUCKY, INC. FOR AN ADJUSTMENT OF |) | 2013-00167 |
| RATES FOR GAS SERVICE |) | |

ORDER

Columbia Gas of Kentucky, Inc. ("Columbia") is a wholly owned subsidiary of the Columbia Energy Group.¹ Headquartered in Lexington, Kentucky, it distributes natural gas to roughly 134,000 customers in 30 counties in central and eastern Kentucky. The most recent adjustment of its base rates was in October 2009 in Case No. 2009-00141.²

BACKGROUND

On April 29, 2013, Columbia filed a notice of intent to file an application for approval of an increase in its base rates based on a forecasted test period. On May 29, 2013, Columbia filed its application seeking an increase in revenues of \$16,595,493, with a proposed effective date of June 30, 2013.

By Order dated June 17, 2013, the Commission found that an investigation would be necessary to determine the reasonableness of Columbia's proposed rates and suspended the effective date of the proposed rates for six months, from June 30, 2013, up to and including December 29, 2013, pursuant to KRS 278.190(2). That Order included a procedural schedule for processing this case, which provided for discovery

¹ Columbia Energy Group is a wholly-owned subsidiary of NiSource, Inc., an energy holding company whose subsidiaries provide natural gas, electricity, and other products and services.

² Case No. 2009-00141, Application of Columbia Gas of Kentucky, Inc. for an Adjustment in Rates (Ky. PSC Oct. 26, 2009).

on Columbia's application, intervenor testimony, discovery on intervenor testimony, rebuttal testimony by Columbia, a public hearing, and an opportunity for the parties to file post-hearing briefs.

The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"), Kentucky Industrial Utility Customers, Inc. ("KIUC"), Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas, Inc. ("CAC"), Lexington-Fayette Urban County Government ("LFUCG"), Interstate Gas Supply, Inc. ("IGS"), and Stand Energy Corporation ("Stand") requested and were granted intervention. Discovery was conducted on Columbia's application by several of the intervenors and Commission Staff. The AG, CAC, and IGS filed testimony stating their positions on the requested increase in rates and/or various programs and tariffs proposed by Columbia in conjunction with its proposed rate increase.

An informal conference requested by Columbia was held on October 30, 2013, to review and discuss the provisions of a unanimous Stipulation and Recommendation ("Stipulation").³ On November 5, 2013, Columbia filed the Stipulation, described as a mutually satisfactory resolution of all issues in this proceeding, with the Commission. The Stipulation consists of a 14-page document with two attachments: Attachment A, Columbia's revised tariffs and Attachment B, its proof of revenues. When it was submitted, all parties had executed the Stipulation; however, the signature on behalf of

³ The Stipulation was in draft form at the time of the conference. A memorandum documenting the conference was entered in the record of this proceeding by Commission Staff on November 5, 2013.

LFUCG was contingent upon ratification by the urban county council.⁴ In support of the Stipulation, Columbia filed the written testimony of its president, Herbert A. Miller, Jr.

A public hearing was held on November 13, 2013. During the hearing, Columbia presented testimony in support of the Stipulation and responded to cross-examination by Commission Staff and questions from the Commission. Pursuant to the terms of the Stipulation, the parties waived cross-examination of each others' witnesses and none of the parties proposed filing post-hearing briefs.

STIPULATION

The Stipulation, attached as Appendix A to this Order, reflects a unanimous resolution of all issues raised in this case. Prior to entering into the Stipulation, Columbia proposed a revenue increase of approximately \$16.6 million, while the AG proposed a \$1.3 million increase.⁵ The Stipulation contains the parties' unanimous recommendation that Columbia's revenues be increased by \$7.66 million. The major provisions of the Stipulation include the following:

- Columbia's base rates will be increased to recover \$7,660,000 more in annual revenues, with the new rates effective for service rendered on and after December 29, 2013.
- The increase will be accomplished with increases to the customer charges for Columbia's various rates schedules and changes to its various volumetric rates. Its residential customer charge will be

⁴ At the formal hearing held on November 13, 2013, LFUCG provided a document representing the ratification.

⁵ Only Columbia and the AG filed proposals addressing Columbia's proposed revenue increase.

increased from \$12.35 to \$15.00 per month and the commercial customer charge will be increased from \$25.13 to \$37.50 per month.

- Columbia's actual rate case expenses will be amortized for recovery over a three-year period.
- Columbia will withdraw its proposed Revenue Normalization Adjustment ("RNA") tariff and associated rate design.
- Columbia's Accelerated Main Replacement Program ("AMRP") rates will be set to \$0.00. For purposes of its AMRP, Columbia's specified return on equity will be 10.125 percent. It will use a weighted average cost of capital of 8.00 percent in its AMRP rate calculations grossed-up for federal and state income taxes.
- Columbia will deploy its Automated Meter Reading ("AMR") program in 2014 as proposed in its application. It will provide annual reports to the AG detailing the costs and savings associated with the AMR program until it files its next base rate increase application.
- Columbia will continue its CHOICE program for three years as proposed in its application.
- Columbia will withdraw the depreciation study filed with its application and continue to use its current depreciation rates until it files a new depreciation study that is accepted by the Commission.
- Columbia will be permitted to amortize and recover \$294,734, the amount of a regulatory asset related to other postretirement employee

benefits previously authorized by the Commission, over five years as proposed in its application.

- Columbia will guarantee an additional \$10,000 annually to Wintercare contributions above the current funding provided by customers and shareholders of approximately \$50,000 annually.
- Columbia will internally conduct and maintain studies, analyses, reports, quantifications, etc., that demonstrate the threat of by-pass of its special contract customers.
- All tariff changes proposed by Columbia not specifically addressed in the Stipulation shall be adopted as proposed.
- The Stipulation provides that the rates, terms and conditions contained therein will become effective for service rendered on and after December 29, 2013, and if it receives Commission approval, no requests for rehearing and no appeals will be filed.

ANALYSIS AND FINDINGS

Based on a review of the Stipulation, the attachments thereto, and the case record including intervenor testimony, the Commission finds that, with one modification, the Stipulation is reasonable and in the public interest. The Stipulation, as modified subject to the agreement by Columbia at the November 13, 2013 hearing to reflect that the annual reports on its AMR that Columbia will file with the AG will also be filed with the Commission, was the product of arms-length negotiations among knowledgeable, capable parties and should be approved. Such approval is based solely on the

reasonableness of the Stipulation in total and does not constitute a precedent on any individual issue.

The Commission finds that some items in the Stipulation and some items not expressly identified in the text of the Stipulation, warrant further discussion, as follows:

1. As part of the application when Columbia next seeks an adjustment in its base rates for gas service, Columbia should submit the results of its analyses on the threat of by-pass by its special contract customers.

2. The tariff sheets contained in Attachment A to the Stipulation reflect the AMRP revisions proposed by Columbia which, among other things, add property taxes related to the AMRP as a recoverable expense under the AMRP Surcharge.

3. Withdrawal of Columbia's proposed RNA means that proposed changes to its Energy Efficiency and Conservation ("EEC") Rider will not be made. In addition, in response to its October 1, 2013 letter filed in Case No. 2013-00162,⁶ Columbia's EEC Rider and Program should be continued without further application by Columbia through June 30, 2016. Columbia should submit an application seeking approval to continue its EEC Rider and Program no later than February 29, 2016.

OUTSTANDING MOTIONS

Two motions filed by Columbia remain to be ruled upon by the Commission. The first is its June 28, 2013 Motion for Deviation from 807 KAR 5:001 Section 16(3)(b)3, which requires publication of a utility's rate case notice for three consecutive weeks. In one of the five newspapers of general circulation in which Columbia's notice was run, the notice ran for two consecutive weeks, skipped a week, and then ran a third time.

⁶ Case No. 2013-00162, Application of Columbia Gas of Kentucky, Inc. to Amend its Demand-Side Management Energy Efficiency and Conservation Rider (Ky. PSC, May 30, 2013).

The newspaper provided a letter of explanation that was attached to Columbia's motion. Based on the motion and the newspaper's explanation, the Commission finds that the motion should be granted.

The second motion on which we have not ruled is Columbia's September 25, 2013 Motion to Strike Portions of the Direct Testimony of Attorney General Witness Frank W. Radigan concerning the issue of Return on Equity. Given that the parties resolved all issues in this proceeding via the Stipulation prior to the scheduled filing of Columbia's rebuttal testimony, the Commission finds the motion to be moot.

IT IS THEREFORE ORDERED that:

1. The rates and charges proposed by Columbia are denied.
2. The Stipulation, including revised tariff sheets attached hereto as Appendix A, is approved in its entirety, with the one modification previously discussed.
4. The base rates and charges in Appendix B, attached hereto, are fair, just and reasonable for Columbia to charge for service rendered on and after December 29, 2013. The Gas Cost Demand and Commodity rates in Appendix B are the same as those reflected in the stipulation.
5. Within 20 days of the date of this Order, Columbia shall file with the Commission, using the Commission's electronic Tariff Filing System, its revised tariffs as set forth in Attachment A to the Stipulation reflecting that they were approved pursuant to this Order.
6. Columbia shall file with the Commission by March 31, 2015, and annually thereafter until it files its next base rate case, eight copies of the annual AMR reports it has committed to file with the AG.

7. As part of its next application for an adjustment of its base rates for gas service, Columbia shall submit the results of its analyses on the threat of by-pass by its special contract customers.

8. Columbia shall continue its EEC Rider and EEC Program in their present forms until June 30, 2016, and shall file an application no later than February 29, 2016, to request that they be continued.

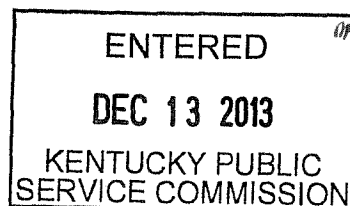
9. Columbia's June 28, 2013 Motion for Deviation from 807 KAR 5:001 Section 16(3)(b)3 is granted.

10. By virtue of the Stipulation of the parties resolving all of the issues in this proceeding, Columbia's September 25, 2013 Motion to Strike Portions of the Direct Testimony of AG Witness Frank W. Radigan is denied as moot.

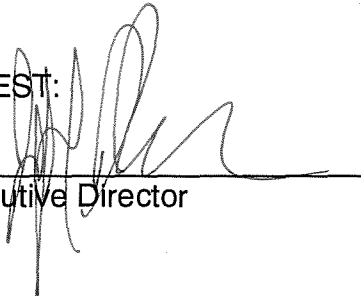
11. Any documents filed pursuant to ordering paragraph 6 of this Order shall reference the number of this case and shall be retained in the utility's general correspondence file.

12. The Executive Director is delegated authority to grant reasonable extensions of time for the filing of any documents required by this Order upon Columbia's showing of good cause for such extension.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00167 DATED **DEC 13 2013**

Columbia Gas
of Kentucky
A NiSource Company

200 Civic Center Drive
Columbus, Ohio 43215

November 5, 2013

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

RECEIVED
NOV 05 2013
PUBLIC SERVICE
COMMISSION

RE: In the matter of adjustment of rates of Columbia Gas of Kentucky, Inc.,
KY PSC Case No. 2013-00167

Dear Mr. Derouen,

Enclosed for docketing with the Commission are an original and ten (10) copies of the *Stipulation and Recommendation* in the above referenced matter. Should you have any questions about this filing, please contact me at 614-460-5558.

Very truly yours,

Brooke E. Leslie (gmc)

Brooke E. Leslie
Senior Counsel

Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF AN)
ADJUSTMENT OF GAS RATES OF) CASE NO. 2013-00167
COLUMBIA GAS OF KENTUCKY,)
INC.

STIPULATION AND RECOMMENDATION

It is the intent and purpose of the parties to this proceeding, namely Columbia Gas of Kentucky, Inc. ("Columbia"); the Attorney General of the Commonwealth of Kentucky; the Lexington-Fayette Urban County Government; the Kentucky Industrial Utility Customers; Interstate Gas Supply, Inc., the Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc.; and Stand Energy Corporation to express their agreement on a mutually satisfactory resolution of all of the issues in the instant proceeding.

It is understood by all parties hereto that this Stipulation and Recommendation is not binding upon the Public Service Commission ("Commission"), nor does it represent agreement on any specific theory supporting the appropriateness of any recommended adjustments to Columbia's rates. The parties have expended considerable efforts to reach the agreements that form the basis of this Stipulation and Recommendation. All of the parties, representing

diverse interests and divergent viewpoints, agree that this Stipulation and Recommendation, viewed in its entirety, constitutes a reasonable resolution of all issues in this proceeding.

In addition, the adoption of this Stipulation and Recommendation will eliminate the need for the Commission and the parties to expend significant resources in litigation of this proceeding, and eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order herein. It is the position of the parties hereto that this Stipulation and Recommendation is supported by sufficient and adequate data and information, and is entitled to serious consideration by the Commission. Based upon the parties' participation in settlement conferences and the materials on file with the Commission, and upon the belief that these materials adequately support this Stipulation and Recommendation, the parties hereby stipulate and recommend the following:

1. Columbia should be authorized to adjust its base rates in order to permit it an opportunity to recover \$7,660,000 more in annual revenue than it is recovering under its current base rates, with such revised rates to be effective for service rendered on and after December 29, 2013. The increased revenue requirement shall be reflected in increases to the customer charges associated with Columbia's various rate schedules as well as in changes to Columbia's volumetric rates. For residential customers Columbia's customer charge will be \$15 per month,

and the volumetric rate will be \$2.2666/MCF. For commercial customers Columbia's customer charge will be \$37.50 per month and the volumetric rate will be \$2.2666 per MCF for the first block, \$1.7520 per MCF for the second block, \$1.6659 per MCF for the third block and \$1.5164 for the fourth block. For DS customers Columbia's customer charge will be \$1,007.05 and the volumetric rate will be \$.5443 per MCF for the first block and \$.2890 per MCF for the second block. The pro-forma tariff sheets attached hereto as Attachment A are recommended as reflecting the new rates to be effective as of the aforementioned date. These pro-forma tariff sheets reflect rates that are designed to allow Columbia to recover the increased revenue from its various classes of customers, in the manner agreed to by the parties to this Stipulation and Recommendation.

2. Columbia's Accelerated Main Replacement Program ("AMRP") rates will be set to \$0.00. For purposes of Columbia's AMRP, the specified ROE is 10.125%. Columbia will utilize an 8.00% weighted average cost of capital grossed up for federal and state income taxes.

3. Columbia will deploy its Automated Meter Reading program ("AMR") in 2014 as detailed in its application. Columbia will provide the Attorney General's office with annual reports in 2015, 2016, and for each year after, detailing the costs and savings associated with the implementation of the AMR until Columbia files its next rate case base increase.

4. Columbia will continue the CHOICE program as proposed in its application.

5. All of the other tariff changes proposed in Columbia's Application shall be adopted.

6. The aforementioned changes are reflected in the proposed tariff sheets attached to this Stipulation and Recommendation as Attachment A.

7. Columbia withdraws the depreciation study it submitted as part of this proceeding. Therefore, Columbia's current depreciation accrual rates will continue to be used until such time when Columbia provides a new depreciation study and the study is accepted by the Commission.

8. Columbia will withdraw its proposed Revenue Normalization Adjustment tariff and rate design.

9. The direct testimony of Mark Katko sought recovery/amortization of a regulatory asset related to other postretirement employee benefits ("OPEB") costs in the amount of \$294,734. Columbia will be permitted to amortize and recover this cost as proposed.

10. Columbia's actual rate case expenses will be deferred, amortized and recovered over a three-year period.

11. Columbia will guarantee an additional \$10,000 annually in Wintercare contributions over its current funding of approximately \$50,000 annually.

12. Columbia will internally conduct and maintain studies, analyses, reports, quantifications, etc. that demonstrate the threat of by-pass of its special contract customers.

13. Attached to this Stipulation and Recommendation as Attachment B are proof-of-revenue sheets, showing that the rates set forth in Attachment A will generate the proposed revenue increase to which the parties have agreed in Paragraph number 1 hereof.

14. The intervenors in this case reserve the right to file rebuttal testimony to intervenor testimony and sur-rebuttal testimony as authorized by the Commission in the Order dated September 27, 2013 and Columbia reserves the right to file rebuttal testimony pursuant to the June 17, 2013 procedural schedule should the Commission not approve this Stipulation and Recommendation.

15. Each party hereto waives all cross-examination of the witnesses of the other parties hereto except in support of the Stipulation and Recommendation, or unless the Commission disapproves this Stipulation and Recommendation, and each party further stipulates and recommends that the Notice of Intent, Notice, Application, testimony, pleadings and responses to data requests filed in this

proceeding be admitted into the record. The parties also agree that if the Commission issues an order adopting this Stipulation and Recommendation in its entirety there will be no need for any party to file a post-hearing brief.

16. This Stipulation and Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving Columbia or any other utility.

17. Stand Energy Corporation ("Stand") maintains that the Commission's order determining Stand's intervention in this case is erroneous given the limitations placed on the company. However, Stand waives the right to an appeal of that order in this case. This waiver does not preclude Stand from preserving its rights in future cases to contest, by way of reconsideration or appeal, any Commission order which does not grant Stand Energy the right to full intervention.

18. If the Commission issues an order adopting this Stipulation and Recommendation in its entirety, each of the parties hereto agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin County Circuit Court with respect to such order.

19. In the event the Commission should reject or modify all or any portion of this Stipulation and Recommendation, or impose additional

conditions or requirements upon the signatory parties, each signatory party shall have the right, within twenty (20) days of the Commission's order, to either file an application for rehearing or terminate and withdraw from the Stipulation and Recommendation by filing a notice with the Commission. Upon rehearing, any signatory party shall have the right within fifteen (15) days of the Commission's order on rehearing to file a notice of termination or withdrawal from this Stipulation and Recommendation. In such event the terms of this Stipulation and Recommendation shall not be deemed binding upon the parties hereto, nor shall such Stipulation and Recommendation be admitted into evidence, or referred to, or relied upon in any manner by any party hereto.

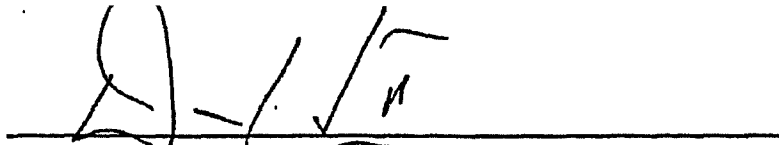
20. All of the parties hereto agree that the foregoing Stipulation and Recommendation is reasonable and in the best interests of all concerned, and urge the Commission to adopt the Stipulation and Recommendation in its entirety.

AGREED, this 28th day of October, 2013

A handwritten signature in black ink, appearing to read "Brooke E. Leslie", written over a horizontal line.

Hon. Brooke E. Leslie

On behalf of Columbia Gas of Kentucky, Inc.

A handwritten signature in black ink, appearing to read "Dennis G. Howard, II", is written over a solid horizontal line. The signature is stylized and somewhat cursive.

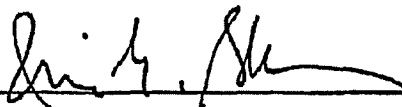
Hon. Dennis G. Howard, II
On behalf of the Attorney General of the Commonwealth of Kentucky



Hon. David F. Boehm
On behalf of the Kentucky Industrial Utility Customers

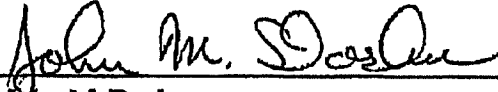
A handwritten signature in black ink, appearing to read "Matt Malone", is positioned above a horizontal line.

Hon. Matthew Malone
On behalf of Interstate Gas Supply, Inc.



Hon. Iris Skidmore

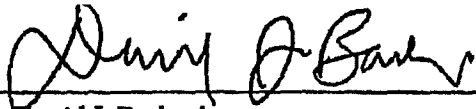
On behalf of the Community Action Council for Lexington-Fayette, Bourbon, Harrison,
and Nicholas Counties, Inc.



Hon. John M. Dosker

On behalf of Stand Energy Corporation

10/20/13



Hon. David J. Barberie

On behalf of the Lexington-Fayette Urban County Government

Subject to approval by Urban County Council

ATTACHMENT A

TARIFFS

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DATE OF ISSUE

December 5, 2013

DATE EFFECTIVE

December 29, 2013

ISSUED BY
TITLE

Herbert A. Miller, Jr.
President

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DATE OF ISSUE *November 5, 2013*
DATE EFFECTIVE December 29, 2013
ISSUED BY *Herbert A. Miller, Jr.*
TITLE President

COLUMBIA GAS OF KENTUCKY, INC.

GAS TARIFF
PSC KY NO. 6
NINETY SEVENTH REVISED SHEET NO. 6
CANCELLING PSC KY NO. 6
NINETY SIXTH REVISED SHEET NO. 6

CURRENTLY EFFECTIVE BILLING RATES

| <u>SALES SERVICE</u> | <u>Base Rate</u> | <u>Gas Cost Adjustment^{1/}</u> | | <u>Total</u> | |
|--|------------------|---|----------------------|----------------|---|
| | <u>Charge</u> | <u>Demand</u> | <u>Commodity</u> | <u>Billing</u> | |
| | \$ | \$ | \$ | \$ | |
| <u>RATE SCHEDULE GSR</u> | | | | | |
| Customer Charge per billing period | 15.00 | | | 15.00 | I |
| Delivery Charge per Mcf | 2.2666 | 1.1374 | 5.4954 | 8.8994 | I |
| <u>RATE SCHEDULE GSO</u> | | | | | |
| <u>Commercial or Industrial</u> | | | | | |
| Customer Charge per billing period | 37.50 | | | 37.50 | I |
| Delivery Charge per Mcf - | | | | | |
| First 50 Mcf or less per billing period | 2.2666 | 1.1374 | 5.4954 | 8.8994 | I |
| Next 350 Mcf per billing period | 1.7520 | 1.1374 | 5.4954 | 8.3848 | R |
| Next 600 Mcf per billing period | 1.6659 | 1.1374 | 5.4954 | 8.2987 | R |
| Over 1,000 Mcf per billing period | 1.5164 | 1.1374 | 5.4954 | 8.1492 | R |
| <u>RATE SCHEDULE IS</u> | | | | | |
| Customer Charge per billing period | 1,007.05 | | | 1007.05 | I |
| Delivery Charge per Mcf | | | | | |
| First 30,000 Mcf per billing period | 0.5443 | | 5.4954 ^{2/} | 6.0397 | R |
| Over 30,000 Mcf per billing period | 0.2890 | | 5.4954 ^{2/} | 5.7844 | R |
| Firm Service Demand Charge | | | | | |
| Demand Charge times Daily Firm | | | | | |
| Volume (Mcf) in Customer Service Agreement | | 6.6097 | | 6.6097 | |
| <u>RATE SCHEDULE IUS</u> | | | | | |
| Customer Charge per billing period | 477.00 | | | 477.00 | I |
| Delivery Charge per Mcf | | | | | |
| For All Volumes Delivered | 0.8150 | 1.1374 | 5.4954 | 7.4478 | I |

1/ The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff. The Gas Cost Adjustment applicable to a customer who is receiving service under Rate Schedule GS or IUS and received service under Rate Schedule SVGTS shall be \$6.1632 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS.

2/ IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.

DATE OF ISSUE November 5, 2013

DATE EFFECTIVE December 29, 2013

ISSUED BY
TITLE

Herbert A. Miller, Jr.
Herbert A. Miller, Jr.
President

CURRENTLY EFFECTIVE BILLING RATES
 (Continued)

| <u>TRANSPORTATION SERVICE</u> | <u>Base Rate Charge</u> \$ | <u>Gas Cost Adjustment^{1/}</u> <u>Demand</u> \$ | <u>Commodity</u> \$ | <u>Total Billing Rate</u> \$ | |
|--|-------------------------------|--|------------------------|---------------------------------|---|
| <u>RATE SCHEDULE SS</u> | | | | | |
| Standby Service Demand Charge per Mcf | | | | | |
| Demand Charge times Daily Firm Volume (Mcf) in Customer Service Agreement | | 6.6097 | | 6.6097 | |
| Standby Service Commodity Charge per Mcf | | | 5.4954 | 5.4954 | |
| <u>RATE SCHEDULE DS</u> | | | | | |
| Administrative Charge per account per billing period | | | | 55.90 | |
| Customer Charge per billing period ^{2/} | | | | 1007.05 | I |
| Customer Charge per billing period (GDS only) | | | | 37.50 | I |
| Customer Charge per billing period (IUDS only) | | | | 477.00 | I |
| <u>Delivery Charge per Mcf^{2/}</u> | | | | | |
| First 30,000 Mcf | 0.5443 | | | 0.5443 | R |
| Over 30,000 Mcf | 0.2890 | | | 0.2890 | R |
| - Grandfathered Delivery Service | | | | | |
| First 50 Mcf or less per billing period | | | | 2.2666 | I |
| Next 350 Mcf per billing period | | | | 1.7520 | R |
| Next 600 Mcf per billing period | | | | 1.6659 | R |
| All Over 1,000 Mcf per billing period | | | | 1.5164 | R |
| - Intrastate Utility Delivery Service | | | | | |
| All Volumes per billing period | | | | 0.8150 | |
| Banking and Balancing Service | | | | | |
| Rate per Mcf | | 0.0205 | | 0.0205 | I |
| <u>RATE SCHEDULE MLDS</u> | | | | | |
| Administrative Charge per account each billing period | | | | 55.90 | |
| Customer Charge per billing period | | | | 200.00 | |
| Delivery Charge per Mcf | | | | 0.0858 | |
| Banking and Balancing Service | | | | | |
| Rate per Mcf | | 0.0205 | | 0.0205 | I |
| 1/ The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff. | | | | | |
| 2/ Applicable to all Rate Schedule DS customers except those served under Grandfathered Delivery Service or Intrastate Utility Delivery Service. | | | | | |

DATE OF ISSUE *November 5, 2013*

DATE EFFECTIVE December 29, 2013

ISSUED BY *Herbert A. Miller Jr.*
 TITLE President

CURRENTLY EFFECTIVE BILLING RATES
 (Continued)

| <u>RATE SCHEDULE SVGTS</u> | <u>Base Rate Charge</u> | |
|---|-------------------------|---|
| | \$ | |
| <u>General Service Residential (SGVTS GSR)</u> | | T |
| Customer Charge per billing period | 15.00 | I |
| Delivery Charge per Mcf | 2.2666 | I |
| <u>General Service Other - Commercial or Industrial (SVGTS GSO)</u> | | T |
| Customer Charge per billing period | 37.50 | I |
| Delivery Charge per Mcf - | | |
| First 50 Mcf or less per billing period | 2.2666 | I |
| Next 350 Mcf per billing period | 1.7520 | R |
| Next 600 Mcf per billing period | 1.6659 | R |
| Over 1,000 Mcf per billing period | 1.5184 | R |
| <u>Intrastate Utility Service</u> | | |
| Customer Charge per billing period | 477.00 | I |
| Delivery Charge per Mcf | \$ 0.8150 | I |
| | <u>Billing Rate</u> | T |
| <u>Actual Gas Cost Adjustment ^{1/}</u> | | |
| For all volumes per billing period per Mcf | \$0.7787 | |
| <u>RATE SCHEDULE SVAS</u> | | |
| Balancing Charge – per Mcf | \$0.9780 | |

1/ The Gas Cost Adjustment is applicable to a customer who is receiving service under Rate Schedule SVGTS and received service under Rate Schedule GS, IS, or IUS for only those months of the prior twelve months during which they were served under Rate Schedule GS, IS or IUS.

DATE OF ISSUE *November 5, 2013*
 DATE EFFECTIVE December 29, 2013
 ISSUED BY *Herbert A. Miller Jr.*
 TITLE President

**GENERAL STATEMENT OF TERRITORY SERVED
BY COLUMBIA GAS OF KENTUCKY, INC.**

APPLICABLE TO ALL RATE SCHEDULES

The service area of Company includes the following Kentucky communities:

| | | |
|--------------|--------------|------------------|
| Ashland | Greenup | Raceland |
| Bellefonte | Hindman | Ravenna |
| Callettsburg | Inez | Russell |
| Cynthiana | Irvine | South Williamson |
| Flatwoods | Lexington | Versailles |
| Foster | Louisa | Warfield |
| Frankfort | Maysville | Washington |
| Fullerton | Midway | Winchester |
| Georgetown | Mt. Sterling | Worthington |
| Germantown | Paris | |

and rural communities and areas served by Company in the Kentucky counties of:

| | | | | |
|----------|-----------|------------|-----------|---|
| Bath | Greenup | Mason | Magoffin | D |
| Bourbon | Harrison | Montgomery | Menifee | D |
| Boyd | Jessamine | Nicholas | Morgan | D |
| Bracken | Johnson | Owsley | Pendleton | D |
| Carter | Knott | Pike | Perry | D |
| Clark | Lawrence | Robertson | | |
| Clay | Lee | Scott | | |
| Estill | Letcher | Woodford | | |
| Fayette | Lewis | | | |
| Floyd | Madison | | | |
| Franklin | Martin | | | |

DATE OF ISSUE *November 5, 2013*
DATE EFFECTIVE December 29, 2013

ISSUED BY *Robert A. Miller, Jr.*
TITLE President

**GENERAL SERVICE (GS) AND GENERAL PROPANE SERVICE (GPS)
SALES SERVICE RATE SCHEDULES**

APPLICABILITY

Entire service territory of Company. See Sheet 8 for a list of communities.

AVAILABILITY OF SERVICE

Available to residential, commercial and industrial sales service customers.

See Sheet Nos. 53 through 56 for Temporary Volumetric Limitations and Curtailment provisions for all purposes.

BASE RATES

Residential (GSR)

Customer Charge per billing period @ \$15.00
Delivery Charge per Mcf @ \$2.2666 per Mcf

Commercial or Industrial (GSO)

Customer Charge per billing period @ \$37.50
Delivery Charge per Mcf -
First 50 or less Mcf per billing period @ \$2.2666 per Mcf
Next 350 Mcf per billing period @ \$1.7520 per Mcf
Next 600 Mcf per billing period @ \$1.6659 per Mcf
Over 1,000 Mcf per billing period @ \$1.5164 per Mcf

MINIMUM CHARGE

The minimum charge per billing period shall be the applicable Customer Charge. If the meter reading or calculated consumption for the billing period is greater than zero then the minimum charge shall be increased by the Delivery Charge for a minimum of one Mcf per billing period.

GAS COST ADJUSTMENT

Gas sold under this rate schedule and rates as prescribed herein are subject to a Gas Cost Adjustment as stated on currently effective Sheet Nos. 48 through 51 of this tariff which are hereby incorporated into this rate schedule.

The charges set forth herein, exclusive of those pertaining to the minimum charge, shall be subject to a Gas Cost Adjustment, as shown on Sheet 5 of this tariff.

DATE OF ISSUE *November 5, 2013*
DATE EFFECTIVE December 29, 2013
ISSUED BY *Hubert A. Miller, Jr.*
TITLE President

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COLUMBIA GAS OF KENTUCKY, INC.

GAS TARIFF
PSC KY NO. 5
FIFTH REVISED SHEET NO. 12
CANCELLING PSC KY NO. 5
FOURTH REVISED SHEET NO. 12

**GENERAL SERVICE (GS) AND GENERAL PROPANE SERVICE (GPS)
SALES SERVICE RATE SCHEDULES
(Continued)**

ADJUSTMENTS AND RIDERS

Customers served under this Rate Schedule are subject to the currently effective Adjustments and Riders as prescribed on the Tariff Sheets set forth below and incorporated into this Rate Schedule:

Weather Normalization Adjustment – Sheet 51a

Energy Assistance Program Surcharge – Sheet No. 51b (Applies to Residential Customers only)

Rider for Natural Gas Research & Development – Sheet No. 51c

Energy Efficiency Conservation Rider – Sheets 51d – 51h (Applies to Residential and Commercial Customers only)

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AMRP Rider – Sheet No. 58

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LOCAL FRANCHISE FEE OR TAX

The above rates and minimum charge are subject to Local Franchise Fee or Tax as set forth on Sheet No. 52.

LATE PAYMENT CHARGE

Refer to the General Terms, Conditions, Rules and Regulations, Section 25.

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OTHER PROVISIONS

Where a Customer has installed a gas light(s) for continuous street or outdoor lighting in lighting devices approved by Company and the gas used by such light(s) is unmetered, the gas consumed by such light(s) shall be assumed to be two thousand (2,000) cubic feet per month when the Btu/hour input rating for such light(s) is 2,700 or less. For each additional 1,350 Btu/hour input or fraction thereof, the assumed consumption shall be increased by one thousand (1,000) cubic feet per month. Such assumed consumption shall be billed under the rates contained herein or, if in combination with metered usage under this rate schedule, shall be added to the Customer's metered usage and the total billed under the rates contained herein.

GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS

Service furnished under this rate schedule is subject to Company's Rules and Regulations and to all applicable rate schedules.

DATE OF ISSUE *November 5, 2013*

DATE EFFECTIVE December 29, 2013

ISSUED BY
TITLE

Hubert A. Miller, Jr.
President

**INTERRUPTIBLE SERVICE (IS)
 SALES SERVICE RATE SCHEDULE
 (Continued)**

CHARACTER OF SERVICE (continued)

provision that the Customer may not concurrently contract with the Company for Delivery Service under Rate DS. The full sales agreement is subject to a minimum contract period of one (1) year as set forth in the General Terms, Conditions, Rules and Regulations, Section 34.

BASE RATES

| | | | |
|-------------------------------------|---------------------|--|---|
| <u>Customer Charge</u> | | | |
| \$1,007.05 per billing period | | | I |
| <u>Delivery Charge per Mcf-</u> | | | |
| First 30,000 Mcf per billing period | @ \$ 0.5443 per Mcf | | R |
| Over 30,000 Mcf per billing period | @ \$ 0.2890 per Mcf | | R |

MINIMUM CHARGE

The minimum charge each billing period for gas delivered or the right of the Customer to receive same shall be the sum of the Customer Charge of \$1,007.05, plus the Customer Demand Charge as contracted for under Firm Service. (Daily Firm Volume as specified in the Customer's service agreement multiplied by the demand rate (See Sheet No. 5).

In the event of monthly, seasonal or annual curtailment due to gas supply shortage, the demand charge shall be waived when the volume made available is less than 110% of the Daily Firm Volume multiplied by thirty (30). In no event will the minimum charge be less than the Customer charge.

If the delivery of firm volumes of gas by Company is reduced, due to peak day interruption in the delivery of gas by Company or complete or partial suspension of operations by Customer resulting from force majeure, the Minimum Charge shall be reduced in direct proportion to the ratio which the number of days of curtailed service and complete or partial suspension of Customer's operation bears to the total number of days in the billing period. Provided, however, that in cases of Customer's force majeure, the Minimum Charge shall not be reduced to less than the Customer Charge.

GAS COST ADJUSTMENT

Except as otherwise provided herein, gas sold under this rate schedule and rates as prescribed herein are subject to the Gas Cost Adjustment, including the Commodity and Demand components, as stated on currently effective Sheet Nos. 48 through 51 herein, which are hereby incorporated into this rate schedule.

For a Customer who enters into a full sales agreement under this rate schedule after September 1, 1995, the Gas Cost Adjustment shall consist of the Expected Commodity Cost of Gas, as defined in paragraph 1 (a) of Sheet No. 48 herein, and shall not be adjusted to reflect the supplier Refund Adjustment (RA), the Actual Cost Adjustment (ACA), or the Balancing Adjustment (BA) for a period of one year from the effective date of the Customer's agreement. At the end of that one-year period, any gas purchased by the Customer under that agreement shall be subject to the Commodity Cost of Gas, including all appropriate adjustments, as defined in Sheet Nos. 48 and 49.

| | |
|----------------|-----------------------------|
| DATE OF ISSUE | <i>November 5, 2013</i> |
| DATE EFFECTIVE | December 29, 2013 |
| ISSUED BY | <i>Robert A. Mills, Jr.</i> |
| TITLE | President |

COLUMBIA GAS OF KENTUCKY, INC.

GAS TARIFF
PSC KY NO. 5
NINTH REVISED SHEET NO. 22
CANCELLING PSC KY NO. 5
EIGHTH REVISED SHEET NO. 22

**INTRASTATE UTILITY SALES SERVICE (IUS)
RATE SCHEDULE**

APPLICABILITY

Entire service territory of Company. See Sheet No. 8 for a list of communities.

AVAILABILITY OF SERVICE

Available for service to intrastate utilities purchasing gas for resale for consumption solely within the Commonwealth of Kentucky when:

- (1) Company's existing facilities have sufficient capacity and gas supply to provide the quantities of gas requested by said Customer, and
- (2) Customer has executed a Sales Agreement with Company specifying, among other things, a Maximum Daily Volume.

CHARACTER OF SERVICE

Gas delivered by Company to Customer under this rate schedule shall be firm and shall not be subject to curtailment or interruption, except as provided in Section 32 of the General Terms, Conditions, Rules and Regulations.

BASE RATE

| | | |
|--|-------------------|--|
| Customer Charge per billing period | \$477.00 | |
| Delivery Charge per Mcf - For all gas delivered each billing period | \$0.8150 per Mcf. | |

MINIMUM CHARGE

The minimum charge shall be the Customer Charge.

GAS COST ADJUSTMENT

Gas sold under this rate schedule and rates as prescribed herein are subject to a Gas Cost Adjustment as stated on currently effective Sheet Nos. 48 through 51, which are hereby incorporated into this rate schedule.

The charges set forth herein, exclusive of those pertaining to the Customer Charge, shall be subject to a Gas Cost Adjustment as shown on Sheet No. 5 of this tariff.

ADJUSTMENTS AND RIDERS

Customers served under this Rate Schedule are subject to the currently effective Adjustments and Riders as prescribed on the Tariff Sheets set forth below and incorporated into this Rate Schedule:

Rider for Natural Gas Research & Development - Sheet No. 51c
Rider AMRP - Sheet No. 58

DATE OF ISSUE

November 5, 2013

DATE EFFECTIVE

December 29, 2013

ISSUED BY
TITLE

Robert A. Miller, Jr.
President

**SMALL VOLUME GAS TRANSPORTATION SERVICE
(SVGTS)
RATE SCHEDULE**

APPLICABILITY

Entire service territory of Columbia Gas of Kentucky through March 31, 2017. See Sheet No. 8 for a list of communities. T

AVAILABILITY

Available to any customer that meets the following requirements:

- (1) Customer must be part of a Marketer's Aggregation Pool as the term is defined herein, and
 - (a) The Aggregation Pool consists of either: (1) a minimum of 100 customers; or (2) a customer or group of customers with a minimum annual throughput of 10,000 Mcf. The Aggregation Pool must be served by a single Marketer approved by Columbia; and the Marketer must have executed a Small Volume Aggregation Service agreement with Columbia; and,
 - (b) The Marketer must have acquired, or agreed to acquire, an adequate supply of natural gas of quality acceptable to Columbia, including allowances for (1) retention required by applicable upstream transporters; and (2) lost and unaccounted-for gas to be retained by Columbia. The Marketer must also have made, or have caused to be made, arrangements by which gas supply can be transported directly to specified receipt points on Columbia's distribution system; and,
- (2) Customer has normal annual requirements of less than 25,000 Mcf at any delivery point, and
- (3) Customer is currently a customer under the GS, IN6 or IUS Rate Schedule or in the case of a new customer would be considered a GS customer.

DATE OF ISSUE

November 5, 2013

DATE EFFECTIVE

December 29, 2013

ISSUED BY
TITLE

Hubert A. Miller, Jr.
President

SMALL VOLUME GAS TRANSPORTATION SERVICE
 (SVGTS)
 RATE SCHEDULE (Continued)

CHARACTER OF SERVICE

Service provided under this schedule shall be considered firm service.

DELIVERY CHARGE

The Delivery Charge shall be the Base Rate Charges for the applicable Rate Schedule as set forth below:

General Service Residential (SVGTS GSR)

| | | |
|------------------------------------|------------------|--------|
| Customer Charge per billing period | \$15.00 | T |
| Delivery Charge | \$2.2666 per Mcf | I I |

General Service Other – Commercial or Industrial (SVGTS GSO)

| | | |
|---|------------------|---|
| Customer Charge per billing period | \$37.50 | T |
| First 50 Mcf or less per billing period | \$2.2666 per Mcf | I |
| Next 350 Mcf per billing period | \$1.7520 per Mcf | I |
| Next 600 Mcf per billing period | \$1.6659 per Mcf | R |
| Over 1,000 Mcf per billing period | \$1.5164 per Mcf | R |

Intrastate Utility Service

| | | |
|------------------------------------|----------|---|
| Customer Charge per billing period | \$477.00 | I |
| Delivery Charge per Mcf | \$0.8150 | I |

ADJUSTMENTS AND RIDERS

Customers served under this Rate Schedule are subject to the currently effective Adjustments and Riders as prescribed on the Tariff Sheets set forth below and incorporated into this Rate Schedule:

- Weather Normalization Adjustment – Sheet 51a
- Energy Assistance Program Surcharge – Sheet No. 51b (Applies to Residential Customers only)
- Rider for Natural Gas Research & Development – Sheet No. 51c
- Energy Efficiency Conservation Rider – Sheets 51d – 51h (Applies to Residential and Commercial Customers only)
- AMRP Rider – Sheet No. 5B

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|----------------|-----------------------|
| DATE OF ISSUE | November 5, 2013 |
| DATE EFFECTIVE | December 29, 2013 |
| ISSUED BY | Hubert A. Miller, Jr. |
| TITLE | President |

**SMALL VOLUME GAS TRANSPORTATION SERVICE
(SVGTS)
RATE SCHEDULE (Continued)**

APPLICABILITY

Entire service territory of Columbia Gas of Kentucky through March 31, 2017. See Sheet No. 8 for a list of communities.

AVAILABILITY

Available to Marketers certified to deliver natural gas, on a firm basis, to the Company's city gates on behalf of customers receiving transportation service under Columbia's Small Volume Transportation Service Rate Schedule provided Marketer has an Aggregation Pool consisting of either: (a) a minimum of 100 customers; or (b) a customer or a group of customers with a minimum annual throughput of 10,000 Mcf. Service hereunder allows Marketers to deliver to Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the requirements of customers participating in Columbia's small volume transportation service program.

MARKETER CERTIFICATION

Marketers will be certified by Columbia to offer supply of natural gas to customers choosing service under Rate Schedule SVGTS provided they meet the following requirements:

1. Satisfactory determination of adequate managerial, financial and technical abilities to provide the service Marketer intends to offer;
2. Satisfactory completion of a determination of credit worthiness by Columbia;
3. Execution of a contract with Columbia for Small Volume Aggregation Service;
4. Marketer agrees to accept assignment of upstream pipeline firm transportation services capacity (FTS) in an amount equal to the Marketer's Daily Delivery Requirement as defined herein;
5. Marketer agrees to abide by the Code of Conduct as set forth herein; Columbia agrees to abide by the Standards of Conduct as set forth herein;
6. Marketer agrees to flow gas in accordance with the Marketer's Daily Delivery Requirement provided by Columbia.

AGGREGATION POOL

Marketers will be required to establish at least one Aggregation Pool for aggregation purposes.

| | |
|--------------------|---|
| DATE OF ISSUE | November 5, 2013 |
| DATE EFFECTIVE | December 29, 2013 |
| ISSUED BY TITLE | <i>Hubert A. Miller, Jr.</i> President |

SMALL VOLUME GAS TRANSPORTATION SERVICE
(SVGTS)
RATE SCHEDULE (Continued)

SCHEDULING DELIVERIES

Marketers must schedule all daily deliveries using the Company's nomination web site.

ANNUAL IMBALANCE RECONCILIATION

Once each year Columbia will reconcile each Marketer's imbalance that has accumulated since the prior reconciliation by determining the difference between: (1) the Marketer's deliveries to Columbia during the reconciliation period, adjusted for Btu value and Company Use and Unaccounted For gas; and, (2) the actual consumption of the Marketer's Aggregation Pool, inclusive of all adjustments applicable to the reconciliation period.

If the reconciliation shows that the Marketer delivered more than what was consumed during the period, then Columbia will pay the Marketer for the excess deliveries. If the reconciliation shows that the Marketer delivered less than what was consumed during the period, then the Marketer will pay Columbia for the under deliveries. Columbia will perform the reconciliation, including associated payment or billing, in the month following the end of the reconciliation period.

The price to be paid for gas to resolve any such imbalance will be the average price during the reconciliation period reported in PLATTS *Inside FERC's Gas Market Report* in the monthly report titled "Prices of Spot Gas Delivered to Pipelines," under the column heading "Index" for "Columbia Gas Transmission Corp., Appalachia", adjusted for Columbia Gas Transmission Corporation's FTS Retainage and commodity charges.

The first reconciliation period shall be the eight-month period ending March 31, 2005. The second reconciliation period shall be the sixteen-month period ending July 31, 2006. Thereafter, the reconciliation period shall end on July 31 of each year, except that, should the effective date of this tariff not continue past March 31, 2017, the final reconciliation period will be an eight-month period ending on March 31, 2017.

| | |
|--------------------|-------------------------------------|
| DATE OF ISSUE | November 5, 2013 |
| DATE EFFECTIVE | December 29, 2013 |
| ISSUED BY TITLE | Herbert A. Miller, Jr. President |

**DELIVERY SERVICE (DS)
 TRANSPORTATION SERVICE RATE SCHEDULE**

APPLICABILITY

Entire service territory of Company. See Sheet No. 8 for a list of communities.

AVAILABILITY

This rate schedule is available to any Customer throughout the territory served by Company provided:

- (1) Customer has executed a Delivery Service Agreement with Company, and
- (2) Customer has normal annual requirements of not less than 25,000 Mcf at any delivery point, and
- (3) Company will not be required to deliver on any day more than the lesser of (i) a quantity of gas equivalent to Customer's Maximum Daily Volume specified in its Delivery Service Agreement; (ii) the quantity of gas scheduled and confirmed to be delivered into the Company's distribution facilities on behalf of the Customer on that day plus applicable Standby Sales; or (iii) the Customer's Authorized Daily Volume, and
- (4) On an annual basis, a Customer's Maximum Daily Volume and Annual Transportation Volume will be automatically adjusted to the Customer's actual Maximum Daily Volume and actual Annual Transportation Volume based on the Customer's highest daily and annual volumetric consumption experienced during the preceding 12-month periods ending with March billings. Upon a Customer's request, the Company shall have the discretion to further adjust a Customer's Maximum Daily Volume and Annual Transportation Volume for good cause shown.

Customers Grandfathered ("GDS") This rate schedule is also available to customers with normal annual requirements of less than 25,000 Mcf but not less than 6,000 Mcf, at any delivery point taking service under a contract with Company for delivery service executed prior to April 1, 1999.

Intrastate Utility ("IUDS") This rate schedule is also available to Intrastate utilities for transportation and consumption solely within the Commonwealth of Kentucky.

BASE RATE

| | | |
|--|--|---|
| Administrative Charge per account per billing period | \$55.90 | |
| Customer Charge per billing period | \$1,007.05 | I |
| Customer Charge per billing period (GDS only) | \$37.50 | I |
| Customer Charge per billing period (IUDS only) | \$477.00 | I |
| Delivery Charge per Mcf - | | |
| First 30,000 Mcf | \$0.5443 per Mcf for all gas delivered each billing month. | R |
| Over 30,000 Mcf | \$0.2890 per Mcf for all gas delivered each billing month. | R |
| Grandfathered Delivery Service | | |
| First 50 Mcf per billing period | \$2.2666 | I |
| Next 350 Mcf per billing period | \$1.7520 | R |
| Next 600 Mcf per billing period | \$1.6659 | R |
| All Over 1,000 Mcf per billing period | \$1.5164 | R |
| Intrastate Utility Delivery Service | | |
| All volumes per billing period | \$0.8150 | I |
| Banking and Balancing Service | | |
| Rate per Mcf | See Sheet No. 6 | T |

DATE OF ISSUE *November 5, 2013*
 DATE EFFECTIVE December 29, 2013
 ISSUED BY *Herbert A. Miller, Jr.*
 TITLE President

**AMRP RIDER
 ACCELERATED MAIN REPLACEMENT PROGRAM RIDER**

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APPLICABILITY

Applicable to all customers receiving service under the Company's Rate Schedules GS, IS, IUS, SVGTS, DS and SAS.

CALCULATION OF ACCELERATED MAIN REPLACEMENT RIDER REVENUE REQUIREMENT

The AMRP Rider Revenue Requirement includes the following:

- a. AMRP-related Plant In-Service not included in base gas rates minus the associated AMRP-related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to AMRP construction;
- c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- d. Depreciation expense on the AMRP-related Plant In-Service less retirement and removal;
- e. Property taxes related to the AMRP; and
- f. Reduction for savings in Account No. 887 - Maintenance of Mains.

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ACCELERATED MAIN REPLACEMENT PROGRAM FACTORS

All customers receiving service under Rate Schedules GSR, GSO, IS, IUS, SVGTS, DS, GDS and SAS shall be assessed a monthly charge in addition to the Customer Charge component of their applicable rate schedule that will enable the Company to complete the accelerated main replacement program.

Rider AMRP will be updated annually in order to reflect the expected impact on the Company's revenue requirements of forecasted net plant additions and subsequently adjusted to true up the actual costs with the projected costs. A filing to update the projected costs for the upcoming calendar year will be submitted annually by October 15 to become effective with meter readings on end after the first billing cycle of January. The allocation of the program costs shall be based on the revenue distribution approved by the Commission. Company will submit a balancing adjustment annually by March 31 to true-up the actual costs, as offset by operations and maintenance expense reductions, during the most recent twelve months ended December with the projected program costs for the same period. The balancing adjustment true-up to the rider will become effective with meter readings on and after the first billing cycle of June.

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The charges for the respective gas service schedules for the revenue month beginning January 2014 per billing period are:

| | |
|---|---------|
| Rate GSR, Rate SVGTS - Residential Service | \$ 0.00 |
| Rate GSO, Rate GDS, Rate SVGTS - Commercial or Industrial Service | \$ 0.00 |
| Rate IUS, Rate IUDS | \$ 0.00 |
| Rate IS, Rate DS ^{1/} , Rate SAS | \$ 0.00 |

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^{1/} - Excluding customers subject to Flex Provisions of Rate Schedule DS

DATE OF ISSUE *November 5, 2013*
 DATE EFFECTIVE December 29, 2013
 ISSUED BY *Hubert A. Miller, Jr.*
 TITLE President

ATTACHMENT B
PROOF OF REVENUE

Columbia Gas of Kentucky, Inc.
Case No. 2013-00167
Revenue Proof

| Rate Code | Class Description | Number of Bills | Volumes (Mcf) | Present Rates (\$/Mcf) | Present Revenue (\$) | D-24 Ratemaking Adjustment (\$) | Revenue Adjusted (\$) | Proposed Rates (\$/Mcf) | Proposed Revenue (\$) | Revenue Increase (\$) |
|----------------------|--|-----------------|---------------|------------------------|----------------------|---------------------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| <u>Sales Service</u> | | | | | | | | | | |
| GSR | General Service - Residential | | | | | | | | | |
| | Customer Charge: | 1,121,480 | | \$12.35 | \$13,850,278 | | \$13,850,278 | \$15.00 | \$16,822,200 | \$2,971,922 |
| | All Gas Consumed | | 6,098,391.7 | \$1.8715 | \$11,413,140 | | \$11,413,140 | \$2.2666 | \$13,822,615 | \$2,409,475 |
| | AMRP | | | \$1.0600 | \$1,188,769 | | \$1,188,769 | \$0.0000 | \$0 | (\$1,188,769) |
| | EECP | | | (\$0.2400) | (\$269,155) | | (\$269,155) | (\$0.2400) | (\$269,155) | \$0 |
| | EAP Revenue | | | \$0.0615 | \$375,051 | | \$375,051 | \$0.0615 | \$375,051 | \$0 |
| | Gas Cost Uncollectible Accounts in GCA | | | \$0.0603 | \$367,733 | (\$219,542) | \$148,191 | \$0.0243 | \$148,191 | \$0 |
| | Gas Cost Recovery (Per filed Schedule M) | | | \$4.0634 | \$24,780,205 | | \$24,780,205 | \$4.0634 | \$24,780,205 | \$0 |
| | Total | | | | \$51,706,021 | | \$51,486,479 | | \$55,679,106 | \$4,192,628 |
| G1C | LG&E Commercial | | | | | | | | | |
| | Customer Charge: | 48 | | \$35.00 | \$1,680 | | \$1,680 | \$35.00 | \$1,680 | \$0 |
| | All Gas Consumed | | 2,707.3 | \$2.1136 | \$5,722 | | \$5,722 | \$2.1136 | \$5,722 | \$0 |
| | Gas Cost Recovery (Per filed Schedule M) | | | \$4.0634 | \$11,001 | | \$11,001 | \$4.0634 | \$11,001 | \$0 |
| | Total | | | | \$18,403 | | \$18,403 | | \$18,403 | \$0 |
| G1R | LG&E Residential | | | | | | | | | |
| | Customer Charge: | 200 | | \$13.50 | \$2,700 | | \$2,700 | \$13.50 | \$2,700 | \$0 |
| | All Gas Consumed | | 1,804.5 | \$2.8128 | \$5,076 | | \$5,076 | \$2.8128 | \$5,076 | \$0 |
| | Gas Cost Recovery (Per filed Schedule M) | | | \$4.0634 | \$7,332 | | \$7,332 | \$4.0634 | \$7,332 | \$0 |
| | Total | | | | \$15,108 | | \$15,108 | | \$15,108 | \$0 |
| IN3 | Inland Gas General Service - Residential | | | | | | | | | |
| | Customer Charge: | 108 | | \$0.00 | \$0 | | \$0 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 945.4 | \$0.4000 | \$378 | | \$378 | \$0.4000 | \$378 | \$0 |
| | Total | | | | \$378 | | \$378 | | \$378 | \$0 |
| IN3 | Inland Gas General Service - Commercial | | | | | | | | | |
| | Customer Charge: | 12 | | \$0.00 | \$0 | | \$0 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 58.2 | \$0.4000 | \$23 | | \$23 | \$0.4000 | \$23 | \$0 |
| | Total | | | | \$23 | | \$23 | | \$23 | \$0 |
| IN4 | Inland Gas General Service - Residential | | | | | | | | | |
| | Customer Charge: | 12 | | \$0.00 | \$0 | | \$0 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 117.4 | \$0.5500 | \$65 | | \$65 | \$0.5500 | \$65 | \$0 |
| | Total | | | | \$65 | | \$65 | | \$65 | \$0 |
| IN5 | Inland Gas General Service - Residential | | | | | | | | | |
| | Customer Charge: | 47 | | \$0.00 | \$0 | | \$0 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 376.1 | \$0.6000 | \$226 | | \$226 | \$0.6000 | \$226 | \$0 |
| | Total | | | | \$226 | | \$226 | | \$226 | \$0 |

Columbia Gas of Kentucky, Inc.
Case No. 2013-00167
Revenue Proof

| Rate Code | Class Description | Number of Bills | Volumes (Mcf) | Present Rates (\$/Mcf) | Present Revenue (\$) | D-24 Ratemaking Adjustment (\$) | Revenue Adjusted (\$) | Proposed Rates (\$/Mcf) | Proposed Revenue (\$) | Revenue Increase (\$) |
|----------------------|--|-----------------|---------------|------------------------|----------------------|---------------------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| <u>Sales Service</u> | | | | | | | | | | |
| LG2 | LG&E Residential | | | | | | | | | |
| | Customer Charge: | 12 | | \$0.00 | \$0 | | \$0 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 560.5 | \$0.3500 | \$196 | | \$196 | \$0.3500 | \$196 | \$0 |
| | Total | | | | \$196 | | \$196 | | \$196 | \$0 |
| LG2 | LG&E Commercial | | | | | | | | | |
| | Customer Charge: | 12 | | \$0.00 | \$0 | | \$0 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 731.5 | \$0.3500 | \$256 | | \$256 | \$0.3500 | \$256 | \$0 |
| | Total | | | | \$256 | | \$256 | | \$256 | \$0 |
| LG3 | LG&E Residential | | | | | | | | | |
| | Customer Charge: | 12 | | \$1.20 | \$14 | | \$14 | \$1.20 | \$14 | \$0 |
| | First 2 Mcf | | 24.0 | \$0.0000 | \$0 | | \$0 | \$0.0000 | \$0 | \$0 |
| | Over 2 Mcf | | 495.8 | \$0.3500 | \$174 | | \$174 | \$0.3500 | \$174 | \$0 |
| | Total | | 519.8 | | \$188 | | \$188 | | \$188 | \$0 |
| LG4 | LG&E Residential | | | | | | | | | |
| | Customer Charge: | 12 | | \$0.00 | \$0 | | \$0 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 284.8 | \$0.4000 | \$114 | | \$114 | \$0.4000 | \$114 | \$0 |
| | Total | | | | \$114 | | \$114 | | \$114 | \$0 |
| GSO | General Service - Commercial | | | | | | | | | |
| | Customer Charge: | 114,076 | | \$25.13 | \$2,866,730 | | \$2,866,730 | \$37.50 | \$4,277,850 | \$1,411,120 |
| | First 50 Mcf | | 1,384,180.8 | \$1.8715 | \$2,590,494 | | \$2,590,494 | \$2.2666 | \$3,137,384 | \$546,890 |
| | Next 350 Mcf | | 1,142,633.2 | \$1.8153 | \$2,074,222 | | \$2,074,222 | \$1.7520 | \$2,001,893 | (\$72,329) |
| | Next 600 Mcf | | 241,004.8 | \$1.7296 | \$416,842 | | \$416,842 | \$1.6659 | \$401,490 | (\$15,352) |
| | Over 1,000 Mcf | | 60,755.8 | \$1.5802 | \$96,006 | | \$96,006 | \$1.5164 | \$92,130 | (\$3,876) |
| | AMRP | | | \$3.9800 | \$454,022 | | \$454,022 | \$0.0000 | \$0 | (\$454,022) |
| | Gas Cost Uncollectible Accounts in GCA | | | \$0.0603 | \$170,563 | (\$101,829) | \$68,734 | \$0.0243 | \$68,734 | \$0 |
| | Gas Cost Recovery (Per filed Schedule M) | | | \$4.0634 | \$11,493,630 | | \$11,493,630 | \$4.0634 | \$11,493,630 | \$0 |
| | Total | | 2,828,574.6 | | \$20,162,510 | | \$20,060,681 | | \$21,473,112 | \$1,412,431 |
| GSO | General Service - Industrial | | | | | | | | | |
| | Customer Charge: | 467 | | \$25.13 | \$11,736 | | \$11,736 | \$37.50 | \$17,513 | \$5,777 |
| | First 50 Mcf | | 13,107.0 | \$1.8715 | \$24,530 | | \$24,530 | \$2.2666 | \$29,708 | \$5,179 |
| | Next 350 Mcf | | 44,590.2 | \$1.8153 | \$80,945 | | \$80,945 | \$1.7520 | \$78,122 | (\$2,823) |
| | Next 600 Mcf | | 27,201.6 | \$1.7296 | \$47,048 | | \$47,048 | \$1.6659 | \$45,315 | (\$1,733) |
| | Over 1,000 Mcf | | 71,421.3 | \$1.5802 | \$112,860 | | \$112,860 | \$1.5164 | \$108,303 | (\$4,557) |
| | AMRP | | | \$3.9800 | \$1,859 | | \$1,859 | \$0.0000 | \$0 | (\$1,859) |
| | Gas Cost Uncollectible Accounts in GCA | | | \$0.0603 | \$9,426 | (\$5,628) | \$3,799 | \$0.0243 | \$3,799 | \$0 |
| | Gas Cost Recovery (Per filed Schedule M) | | | \$4.0634 | \$635,191 | | \$635,191 | \$4.0634 | \$635,191 | \$0 |
| | Total | | 156,320.1 | | \$923,594 | | \$917,966 | | \$917,951 | (\$5) |

Columbia Gas of Kentucky, Inc.
Case No. 2013-00167
Revenue Proof

| Rate Code | Class Description | Number of BEEs | Volumes (Mcf) | Present Rates (\$/Mcf) | Present Revenue (\$) | D-2.4 Rate-making Adjustment (\$) | Revenue Adjusted (\$) | Proposed Rates (\$/Mcf) | Proposed Revenue (\$) | Revenue Increase (\$) |
|-------------------------------|--|----------------|---------------|------------------------|----------------------|-----------------------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Sales Service | | | | | | | | | | |
| IS | Interruptible Service - Industrial | | | | | | | | | |
| | Customer Charge: | 12 | | \$583.39 | \$7,001 | | \$7,001 | \$1,007.05 | \$12,085 | \$5,084 |
| | First 30,000 Mcf | | 33,099.0 | \$0.5467 | \$18,095 | | \$18,095 | \$0.5443 | \$18,016 | (\$79) |
| | Over 30,000 Mcf | | 0.0 | \$0.2905 | \$0 | | \$0 | \$0.2890 | \$0 | \$0 |
| | AMRP | | | \$237.59 | \$2,851 | | \$2,851 | \$0.0000 | \$0 | (\$2,851) |
| | Gas Cost Uncollectible Accounts in GCA | | | \$0.0603 | \$1,996 | (\$1,192) | \$804 | \$0.0243 | \$804 | \$0 |
| | Gas Cost Recovery (Per filed Schedule M) | | | \$4.0634 | \$134,494 | | \$134,494 | \$4.0634 | \$134,494 | \$0 |
| | Total | | 33,099.0 | | \$164,437 | | \$163,246 | | \$165,399 | \$2,153 |
| IUS | Intrastate Utility Service - Wholesale | | | | | | | | | |
| | Customer Charge: | 24 | | \$331.50 | \$7,956 | | \$7,956 | \$477.00 | \$11,448 | \$3,492 |
| | All Gas Consumed | | 13,844.0 | \$0.7750 | \$10,729 | | \$10,729 | \$0.8150 | \$11,283 | \$554 |
| | AMRP | | | \$41.3800 | \$993 | | \$993 | \$0.0000 | \$0 | (\$993) |
| | Gas Cost Uncollectible Accounts in GCA | | | \$0.0603 | \$835 | (\$498) | \$336 | \$0.0243 | \$336 | \$0 |
| | Gas Cost Recovery (Per filed Schedule M) | | | \$4.0634 | \$56,254 | | \$56,254 | \$4.0634 | \$56,254 | \$0 |
| | Total | | | | \$76,767 | | \$76,268 | | \$79,321 | \$3,053 |
| Transportation Service | | | | | | | | | | |
| GTR | GTS Choice - Residential | | | | | | | | | |
| | Customer Charge: | 317,826 | | \$12.35 | \$3,925,151 | | \$3,925,151 | \$15.00 | \$4,767,390 | \$842,239 |
| | All Gas Consumed | | 1,897,000.0 | \$1.8715 | \$3,550,236 | | \$3,550,236 | \$2.2666 | \$4,299,740 | \$749,505 |
| | AMRP | | | \$1.0600 | \$336,896 | | \$336,896 | \$0.0000 | \$0 | (\$336,896) |
| | EECP | | | (\$0.2400) | (\$76,278) | | (\$76,278) | (\$0.2400) | (\$76,278) | \$0 |
| | EAP Revenue | | | \$0.0615 | \$116,666 | | \$116,666 | \$0.0615 | \$116,666 | \$0 |
| | Total | | | | \$7,852,669 | | \$7,852,669 | | \$9,107,517 | \$1,254,848 |
| GTO | GTS Choice - Commercial | | | | | | | | | |
| | Customer Charge: | 49,717 | | \$25.13 | \$1,249,388 | | \$1,249,388 | \$37.50 | \$1,864,388 | \$614,999 |
| | First 50 Mcf | | 779,024.2 | \$1.8715 | \$1,457,944 | | \$1,457,944 | \$2.2666 | \$1,765,736 | \$307,792 |
| | Next 350 Mcf | | 785,615.4 | \$1.8153 | \$1,426,128 | | \$1,426,128 | \$1.7520 | \$1,376,398 | (\$49,729) |
| | Next 600 Mcf | | 169,715.0 | \$1.7296 | \$293,539 | | \$293,539 | \$1.6659 | \$282,728 | (\$10,811) |
| | Over 1,000 Mcf | | 109,632.2 | \$1.5802 | \$173,241 | | \$173,241 | \$1.5164 | \$166,246 | (\$6,995) |
| | AMRP | | | \$3.9800 | \$197,874 | | \$197,874 | \$0.0000 | \$0 | (\$197,874) |
| | Total | | 1,843,986.8 | | \$4,798,113 | | \$4,798,113 | | \$5,455,496 | \$657,383 |
| GTO | GTS Choice - Industrial | | | | | | | | | |
| | Customer Charge: | 145 | | \$25.13 | \$3,644 | | \$3,644 | \$37.50 | \$5,438 | \$1,794 |
| | First 50 Mcf | | 4,309.4 | \$1.8715 | \$8,065 | | \$8,065 | \$2.2666 | \$9,768 | \$1,703 |
| | Next 350 Mcf | | 17,120.6 | \$1.8153 | \$31,079 | | \$31,079 | \$1.7520 | \$29,995 | (\$1,084) |
| | Next 600 Mcf | | 14,468.8 | \$1.7296 | \$25,025 | | \$25,025 | \$1.6659 | \$24,104 | (\$922) |
| | Over 1,000 Mcf | | 12,101.3 | \$1.5802 | \$19,122 | | \$19,122 | \$1.5164 | \$18,350 | (\$772) |
| | AMRP | | | \$3.9800 | \$577 | | \$577 | \$0.0000 | \$0 | (\$577) |
| | Total | | 48,000.1 | | \$87,513 | | \$87,513 | | \$87,654 | \$142 |

Columbia Gas of Kentucky, Inc.
Case No. 2013-00167
Revenue Proof

| Rate Code | Class Description | Number of Bills | Volumes (Mcf) | Present Rates (\$/Mcf) | Present Revenue (\$) | D-2.4 Ratemaking Adjustment (\$) | Revenue Adjusted (\$) | Proposed Rates (\$/Mcf) | Proposed Revenue (\$) | Revenue Increase (\$) |
|-------------------------------|---|-----------------|---------------|------------------------|----------------------|----------------------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| <u>Transportation Service</u> | | | | | | | | | | |
| DS | GTS Delivery Service - Commercial | | | | | | | | | |
| | Customer Charge: | 348 | | \$583.39 | \$203,020 | | \$203,020 | \$1,007.05 | \$350,453 | \$147,434 |
| | Administrative Charge: | 348 | | \$55.90 | \$19,453 | | \$19,453 | \$55.90 | \$19,453 | \$0 |
| | First 30,000 Mcf | | 1,775,557.2 | \$0.5467 | \$970,697 | | \$970,697 | \$0.5443 | \$966,436 | (\$4,261) |
| | Over 30,000 Mcf | | 0.0 | \$0.2905 | \$0 | | \$0 | \$0.2890 | \$0 | \$0 |
| | AMRP | | | \$237.59 | \$82,681 | | \$82,681 | \$0.0000 | \$0 | (\$82,681) |
| | Total | | 1,775,557.2 | | \$1,275,851 | | \$1,275,851 | | \$1,336,342 | \$60,491 |
| DS | GTS Delivery Service - Industrial | | | | | | | | | |
| | Customer Charge: | 444 | | \$583.39 | \$259,025 | | \$259,025 | \$1,007.05 | \$447,130 | \$188,105 |
| | Administrative Charge: | 444 | | \$55.90 | \$24,820 | | \$24,820 | \$55.90 | \$24,820 | \$0 |
| | First 30,000 Mcf | | 3,863,621.4 | \$0.5467 | \$2,112,242 | | \$2,112,242 | \$0.5443 | \$2,102,969 | (\$9,273) |
| | Over 30,000 Mcf | | 1,759,200.0 | \$0.2905 | \$511,048 | | \$511,048 | \$0.2890 | \$508,409 | (\$2,639) |
| | AMRP | | | \$237.59 | \$105,490 | | \$105,490 | \$0.0000 | \$0 | (\$105,490) |
| | Total | | 5,622,821.4 | | \$3,012,624 | | \$3,012,624 | | \$3,083,328 | \$70,704 |
| GDS | GTS Grandfathered Delivery Service - Commercial | | | | | | | | | |
| | Customer Charge: | 194 | | \$25.13 | \$4,875 | | \$4,875 | \$37.50 | \$7,275 | \$2,400 |
| | Administrative Charge: | 194 | | \$55.90 | \$10,845 | | \$10,845 | \$55.90 | \$10,845 | \$0 |
| | First 50 Mcf | | 9,000.0 | \$1.8715 | \$16,844 | | \$16,844 | \$2.2666 | \$20,399 | \$3,556 |
| | Next 350 Mcf | | 60,324.1 | \$1.8153 | \$109,506 | | \$109,506 | \$1.7520 | \$105,688 | (\$3,819) |
| | Next 600 Mcf | | 87,397.1 | \$1.7296 | \$151,162 | | \$151,162 | \$1.6659 | \$145,595 | (\$5,567) |
| | Over 1,000 Mcf | | 157,946.3 | \$1.5802 | \$249,587 | | \$249,587 | \$1.5164 | \$239,510 | (\$10,077) |
| | AMRP | | | \$3.9800 | \$772 | | \$772 | \$0.0000 | \$0 | (\$772) |
| | Total | | 314,667.5 | | \$543,591 | | \$543,591 | | \$529,311 | (\$14,279) |
| GDS | GTS Grandfathered Delivery Service - Industrial | | | | | | | | | |
| | Customer Charge: | 209 | | \$25.13 | \$5,252 | | \$5,252 | \$37.50 | \$7,838 | \$2,585 |
| | Administrative Charge: | 209 | | \$55.90 | \$11,683 | | \$11,683 | \$55.90 | \$11,683 | \$0 |
| | First 50 Mcf | | 8,666.2 | \$1.8715 | \$16,219 | | \$16,219 | \$2.2666 | \$19,643 | \$3,424 |
| | Next 350 Mcf | | 51,070.6 | \$1.8153 | \$92,708 | | \$92,708 | \$1.7520 | \$89,476 | (\$3,233) |
| | Next 600 Mcf | | 63,893.2 | \$1.7296 | \$110,510 | | \$110,510 | \$1.6659 | \$106,440 | (\$4,070) |
| | Over 1,000 Mcf | | 88,634.2 | \$1.5802 | \$140,060 | | \$140,060 | \$1.5164 | \$134,405 | (\$5,655) |
| | AMRP | | | \$3.9800 | \$832 | | \$832 | \$0.0000 | \$0 | (\$832) |
| | Total | | 212,264.2 | | \$377,264 | | \$377,264 | | \$369,484 | (\$7,780) |

Columbia Gas of Kentucky, Inc.
Case No. 2013-00167
Revenue Proof

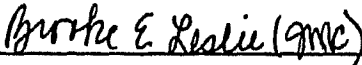
| Rate Code | Class Description | Number of Bills | Volumes (Mcf) | Present Rates (\$/Mcf) | Present Revenue (\$) | D-2A Rate-making Adjustment (\$) | Revenue Adjusted (\$) | Proposed Rates (\$/Mcf) | Proposed Revenue (\$) | Revenue Increase (\$) |
|-------------------------------|------------------------------------|-----------------|---------------|------------------------|----------------------|----------------------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| <u>Transportation Service</u> | | | | | | | | | | |
| DS3 | GTS Main Line Service - Industrial | | | | | | | | | |
| | Customer Charge: | 36 | | \$200.00 | \$7,200 | | \$7,200 | \$200.00 | \$7,200 | \$0 |
| | Administrative Charge: | 36 | | \$55.90 | \$2,012 | | \$2,012 | \$55.90 | \$2,012 | \$0 |
| | All Gas Consumed | | 767,283.0 | \$0.0858 | \$65,833 | | \$65,833 | \$0.0858 | \$65,833 | \$0 |
| | Total | | | | \$75,045 | | \$75,045 | | \$75,045 | \$0 |
| FX1 | GTS Flex Rate - Commercial | | | | | | | | | |
| | Customer Charge: | 12 | | \$583.39 | \$7,001 | | \$7,001 | \$583.39 | \$7,001 | \$0 |
| | Administrative Charge: | 12 | | \$55.90 | \$671 | | \$671 | \$55.90 | \$671 | \$0 |
| | All Gas Consumed | | 378,925.0 | \$0.1250 | \$47,366 | | \$47,366 | \$0.1250 | \$47,366 | \$0 |
| | Total | | | | \$55,037 | | \$55,037 | | \$55,037 | \$0 |
| FX2 | GTS Flex Rate - Commercial | | | | | | | | | |
| | Customer Charge: | 12 | | \$583.39 | \$7,001 | | \$7,001 | \$583.39 | \$7,001 | \$0 |
| | Administrative Charge: | 12 | | \$55.90 | \$671 | | \$671 | \$55.90 | \$671 | \$0 |
| | All Gas Consumed | | 366,000.0 | \$0.1250 | \$45,750 | | \$45,750 | \$0.1250 | \$45,750 | \$0 |
| | Total | | | | \$53,421 | | \$53,421 | | \$53,421 | \$0 |
| FX5 | GTS Flex Rate - Industrial | | | | | | | | | |
| | Customer Charge: | 36 | | \$200.00 | \$7,200 | | \$7,200 | \$200.00 | \$7,200 | \$0 |
| | Administrative Charge: | 36 | | \$55.90 | \$2,012 | | \$2,012 | \$55.90 | \$2,012 | \$0 |
| | All Gas Consumed | | 3,491,291.0 | \$0.0858 | \$299,553 | | \$299,553 | \$0.0858 | \$299,553 | \$0 |
| | Total | | | | \$308,765 | | \$308,765 | | \$308,765 | \$0 |
| FX7 | GTS Flex Rate - Industrial | | | | | | | | | |
| | Customer Charge: | 12 | | \$583.39 | \$7,001 | | \$7,001 | \$583.39 | \$7,001 | \$0 |
| | Administrative Charge: | 12 | | \$55.90 | \$671 | | \$671 | \$55.90 | \$671 | \$0 |
| | First 30,000 Mcf | | 300,000.0 | \$0.4900 | \$147,000 | | \$147,000 | \$0.4900 | \$147,000 | \$0 |
| | Over 30,000 Mcf | | 180,000.0 | \$0.2700 | \$48,600 | | \$48,600 | \$0.2700 | \$48,600 | \$0 |
| | Total | | 480,000.0 | | \$203,271 | | \$203,271 | | \$203,271 | \$0 |
| SAS | GTS Special Agency Service | | | | | | | | | |
| | Customer Charge: | 0 | | \$583.39 | \$0 | | \$0 | \$1,007.05 | \$0 | \$0 |
| | Administrative Charge: | 0 | | \$55.90 | \$0 | | \$0 | \$55.90 | \$0 | \$0 |
| | First 30,000 Mcf | | 0.0 | \$0.5467 | \$0 | | \$0 | \$0.5443 | \$0 | \$0 |
| | Over 30,000 Mcf | | 0.0 | \$0.2905 | \$0 | | \$0 | \$0.2890 | \$0 | \$0 |
| | AMRP | | | \$237.59 | \$0 | | \$0 | \$0 | \$0 | \$0 |
| | Total | | 0.0 | | \$0 | | \$0 | \$0 | \$0 | \$0 |

Columbia Gas of Kentucky, Inc.
Case No. 2013-00167
Revenue Proof

| Rate Code | Class Description | Number of Bills | Volumes (Mcf) | Present Rates (\$/Mcf) | Present Revenue (\$) | D-2.4 Rate-making Adjustment (\$) | Revenue Adjusted (\$) | Proposed Rates (\$/Mcf) | Proposed Revenue (\$) | Revenue Increase (\$) |
|---|--|------------------|---------------------|------------------------|----------------------|-----------------------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Transportation Service | | | | | | | | | | |
| SC3 | GTS Special Rate - Industrial Customer Charge: | 12 | | \$583.39 | \$7,001 | | \$7,001 | \$583.39 | \$7,001 | \$0 |
| | Administrative Charge: | 12 | | \$55.90 | \$671 | | \$671 | \$55.90 | \$671 | \$0 |
| | First 30,000 Mcf | | 1,800,000.0 | \$0.2900 | \$522,000 | | \$522,000 | \$0.2900 | \$522,000 | \$0 |
| | Over 30,000 Mcf | | 2,209,476.0 | \$0.1600 | \$353,516 | | \$353,516 | \$0.1600 | \$353,516 | \$0 |
| | Total | | 4,009,476.0 | | \$883,188 | | \$883,188 | | \$883,188 | \$0 |
| Other Gas Department Revenues | | | | | | | | | | |
| | Acct. 487 Forfeited Discounts | | | | \$356,864 | | \$356,864 | | \$385,011 | \$28,147 |
| | Acct. 488 Miscellaneous Service Revenue | | | | \$139,623 | | \$139,623 | | \$139,623 | \$0 |
| | Acct. 493 Rent from Gas Property | | | | \$16,623 | | \$16,623 | | \$16,623 | \$0 |
| | Acct. 495 Non-Traditional Sales | | | | \$0 | | \$0 | | \$0 | \$0 |
| | Acct. 495 Prior Yr. Rate Refund - Net | | | | \$0 | | \$0 | | \$0 | \$0 |
| | Acct. 495 Other Gas Revenues - Other | | | | \$368,597 | | \$368,597 | | \$368,597 | \$0 |
| | Total | | | | \$881,707 | | \$881,707 | | \$909,854 | \$28,147 |
| Summary | | | | | | | | | | |
| | Base Revenue | | | | \$52,060,646 | | \$52,060,646 | | \$62,066,019 | \$10,005,373 |
| | Gas Cost Uncollectible Accounts In GCA | | | | \$550,553 | (\$328,688) | \$221,865 | | \$221,865 | \$0 |
| | Gas Cost Recovery (Per filed Schedule M) | | | | \$37,118,107 | | \$37,118,107 | | \$37,118,107 | \$0 |
| | AMRP | | | | \$2,373,616 | | \$2,373,616 | | \$0 | (\$2,373,616) |
| | EAP Revenues | | | | \$491,717 | | \$491,717 | | \$491,717 | \$0 |
| | Other Gas Department Revenue | | | | \$881,707 | | \$881,707 | | \$909,854 | \$28,147 |
| | TOTAL REVENUE | | | | \$93,476,346 | | \$93,147,657 | | \$108,807,562 | \$7,659,905 |
| Summary by Rate Class | | | | | | | | | | |
| | General Service - Residential | 1,439,709 | 8,000,000.2 | | \$9,574,965 | | \$9,355,422 | | \$4,802,898 | \$5,447,476 |
| | General Service - Other | 164,880 | 5,407,310.3 | | 26,911,266 | | 26,803,810 | | 28,851,691 | 2,047,881 |
| | Intrastate Utility Service | 24 | 13,844.0 | | 76,767 | | 76,268 | | 79,321 | 3,053 |
| | Mainline Delivery Service / Special Contract | 84 | 4,738,574.0 | | 587,082 | | 587,082 | | 587,082 | 0 |
| | Delivery Service / Interruptible Service | 840 | 12,183,878.6 | | 5,444,559 | | 5,443,368 | | 5,576,716 | 133,348 |
| | Total | 1,605,537 | 30,345,607.1 | | \$92,594,639 | | \$92,265,950 | | \$99,897,708 | \$7,631,758 |
| Average Monthly Customer Bill Increase | | | | | | | | | | |
| | General Service - Residential @ 5.5 Mcf | | | | \$46.56 | | | | \$50.13 | \$3.57 |
| | General Service - Commercial @ 25 Mcf | | | | \$179.18 | | | | \$196.53 | \$17.35 |

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Stipulation and Recommendation was served upon all parties of record by regular U. S. mail this th day of October, 2013.



Brooke E. Leslie
Attorney for
COLUMBIA GAS OF KENTUCKY INC.

SERVICE LIST

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APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00167 DATED **DEC 13 2013**

The following rates and charges are prescribed for the customers served by Columbia Gas of Kentucky. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

| | <u>Base Rate</u> <u>Charge</u> | <u>Gas Cost</u> <u>Demand</u> | <u>Commodity</u> | <u>Total Billing</u> <u>Rate</u> |
|--------------------------------|-----------------------------------|----------------------------------|------------------|-------------------------------------|
| <u>Sales Service</u> | | | | |
| <u>Rate Schedule GSR</u> | | | | |
| Customer Charge | \$15.00 | | | \$15.00 |
| Delivery Charge per Mcf | \$2.2666 | \$1.1374 | \$5.4954 | \$8.8994 |
| <u>Rate Schedule GSO</u> | | | | |
| Customer Charge | \$37.50 | | | \$37.50 |
| Delivery Charge per Mcf | | | | |
| First 50 Mcf or less | \$2.2666 | \$1.1374 | \$5.4954 | \$8.8994 |
| Next 350 Mcf | \$1.7520 | \$1.1374 | \$5.4954 | \$8.3848 |
| Next 600 Mcf | \$1.6659 | \$1.1374 | \$5.4954 | \$8.2987 |
| Over 1,000 Mcf | \$1.5164 | \$1.1374 | \$5.4954 | \$8.1492 |
| <u>Rate Schedule IS</u> | | | | |
| Customer Charge | \$1007.05 | | | \$1007.05 |
| Delivery Charge per Mcf | | | | |
| First 30,000 Mcf | \$5.443 | | \$5.4954 | \$6.0397 |
| Over 30,000 Mcf | \$2.890 | | \$5.4954 | \$5.7844 |
| Firm Service Demand Charge | | | | |
| Demand Charge times Daily Firm | | | | |
| Volume (Mcf) in Customer | | | | |
| Service Agreement | | \$6.6097 | | \$6.6097 |

| <u>Rate Schedule IUS</u> | | | | |
|---------------------------|----------|----------|----------|----------|
| Customer Charge | \$477.00 | | | \$477.00 |
| Delivery Charge per Mcf | | | | |
| For All Volumes Delivered | \$.8150 | \$1.1374 | \$5.4954 | \$7.4478 |

Transportation Service

| <u>Rate Schedule DS</u> | | | | |
|---|----------|----------|--|-----------|
| Administrative Charge | | | | \$55.90 |
| Customer Charge | | | | \$1007.05 |
| Customer Charge (GDS only) | | | | \$37.50 |
| Customer Charge (IUDS only) | | | | \$477.00 |
| Delivery Charge per Mcf | | | | |
| First 30,000 Mcf | \$.5443 | | | \$.5443 |
| Over 30,000 Mcf | \$.2890 | | | \$.2890 |
| -Grandfathered Delivery Service | | | | |
| First 50 Mcf or less | | | | \$2.2666 |
| Next 350 Mcf | | | | \$1.7520 |
| Next 600 Mcf | | | | \$1.6659 |
| All Over 1,000 Mcf | | | | \$1.5164 |
| -Intrastate Utility Delivery Service (all volumes) | | | | \$.8150 |
| Banking and Balancing Service | | | | |
| Rate per Mcf | | \$.0205 | | \$.0205 |

| <u>Rate Schedule MLDS</u> | | | | |
|-------------------------------|--|----------|--|----------|
| Administrative Charge | | | | \$55.90 |
| Customer Charge | | | | \$200.00 |
| Delivery Charge | | | | \$.0858 |
| Banking and Balancing Service | | | | |
| Rate per Mcf | | \$.0205 | | \$.0205 |

| <u>Rate Schedule SVGTS</u> | | | | |
|------------------------------------|--|--|--|----------|
| <u>General Service Residential</u> | | | | |
| Customer Charge | | | | \$15.00 |
| Delivery Charge per Mcf | | | | \$2.2666 |

General Service Other -
Commercial or Industrial

| | |
|----------------------|----------|
| Customer Charge | \$37.50 |
| First 50 Mcf or less | \$2.2666 |
| Next 350 Mcf | \$1.7520 |
| Next 600 Mcf | \$1.6659 |
| Over 1,000 Mcf | \$1.5164 |

(Rate Schedule SVGTS cont.)

Intrastate Utility Service

| | |
|-------------------------|----------|
| Customer Charge | \$477.00 |
| Delivery Charge per Mcf | \$.8150 |

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