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JAN 29 2016

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COMMISSION

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

**A NiSource Company**

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

January 29, 2016

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

Re: Columbia Gas of Kentucky, Inc.  
Gas Cost Adjustment Case No. 2016 –

Dear Mr. Derouen:

Pursuant to the Commission's Order dated January 30, 2001 in Administrative Case No. 384, Columbia Gas of Kentucky, Inc. ("Columbia") hereby encloses, for filing with the Commission, an original and six (6) copies of data submitted pursuant to the requirements of the Gas Cost Adjustment Provision contained in Columbia's tariff for its March quarterly Gas Cost Adjustment ("GCA").

Columbia proposes to decrease its current rates to tariff sales customers by (\$0.6078) per Mcf effective with its March 2016 billing cycle on March 1, 2016. The decrease is composed of a decrease of (\$0.4866) per Mcf in the Average Commodity Cost of Gas, an increase of \$0.0267 per Mcf in the Average Demand Cost of Gas, a decrease of (\$0.1007) per Mcf in the Balancing Adjustment, and a decrease of (\$0.0472) per Mcf in the Gas Cost Incentive Adjustment. Pursuant to the Informal Conference held December 9, 2015 in Case No. 2015-00359 Columbia has adjusted the methodology for projecting its EGC. Please feel free to contact me at 859-288-0242 or [jmcoop@nisource.com](mailto:jmcoop@nisource.com) if there are any questions.

Sincerely,



Judy M. Cooper  
Director, Regulatory Policy

Enclosures

**RECEIVED**

**JAN 29 2016**

**PUBLIC SERVICE  
COMMISSION**

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF KENTUCKY**

**COLUMBIA GAS OF KENTUCKY, INC.**

**CASE 2016 –**

**GAS COST ADJUSTMENT AND REVISED RATES OF  
COLUMBIA GAS OF KENTUCKY, INC. PROPOSED TO BECOME  
EFFECTIVE MARCH 2016 BILLINGS**

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

Line No.	December-15 <u>CURRENT</u>	March-16 <u>PROPOSED</u>	<u>DIFFERENCE</u>	
1	Commodity Cost of Gas	\$3,3181	\$2,8315	(\$0.4866)
2	Demand Cost of Gas	\$1,4480	\$1,4747	\$0,0267
3	Total: Expected Gas Cost (EGC)	\$4,7661	\$4,3062	(\$0.4599)
4	SAS Refund Adjustment	\$0,0000	\$0,0000	\$0,0000
5	Balancing Adjustment	(\$0,0028)	(\$0,1035)	(\$0,1007)
6	Supplier Refund Adjustment	(\$0,0016)	(\$0,0016)	\$0,0000
7	Actual Cost Adjustment	(\$1,9760)	(\$1,9760)	\$0,0000
8	Gas Cost Incentive Adjustment	<u>\$0,0472</u>	<u>\$0,0000</u>	<u>(\$0,0472)</u>
9	Cost of Gas to Tariff Customers (GCA)	\$2,8329	\$2,2251	(\$0,6078)
10	Transportation TOP Refund Adjustment	\$0,0000	\$0,0000	\$0,0000
11	Banking and Balancing Service	\$0,0209	\$0,0209	\$0,0000
12	Rate Schedule FI and GSO			
13	Customer Demand Charge	\$6,8103	\$6,8316	\$0,0213

Columbia Gas of Kentucky, Inc.  
Gas Cost Adjustment Clause  
Gas Cost Recovery Rate  
Mar - May 16

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC)	Schedule No. 1	\$4.3062	05-31-16
2	Actual Cost Adjustment (ACA)	Schedule No. 2	(\$1.9760)	08-31-16
3	Supplier Refund Adjustment (RA)	Schedule No. 4	(\$0.0016)	08-31-16
4	Balancing Adjustment (BA)	Schedule No. 3	(\$0.1035)	08-31-16
5	Gas Cost Incentive Adjustment	Schedule No. 6 Case No. 2015-00036	\$0.0000	02-28-17
6	Gas Cost Adjustment			
7	Mar - May 16		<u>\$2,2251</u>	
8	Expected Demand Cost (EDC) per Mcf			
9	(Applicable to Rate Schedule IS/SS and GSO)	Schedule No. 1, Sheet 4	<u>\$6,8316</u>	

DATE FILED: January 29, 2016

BY: J. M. Cooper

**Columbia Gas of Kentucky, Inc.**  
**Expected Gas Cost for Sales Customers**  
**Mar - May 16**

Schedule No. 1  
 Sheet 1

Line No.	Description	Reference	Volume A/		Rate		Cost (5)
			Mcf (1)	Dth. (2)	Per Mcf (3)	Per Dth (4)	
<b>Storage Supply</b>							
Includes storage activity for sales customers only							
Commodity Charge							
1	Withdrawal			(1,186,000)		\$0.0153	\$17,825
2	Injection			2,260,000		\$0.0153	\$34,578
3	Withdrawals: gas cost includes pipeline fuel and commodity charges			1,146,000		\$2.5824	\$2,959,430
<b>Total</b>							
4	Volume	= 3		1,146,000			
5	Cost	sum(1:3)					\$3,011,833
6	Summary	4 or 5		1,146,000			\$3,011,833
<b>Flowing Supply</b>							
Excludes volumes injected into or withdrawn from storage.							
Net of pipeline retention volumes and cost. Add unit retention cost on line 18							
7	Non-Appalachian	Sch.1, Sht. 5, Ln. 4		1,184,000			\$2,758,720
8	Appalachian Supplies	Sch.1, Sht. 6, Ln. 4		87,000			\$289,000
9	Less Fuel Retention By Interstate Pipelines	Sch. 1, Sheet 7, Lines 21, 22		(92,000)			(\$226,265)
10	Total	7 + 8 + 9		1,179,000			\$2,821,455
<b>Total Supply</b>							
11	At City-Gate	Line 6 + 10		2,325,000			\$5,833,288
Lost and Unaccounted For							
12	Factor					-1.4%	
13	Volume	Line 11 * 12		(32,550)			
14	At Customer Meter	Line 11 + 13	2,146,489	2,292,450			
15	Less: Right-of-Way Contract Volume			798			
16	Sales Volume	Line 14-15	2,145,693				
<b>Unit Costs \$/MCF</b>							
Commodity Cost							
17	Excluding Cost of Pipeline Retention	Line 11 / Line 16				\$2.7188	
18	Annualized Unit Cost of Retention	Sch. 1, Sheet 7, Line 24				\$0.0969	
19	Including Cost of Pipeline Retention	Line 17 + 18				\$2.8155	
20	Uncollectible Ratio	CN 2013-00167				0.00688963	
21	Gas Cost Uncollectible Charge	Line 19 * Line 20				\$0.0160	
22	Total Commodity Cost	line 19 + line 21				\$2.8315	
23	Demand Cost	Sch.1, Sht. 2, Line 10				\$1.4747	
24	Total Expected Gas Cost (EGC)	Line 22 + 23				\$4.3062	

A/ BTU Factor = 1.0680 Dth/MCF

**Columbia Gas of Kentucky, Inc.**  
**GCA Unit Demand Cost**  
**Mar - May 16**

Schedule No. 1  
 Sheet 2

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	
1	Expected Demand Cost: Annual March - February 2017	Sch. No.1, Sheet 3, Ln. 11	\$20,640,212
2	Less Rate Schedule IS/SS and GSO Customer Demand Charge Recovery	Sch. No.1, Sheet 4, Ln. 10	-\$259,956
3	Less Storage Service Recovery from Delivery Service Customers		-\$171,951
4	Net Demand Cost Applicable 1 + 2 + 3		\$20,208,305
	Projected Annual Demand: Sales + Choice		
	At city-gate		
	In Dth		14,846,000 Dth
	Heat content		1.0680 Dth/MCF
5	In MCF		13,900,749 MCF
	Lost and Unaccounted - For		
6	Factor		1.4%
7	Volume	5 * 6	194,610 MCF
8	Right of way Volumes		<u>2,711</u>
9	At Customer Meter	5 - 7 - 8	13,703,428 MCF
10	Unit Demand Cost (4/ 9)	To Sheet 1, line 23	\$1.4747 per MCF

**Columbia Gas of Kentucky, Inc.**  
**Annual Demand Cost of Interstate Pipeline Capacity**  
**March - February 2017**

Schedule No. 1  
 Sheet 3

Line No.	Description	Dth	Monthly Rate \$/Dth	# Months	Expected Annual Demand Cost
<b>Columbia Gas Transmission Corporation</b>					
Firm Storage Service (FSS)					
1	FSS Max Daily Storage Quantity (MDSQ)	220,880	\$1.5010	12	\$3,978,491
2	FSS Seasonal Contract Quantity (SCQ)	11,264,911	\$0.0288	12	\$3,893,153
Storage Service Transportation (SST)					
3	Summer	110,440	\$4.1850	6	\$2,773,148
4	Winter	220,880	\$4.1850	6	\$5,546,297
5	Firm Transportation Service (FTS)	20,014	\$6.4200	12	\$1,541,879
6	Subtotal	sum(1:5)			\$17,732,988
<b>Columbia Gulf Transmission Company</b>					
7	FTS - 1 (Mainline)	28,991	\$4.2917	12	\$1,493,048
<b>Tennessee Gas</b>					
8	Firm Transportation	20,506	\$4.5823	12	\$1,127,576
<b>Central Kentucky Transmission</b>					
9	Firm Transportation	28,000	\$0.5090	12	\$171,024
10	Operational and Commercial Services Charge		\$9,633	12	\$115,596
11	<b>Total.</b> Used on Sheet 2, line 1				\$20,640,212

Columbia Gas of Kentucky, Inc.

Schedule No. 1

Gas Cost Adjustment Clause

Sheet 4

Expected Demand Costs Recovered Annually From Rate Schedule IS/SS and GSO Customers

March - February 2017

Line No.	Description	Capacity			Units	Annual Cost
		Daily Dth (1)	# Months (2)	Annualized Dth (3) = (1) x (2)		
1	Expected Demand Costs (Per Sheet 3)					\$20,640,212
	City-Gate Capacity:					
2	Columbia Gas Transmission Firm Storage Service - FSS	220,880	12	2,650,560		
3	Firm Transportation Service - FTS	20,014	12	240,168		
4	Central Kentucky Transportation	28,000	12	336,000		
5	Total		2 + 3 + 4	3,226,728	Dth	
6	Divided by Average BTU Factor			1.068	Dth/MCF	
7	Total Capacity - Annualized		Line 5 / Line 6	3,021,281	Mcf	
	Monthly Unit Expected Demand Cost (EDC) of Daily Capacity					
8	Applicable to Rate Schedules IS/SS and GSO Line 1 / Line 7			\$6.8316	/Mcf	
9	Firm Volumes of IS/SS and GSO Customers	3,171	12	38,052	Mcf	
10	Expected Demand Charges to be Recovered Annually from Rate Schedule IS/SS and GSO Customers Line 8 * Line 9				to Sheet 2, line 2	\$259,956



**Columbia Gas of Kentucky, Inc.**  
**Non-Appalachian Supply: Volume and Cost**  
**Mar - May 16**

Schedule No. 1  
 Sheet 5

Cost includes transportation commodity cost and retention by the Interstate pipelines,  
 but excludes pipeline demand costs.  
 The volumes and costs shown are for sales customers only.

Line No.	Month	Total Flowing Supply Including Gas Injected Into Storage			Net Storage Injection Dth (4)	Net Flowing Supply for Current Consumption	
		Volume A/ Dth (1)	Cost (2)	Unit Cost \$/Dth (3) = (2) / (1)		Volume Dth (5) = (1) + (4)	Cost (6) = (3) x (5)
1	Mar-16	186,000	\$600,000		0	186,000	
2	Apr-16	1,523,000	\$3,449,000		(861,000)	662,000	
3	May-16	1,716,000	\$3,947,000		(1,380,000)	336,000	
4	Total 1+2+3	3,425,000	\$7,996,000	\$2.33	(2,241,000)	1,184,000	\$2,758,720

A/ Gross, before retention.

**Columbia Gas of Kentucky, Inc.**  
**Appalachian Supply: Volume and Cost**  
**Mar - May 16**

Schedule No. 1  
Sheet 6

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Dth</u> (2)	<u>Cost</u> (3)
1	Mar-16	40,000	\$157,000
2	Apr-16	27,000	\$77,000
3	May-16	20,000	\$55,000
4	Total    1 + 2 + 3	87,000	\$289,000

**Columbia Gas of Kentucky, Inc.**  
**Annualized Unit Charge for Gas Retained by Upstream Pipelines**  
**Mar - May 16**

Schedule No. 1  
 Sheet 7

Retention costs are incurred proportionally to the volumes purchased, but recovery of the costs is allocated to quarter by volume consumed.

		<u>Units</u>	Mar - May 16	Jun - Aug 16	Sep - Nov 16	Dec - Feb 17	Annual March - February 2017
Gas purchased by CKY for the remaining sales customers							
1	Volume	Dth	3,512,000	4,624,000	2,236,000	1,526,000	11,898,000
2	Commodity Cost Including Transportation		\$8,285,000	\$11,040,000	\$5,462,000	\$4,475,000	\$29,262,000
3	Unit cost	\$/Dth					\$2.4594
Consumption by the remaining sales customers							
11	At city gate	Dth	2,327,000	517,000	1,806,000	6,136,000	10,786,000
12	Lost and unaccounted for portion At customer meters		1.40%	1.40%	1.40%	1.40%	
13	In Dth (100% - 12) * 11	Dth	2,294,422	509,762	1,780,716	6,050,096	10,634,996
14	Heat content	Dth/MCF	1.0680	1.0680	1.0680	1.0680	
15	In MCF 13 / 14	MCF	2,148,335	477,305	1,667,337	5,664,884	9,957,861
16	Portion of annual line 15, quarterly / annual		21.6%	4.8%	16.7%	56.9%	100.0%
Gas retained by upstream pipelines							
21	Volume	Dth	92,000	92,000	65,000	143,000	392,000
Cost							
22	Quarterly, Deduct from Sheet 1 3 * 21		To Sheet 1, line 9 \$226,265	\$226,265	\$159,861	\$351,695	\$964,086
23	Allocated to quarters by consumption		\$208,243	\$46,276	\$161,002	\$548,665	\$964,086
To Sheet 1, line 18							
24	Annualized unit charge 23 / 15	\$/MCF	\$0.0969	\$0.0970	\$0.0966	\$0.0968	\$0.0968

**COLUMBIA GAS OF KENTUCKY, INC.**

Schedule No. 1

Sheet 8

**DETERMINATION OF THE BANKING AND  
BALANCING CHARGE  
FOR THE PERIOD BEGINNING MARCH 2016**

<u>Line No.</u>	<u>Description</u>	<u>Dth</u>	<u>Detail</u>	<u>Amount For Transportation Customers</u>
1	Total Storage Capacity. Sheet 3, line 2	11,264,911		
2	Net Transportation Volume	8,807,797		
3	Contract Tolerance Level @ 5%	440,390		
4	Percent of Annual Storage Applicable to Transportation Customers		3.91%	
6	Seasonal Contract Quantity (SCQ)			
7	Rate		\$0.0288	
8	SCQ Charge - Annualized		<u>\$3,893,153</u>	
9	Amount Applicable To Transportation Customers			<u>\$152,222</u>
10	FSS Injection and Withdrawal Charge			
11	Rate		0.0306	
12	Total Cost		<u>\$344,706</u>	
13	Amount Applicable To Transportation Customers			<u>\$13,478</u>
14	SST Commodity Charge			
15	Rate		0.0192	
16	Projected Annual Storage Withdrawal, Dth		8,327,000	
17	Total Cost		<u>\$159,878</u>	
18	Amount Applicable To Transportation Customers			<u>\$6,251</u>
19	Total Cost Applicable To Transportation Customers			<u>\$171,951</u>
20	Total Transportation Volume - Mcf			19,350,001
21	Flex and Special Contract Transportation Volume - Mcf			(11,103,000)
22	Net Transportation Volume - Mcf	line 20 + line 21		8,247,001
23	Banking and Balancing Rate - Mcf.	Line 19 / line 22. To line 11 of the GCA Comparison		<u>\$0.0209</u>

**DETAIL SUPPORTING  
DEMAND/COMMODITY SPLIT**

**COLUMBIA GAS OF KENTUCKY**  
**CASE NO. 2016- Effective March 2016 Billing Cycle**

**CALCULATION OF DEMAND/COMMODITY SPLIT OF GAS COST ADJUSTMENT FOR TARIFFS**

	\$/MCF	
Demand Component of Gas Cost Adjustment		
Demand Cost of Gas (Schedule No. 1, Sheet 1, Line 23)	\$1.4747	
Demand ACA (Schedule No. 2, Sheet 1, Case No. 2015-00270)	(\$0.1617)	
Refund Adjustment (Schedule No. 4, Case No. 2015-00270)	<u>(\$0.0016)</u>	
Total Demand Rate per Mcf	\$1.3114	<-- to Att. E, line 16

**Commodity Component of Gas Cost Adjustment**

Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 22)	\$2.8315
Commodity ACA (Schedule No. 2, Sheet 1, Case No. 2015-00270)	(\$1.8143)
Balancing Adjustment (Schedule No. 3, Case No. 2016-)	(\$0.1035)
Gas Cost Incentive Adjustment (Schedule No. 6, Case No. 2016-)	<u>\$0.0000</u>
Total Commodity Rate per Mcf	\$0.9137

CHECK:	\$1.3114
	<u>\$0.9137</u>
COST OF GAS TO TARIFF CUSTOMERS (GCA)	\$2.2251

**Calculation of Rate Schedule SVGTS - Actual Gas Cost Adjustment**

Commodity ACA (Schedule No. 2, Sheet 1, Case No. 2015-00270)	(\$1.8143)
Balancing Adjustment (Schedule No. 3, Case No. 2016-)	(\$0.1035)
Gas Cost Incentive Adjustment (Schedule No. 6, Case No. 2016-)	<u>\$0.0000</u>
Total Commodity Rate per Mcf	(\$1.9178)

**Columbia Gas of Kentucky, Inc.**  
**CKY Choice Program**  
**100% Load Factor Rate of Assigned FTS Capacity**  
**Balancing Charge**  
**Mar - May 16**

Line No.	Description	Contract Volume Dth Sheet 3 (1)	Retention (2)	Monthly demand charges \$/Dth Sheet 3 (3)	# months AV (4)	Assignment proportions lines 4, 5 (5)	Adjustment for retention on downstream pipe, if any (6) = 1 / (100% - col2)	Annual costs	
								\$/Dth (7) = 3 * 4 * 5 * 6	\$/MCF
<b>City gate capacity assigned to Choice marketers</b>									
1	Contract								
2	CKT FTS/SST	28,000	0.638%						
3	TCO FTS	<u>20,014</u>	1.885%						
4	Total	48,014							
5									
6	Assignment Proportions								
7	CKT FTS/SST	2 / 4	58.32%						
8	TCO FTS	3 / 4	41.68%						
<b>Annual demand cost of capacity assigned to choice marketers</b>									
9	CKT FTS			\$0.5090	12	0.5832	1.0000	\$3.5622	
10	TCO FTS			\$6.4200	12	0.4168	1.0000	\$32.1103	
11	Gulf FTS-1, upstream to CKT FTS			\$4.2917	12	0.5832	1.0064	\$30.2282	
12	TGP FTS-A, upstream to TCO FTS			\$4.5823	12	0.4168	1.0192	\$23.3592	
13	Total Demand Cost of Assigned FTS, per unit							\$89.2599	\$95.3296
14	100% Load Factor Rate (Line 13 / 365 days)								\$0.2612
<b>Balancing charge, paid by Choice marketers</b>									
15	Demand Cost Recovery Factor In GCA, per Mcf per CKY Tariff Sheet No. 5							\$1.3114	
16	Less credit for cost of assigned capacity							(\$0.2612)	
17	Plus storage commodity costs Incurred by CKY for the Choice marketer							\$0.0617	
18	Balancing Charge, per Mcf	sum(15:17)						\$1.1119	

**BALANCING ADJUSTMENT**

**SCHEDULE NO. 3**



COLUMBIA GAS OF KENTUCKY, INC.CALCULATION OF BALANCING ADJUSTMENT  
TO BE EFFECTIVE MARCH 1, 2016

<u>Line No.</u>	<u>Description</u>	<u>Detail \$</u>	<u>Amount \$</u>
1	<b><u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND ADJUSTMENT (a)</u></b>		
2	Total adjustment to have been distributed to		
3	customers in Case No. 2014-00269	\$0	
4	Less: actual amount distributed	\$0	
5	REMAINING AMOUNT		\$0
6	<b><u>RECONCILIATION OF A PREVIOUS BALANCING ADJUSTMENT (a)</u></b>		
7	Total adjustment to have been collected from		
8	customers in Case No. 2015-00036	\$1,577,914	
9	Less: actual amount collected	\$1,861,502	
10	REMAINING AMOUNT		(\$283,588)
11	<b><u>RECONCILIATION OF PREVIOUS ACTUAL COST ADJUSTMENT (a)</u></b>		
12	Total adjustment to have been collected from		
13	customers in Case No. 2014-00269	\$4,260,253	
14	Less: actual amount collected	\$4,248,152	
15	REMAINING AMOUNT		\$12,101
16	<b>TOTAL BALANCING ADJUSTMENT AMOUNT</b>		<b><u>(\$271,487)</u></b>
17	Divided by: projected sales volumes for the six months		
18	ended August 31, 2016		2,623,714
19	<b>BALANCING ADJUSTMENT (BA) TO</b>		
20	<b>EXPIRE AUGUST 31, 2016</b>		<b><u>\$ (0.1035)</u></b>

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

Case No. 2014-00269

Expires: August 31, 2015

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				\$0
September 2014	180,734	\$0.0000	\$0	\$0
October 2014	251,590	\$0.0000	\$0	\$0
November 2014	742,290	\$0.0000	\$0	\$0
December 2014	1,624,007	\$0.0000	\$0	\$0
January 2015	2,020,627	\$0.0000	\$0	\$0
February 2015	2,101,322	\$0.0000	\$0	\$0
March 2015	2,086,451	\$0.0000	\$0	\$0
April 2015	829,880	\$0.0000	\$0	\$0
May 2015	382,501	\$0.0000	\$0	\$0
June 2015	215,370	\$0.0000	\$0	\$0
July 2015	186,367	\$0.0000	\$0	\$0
August 2015	175,495	\$0.0000	\$0	\$0
September 2015	3,960	\$0.0000	\$0	\$0

SUMMARY:

REFUND AMOUNT 0

AMOUNT ACTUALLY REFUNDED 0TOTAL REMAINING TO BE  
REFUNDED 0

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

Case No. 2015-00036

Expires: August 31, 2015

	<u>Volume</u>	<u>Surcharge Rate</u>	<u>Surcharge Amount</u>	<u>Surcharge Balance</u>
Beginning Balance				\$1,577,914
March 2015	2,094,610	\$0.4721	\$988,865	\$589,049
April 2015	849,446	\$0.4721	\$401,023	\$188,025
May 2015	393,556	\$0.4721	\$185,798	\$2,227
June 2015	229,894	\$0.4721	\$108,533	(\$106,306)
July 2015	191,817	\$0.4721	\$90,557	(\$196,862)
August 2015	179,741	\$0.4721	\$84,856	(\$281,718)
September 2015	3,960	\$0.4721	\$1,869	(\$283,588)

TOTAL SURCHARGE COLLECTED

SUMMARY:

SURCHARGE AMOUNT	\$1,577,914
AMOUNT COLLECTED	<u>\$1,861,502</u>
REMAINING BALANCE	<u><u>(\$283,588)</u></u>

**Columbia Gas of Kentucky, Inc.**  
**Actual Cost Adjustment YR2014**  
**Supporting Data**

Case No. 2014-00269

Expires: August 31, 2015

	Tariff		Choice			Refund Balance
	Volume	Refund Rate	Refund Amount	Volume	Refund Rate	
						\$4,260,253
September 2014	180,734	\$0.3772	\$68,173	6,323	\$0.6551	\$4,187,938
October 2014	251,590	\$0.3772	\$94,900	8,323	\$0.6551	\$4,087,586
November 2014	742,290	\$0.3772	\$279,992	18,807	\$0.6551	\$3,795,274
December 2014	1,624,007	\$0.3772	\$612,575	44,947	\$0.6551	\$3,153,253
January 2015	2,020,627	\$0.3772	\$762,181	48,808	\$0.6551	\$2,359,099
February 2015	2,101,322	\$0.3772	\$792,619	47,607	\$0.6551	\$1,535,293
March 2015	2,086,451	\$0.3772	\$787,009	36,209	\$0.6551	\$724,563
April 2015	829,880	\$0.3772	\$313,031	19,566	\$0.6551	\$398,714
May 2015	382,501	\$0.3772	\$144,279	11,055	\$0.6551	\$247,193
June 2015	215,370	\$0.3772	\$81,238	14,524	\$0.6551	\$156,441
July 2015	186,367	\$0.3772	\$70,298	5,450	\$0.6551	\$82,573
August 2015	175,495	\$0.3772	\$66,197	4,246	\$0.6551	\$13,594
September 2015	3,960	\$0.3772	\$1,494	(0)	\$0.6551	\$12,101

SUMMARY:

REFUND AMOUNT	4,260,253
LESS	
AMOUNT REFUNDED	<u>4,248,152</u>

TOTAL REMAINING REFUND	<u><u>12,101</u></u>
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**PIPELINE COMPANY TARIFF SHEETS**

Currently Effective Rates  
 Applicable to Rate Schedule SST  
 Rate Per Dth

		Base Tariff Rate 1/ 2/	TCRA Rates	EPCA Rates	OTRA Rates	CCRM Rates	Total Effective Rate 2/	Daily Rate 2/
Rate Schedule SST								
Reservation Charge 3/4/	\$	4.774	0.258	0.059	0.115	0.719	5.925	0.1948
Commodity								
Maximum	¢	1.02	-0.02	0.78	0.00	0.00	1.78	1.78
Minimum	¢	1.02	-0.02	0.78	0.00	0.00	1.78	1.78
Overrun 4/								
Maximum	¢	16.72	0.83	0.97	0.38	2.36	21.26	21.26
Minimum	¢	1.02	-0.02	0.78	0.00	0.00	1.78	1.78

- 1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.
- 2/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 34 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.
- 3/ Minimum reservation charge is \$0.00.
- 4/ Shippers utilizing the Eastern Market Expansion (EME) facilities for Rate Schedule SST service will pay a total SST reservation charge of \$17.625. If EME customers incur an overrun for SST services that is provided under their EME Project service agreements, they will pay a total overrun rate of 58.97 cents. The applicable EME demand charge and EME overrun charge can be added to the applicable surcharges above to calculate the EME Total Effective Rates.

Currently Effective Rates  
 Applicable to Rate Schedule FTS  
 Rate Per Dth

	Base Tariff Rate 1/ 2/	TCRA Rates	EPCA Rates	OTRA Rates	CCRM Rates	Total Effective Rate 2/	Daily Rate 2/
Rate Schedule FTS							
Reservation Charge 3/	\$ 4.944	0.258	0.059	0.115	0.719	6.095	0.2003
Commodity							
Maximum	¢ 1.04	-0.02	0.78	0.00	0.00	1.80	1.80
Minimum	¢ 1.04	-0.02	0.78	0.00	0.00	1.80	1.80
Overrun							
Maximum	¢ 17.29	0.83	0.97	0.38	2.36	21.83	21.83
Minimum	¢ 1.04	-0.02	0.78	0.00	0.00	1.80	1.80

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.

2/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 34 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

3/ Minimum reservation charge is \$0.00.

Currently Effective Rates  
 Applicable to Rate Schedule FSS  
 Rate Per Dth

		Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current Surcharge		Electric Power Costs Adjustment Current Surcharge		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule FSS									
Reservation Charge 3/	\$	1.501	-	-	-	-	-	1.501	0.0493
Capacity 3/	¢	2.88	-	-	-	-	-	2.88	2.88
Injection	¢	1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢	1.53	-	-	-	-	-	1.53	1.53
Overrun 3/	¢	10.87	-	-	-	-	-	10.87	10.87

- 1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.
- 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
- 3/ Shippers utilizing the Eastern Market Expansion (EME) facilities for FSS service will pay a total FSS MDSQ reservation charge of \$4.130 and a total FSS SCQ capacity rate of 6.80 cents. If EME customers incur an overrun for FSS services that is provided under their EME Project service agreements, they will pay a total FSS overrun rate of 23.44 cents. The additional EME demand charges and EME overrun charges can be added to the applicable surcharges above to develop the EME Total Effective Rate.



RETAINAGE PERCENTAGES

Transportation Retainage	1.885%
Gathering Retainage	0.617%
Storage Gas Loss Retainage	0.130%
Ohio Storage Gas Lost Retainage	0.260%
Columbia Processing Retainage/1	0.000%

1/ The Columbia Processing Retainage shall be assessed separately from the processing retainage applicable to third party processing plants set forth in Section 25.3 (f) of the General Terms and Conditions.

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

Rate Schedule FTS-1	<u>Base Rate</u> (1) 1/	<u>Total Effective Rate</u> (2) 1/	<u>Daily Rate</u> (3) 1/
<b><u>Market Zone</u></b>			
<b>Reservation Charge</b>			
Maximum	4.2917	4.2917	0.1411
Minimum	0.000	0.000	0.000
<b>Commodity</b>			
Maximum	0.0109	0.0109	0.0109
Minimum	0.0109	0.0109	0.0109
<b>Overrun</b>			
Maximum	0.1520	0.1520	0.1520
Minimum	0.0109	0.0109	0.0109

1/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

Currently Effective Rates  
 Applicable to Rate Schedule FTS  
 Rate per Dth

Rate Schedule FTS	Base Tariff Rate 2/	Total Effective Rate 2/	Daily Rate 2/
Reservation Charge 1/ Commodity	\$ 0.509	0.509	0.0167
Maximum	¢ 0.00	0.00	0.00
Minimum	¢ 0.00	0.00	0.00
Overrun	¢ 1.67	1.67	1.67

1/ Minimum reservation charge is \$0.00.

2/ Excludes the Annual Charge Adjustment (ACA) Surcharge. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 31 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

RETAINAGE PERCENTAGE

Transportation Retainage 0.639%

### THIRD PARTY PAYMENT AGREEMENT

THIS THIRD PARTY PAYMENT AGREEMENT (this "Agreement") dated as of October 1, 2015 (the "Effective Date") by and COLUMBIA GAS TRANSMISSION, LLC, f/k/a Columbia Gas Transmission Corporation ("Owner-Operator"), and COLUMBIA GAS OF KENTUCKY, INC. ("CKY") under the following circumstances (CKY and Owner-Operator are individually referred to herein as a "Party" and collectively as the "Parties"):

- A. CKY owns all of the outstanding voting securities of Central Kentucky Transmission Company, a Delaware corporation ("Co-Owner"). Co-Owner is engaged in the interstate transportation of gas and owns a 25 percent undivided interest in Owner-Operator's line KA-1 North Interstate transmission pipeline and appurtenant facilities (the "Pipeline"). The Pipeline is Co-Owner's only asset subject to the jurisdiction of the Federal Energy Regulatory Commission (the "FERC"). CKY holds all of the shipping capacity on Co-Owner's portion of the Pipeline. The remaining 75 percent undivided interest in the Pipeline is owned by Owner-Operator.
- B. Owner-Operator and Co-Owner are parties to that certain Operating Agreement dated as of March 18, 2005, as amended by that certain Amendment to Operating Agreement dated as of April 25, 2006 and by that certain Second Amendment to Operating Agreement dated July 1, 2015 (the "Existing Operating Agreement") wherein Owner-Operator and Co-Owner have agreed to the terms and conditions regarding the provision of Operational Services and Commercial Services by Owner-Operator to Co-Owner. Capitalized terms used and not otherwise defined herein have the respective meanings given to such terms in the Operating Agreement.
- C. Pursuant to the Existing Operating Agreement, Co-Owner pays Owner-Operator a Flat Monthly Charge for Operational Services equal to \$7,300, and a Flat Monthly Charge for Commercial Services equal to \$8,333. \$6,000 per month of the Flat Monthly Charge for Operational Services is recovered by Co-Owner through Co-Owner's tariff rates for shipping service on file with the FERC. The remaining \$1,300 of the Flat Monthly Charge for Operational Services and the \$8,333 Flat Monthly Charge for Commercial Services (collectively, such amount being referred to herein as the "Incremental Monthly Charges") is not being recovered by Co-Owner through rates or otherwise.
- D. To avoid the expense and delay in time that would be required for Co-Owner to file an application with FERC to increase Co-Owner's tariff rates so that Co-Owner could recover through rates the Incremental Monthly Charge, which would be paid entirely by CKY, CKY and Co-Owner desire instead to have CKY pay Owner-Operator monthly the amount of the Incremental Monthly Charge.
- E. Contemporaneously with the execution and delivery of this Agreement, Co-Owner and Owner-Operator are executing and delivering that certain Third Amendment to Operating Agreement dated as of the date hereof (the "Third Amendment") whereby Owner-Operator and Co-Owner are amending the Existing Operating Agreement to

provide that Owner-Operator will invoice CKY monthly for the Incremental Monthly Charge.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and intending to be legally bound hereby, the Parties agree as follows:

1. Incorporation of Recitals; Definitions. The Recitals set forth hereinabove are incorporated into this Agreement as if restated and set forth in full. Capitalized terms used and not otherwise defined herein have the respective meanings given such terms in the Existing Operating Agreement, as amended by the Third Amendment (the "Operating Agreement"). As used herein, the term "Section" refers to a Section of this Agreement.

2. Invoicing by Owner-Operator. Unless and until Owner-Operator receives written notice from Co-Operator and CKY to invoice Co-Owner and CKY in a different manner, Owner-Operator shall invoice CKY each month for (a) \$1,300 of the Flat Monthly Charge for Operational Services and (b) all of the \$8,333 of the Flat Monthly Charge for the Commercial Services. Owner-Operator agrees to accept payment of all amounts from CKY made on Co-Owner's behalf. Notwithstanding anything herein to the contrary, the Parties agree that Co-Owner shall at all times during the term of this Agreement remain primarily liable for the Flat Monthly Charges under the Operating Agreement, including, without limitation, the Incremental Monthly Charges that shall be invoiced to CKY under this Agreement. In the event CKY fails to make any payment in whole or in part of any Incremental Monthly Charge that is properly due and payable under the Operating Agreement, CKY agrees that Owner-Operator shall have the right to seek collection of all such amounts that become properly due and payable under the Operating Agreement from either CKY or Co-Owner.

2. Payment by CKY. During the Term, CKY agrees to pay timely all invoices for Incremental Monthly Charges due and payable under the Operating Agreement, together with any interest and penalties for late payment accruing with respect to such Incremental Monthly Charges. CKY reserves the right to assert all defenses, counterclaims and offsets that Co-Owner could assert under the Amended Operating Agreement. CKY's payment obligations under this Agreement are specifically limited to payment of the Incremental Monthly Charges as and when the same become due under the Operating Agreement and CKY is not and shall not become obligated in any manner to perform any other obligations or make other payments that may become due or otherwise owed to Owner-Operator by Co-Owner or others pursuant to or arising out of the Operating Agreement. This Agreement does not constitute a guaranty or create any other instrument of suretyship.

3. Term; Termination.

a. The term of this Agreement ("Term") shall commence on the Effective Date and shall continue until the earlier of (i) termination of the Operating Agreement, or (ii) termination pursuant to Section 3.b. Termination is not an election of remedies for any breach or default of a Party's obligations under this Agreement, and shall discharge only those obligations that have not accrued as of the effective date of termination. Any right or duty of a Party based on either the performance or breach of this Agreement prior to the effective date of termination shall survive the Term.

b. This Agreement may be terminated:

- i. by CKY, for any reason or for convenience, upon thirty (30) days prior written notice to Owner-Operator; or
- ii. by Owner-Operator, upon fifteen (15) days prior written notice to CKY, in the event CKY fails to make any payment required to be made under this Agreement when due and such failure continues for a period of forty-five (45) days; or
- iii. by either party, upon written notice to the other, in the event such other Party files a voluntary petition in bankruptcy or reorganization or fails to have such a petition filed against it dismissed within thirty (30) days or admits in writing its insolvency or inability to pay its liabilities as they come due, or assigns its assets for the benefit of creditors, or suffers a receiver to be appointed for its assets or suspends its business;
- iv. immediately, without the requirement of notice by or to any Party, in the event that Co-Owner files a voluntary petition in bankruptcy or reorganization or fails to have such a petition filed against it dismissed within thirty (30) days or admits in writing its insolvency or inability to pay its liabilities as they come due, or assigns its assets for the benefit of creditors, or suffers a receiver to be appointed for its assets or suspends its business.

4. Notices. All notices required or permitted to be made pursuant to this Agreement shall be in writing and delivered by U.S. Mail, email, in person or by a nationally recognized overnight courier, to the Parties at the following respective addresses, or such other address as a Party may specify by written notice duly given pursuant to this Section:

If to CKY:

Columbia Gas of Kentucky, Inc.  
2001 Mercer Road  
Lexington, KY 40511  
Attention: President  
Phone: 859-288-0275

with a copy to:

Columbia Gas of Kentucky, Inc.  
2001 Mercer Road  
Lexington, KY 40511  
Attention: Director of Regulatory  
Phone: 859-288-0242

If to Owner-Operator:

Columbia Gas Transmission, LLC  
5151 San Felipe  
Suite 2400  
Houston, TX 77056  
Attention: Sr. Vice President, Commercial Operations  
Phone: 713-386-3488

Notices shall be deemed received three business days after being deposited into the U.S. mail, or at the time transmitted by email, if such transmission is telephonically or digitally confirmed as having been received by the recipient, or when actually received if delivered by hand delivery or overnight courier.

5. Third-Party Beneficiaries. Co-Owner is expressly made a third-party beneficiary to this Agreement. There are no other third-party beneficiaries to this Agreement.

6. Counterparts; Entire Agreement. This Agreement may be executed in counterparts, each of which shall be deemed an original instrument, but all such counterparts together shall constitute one and the same agreement. This Agreement constitutes the entire agreement among the Parties pertaining to the subject matter hereof, and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties pertaining to the subject matter hereof.

7. Binding Agreement. Each Party hereby represents and warrants that this Agreement is a legal, valid and binding obligation of such Party and is enforceable against such Party in accordance with its terms.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

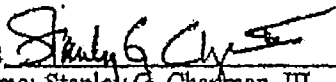
9. Rules of Construction; No Waiver. Section headings and titles used in this Agreement are for convenience of reference only and in no way define, limit, extend or describe the scope or intent of any provisions of this Agreement. If any section, subsection, term or provision of this Agreement or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of such section, subsection, term or provision and the application of the same to parties or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law. Amendments, modifications and waivers to this Agreement shall be made only by written instrument signed by both Parties. Any waiver by a party of any provision or condition of this Agreement shall not be construed or deemed to be a waiver of any other provision or condition of this Agreement, nor a waiver of a subsequent breach of the same provision or condition, whether such breach is of the same or a different nature as the prior breach.

10. Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Kentucky, without regard to any principles relating to conflicts of law that may direct the application of the laws of another jurisdiction.

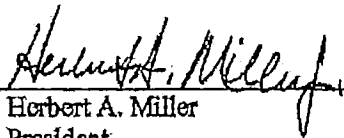


IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the Effective Date.

**COLUMBIA GAS TRANSMISSION, LLC**

By:  \_\_\_\_\_  
Name: Stanley G. Chapman, III  
Its: Executive Vice President and Chief Commercial Officer

**COLUMBIA GAS OF KENTUCKY, INC.**

By:  \_\_\_\_\_  
Name: Herbert A. Miller  
Its: President

RATES PER DEKATHERM

FIRM TRANSPORTATION RATES  
 RATE SCHEDULE FOR FT-A

Base Reservation Rates		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$5.5411		\$11.5794	\$15.5758	\$15.8514	\$17.4175	\$18.4879	\$23.1959	
L		\$4.9193							
1	\$8.3417		\$7.9962	\$10.6413	\$15.0745	\$14.8460	\$16.7429	\$20.5878	
2	\$15.5759		\$10.5774	\$5.5014	\$5.1427	\$6.5803	\$9.0504	\$11.6830	
3	\$15.8514		\$8.3784	\$5.5458	\$4.0009	\$6.1457	\$11.1149	\$12.8437	
4	\$20.1259		\$18.5544	\$7.0708	\$10.7456	\$5.2598	\$5.6884	\$8.1265	
5	\$23.9973		\$16.8625	\$7.4172	\$8.9748	\$5.8432	\$5.4810	\$7.1353	
6	\$27.7603		\$19.3678	\$13.3296	\$14.6845	\$10.3726	\$5.4568	\$4.7237	

Dally Base Reservation Rate 1/		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$0.1822		\$0.3807	\$0.5121	\$0.5211	\$0.5726	\$0.6078	\$0.7626	
L		\$0.1617							
1	\$0.2742		\$0.2629	\$0.3499	\$0.4956	\$0.4881	\$0.5505	\$0.6769	
2	\$0.5121		\$0.3478	\$0.1809	\$0.1691	\$0.2163	\$0.2975	\$0.3841	
3	\$0.5211		\$0.2755	\$0.1823	\$0.1315	\$0.2021	\$0.3654	\$0.4223	
4	\$0.6617		\$0.6100	\$0.2325	\$0.3533	\$0.1729	\$0.1870	\$0.2672	
5	\$0.7890		\$0.5544	\$0.2439	\$0.2951	\$0.1921	\$0.1802	\$0.2346	
6	\$0.9127		\$0.6367	\$0.4382	\$0.4828	\$0.3410	\$0.1794	\$0.1553	

Maximum Reservation Rates 2/, 3/		DELIVERY ZONE							
RECEIPT ZONE	0	L	1	2	3	4	5	6	
0	\$5.5609		\$11.5992	\$15.5956	\$15.8712	\$17.4373	\$18.5077	\$23.2157	
L		\$4.9391							
1	\$8.3615		\$8.0160	\$10.6611	\$15.0943	\$14.8658	\$16.7627	\$20.6076	
2	\$15.5957		\$10.5972	\$5.5212	\$5.1625	\$6.6001	\$9.0702	\$11.7028	
3	\$15.8712		\$8.3982	\$5.5656	\$4.0207	\$6.1655	\$11.1347	\$12.8635	
4	\$20.1457		\$18.5742	\$7.0906	\$10.7654	\$5.2796	\$5.7082	\$8.1463	
5	\$24.0171		\$16.8823	\$7.4370	\$8.9946	\$5.8630	\$5.5008	\$7.1551	
6	\$27.7801		\$19.3876	\$13.3494	\$14.7043	\$10.3924	\$5.4766	\$4.7435	

Notes:

- 1/ Applicable to demand charge credits and secondary points under discounted rate agreements.
- 2/ Includes a per Dth charge for the PCB Surcharge Adjustment per Article XXXII of the General Terms and Conditions of \$0.0000.
- 3/ Includes a per Dth charge for the PS/GHG Surcharge Adjustment per Article XXXVIII of the General Terms and Conditions of \$0.0198.

RATES PER DEKATHERM

COMMODITY RATES  
 RATE SCHEDULE FOR FT-A

Base  
 Commodity Rates

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0032		\$0.0115	\$0.0177	\$0.0219	\$0.2668	\$0.2546	\$0.3030
L		\$0.0012						
1	\$0.0042		\$0.0081	\$0.0147	\$0.0179	\$0.2269	\$0.2313	\$0.2641
2	\$0.0167		\$0.0087	\$0.0012	\$0.0028	\$0.0734	\$0.1178	\$0.1305
3	\$0.0207		\$0.0169	\$0.0026	\$0.0002	\$0.0982	\$0.1358	\$0.1482
4	\$0.0250		\$0.0205	\$0.0087	\$0.0105	\$0.0454	\$0.0642	\$0.1041
5	\$0.0284		\$0.0256	\$0.0100	\$0.0118	\$0.0639	\$0.0633	\$0.0787
6	\$0.0346		\$0.0300	\$0.0143	\$0.0163	\$0.0984	\$0.0533	\$0.0324

Minimum  
 Commodity Rates 1/, 2/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0032		\$0.0115	\$0.0177	\$0.0219	\$0.0250	\$0.0284	\$0.0346
L		\$0.0012						
1	\$0.0042		\$0.0081	\$0.0147	\$0.0179	\$0.0210	\$0.0256	\$0.0300
2	\$0.0167		\$0.0087	\$0.0012	\$0.0028	\$0.0056	\$0.0100	\$0.0143
3	\$0.0207		\$0.0169	\$0.0026	\$0.0002	\$0.0081	\$0.0118	\$0.0163
4	\$0.0250		\$0.0205	\$0.0087	\$0.0105	\$0.0028	\$0.0046	\$0.0092
5	\$0.0284		\$0.0256	\$0.0100	\$0.0118	\$0.0046	\$0.0046	\$0.0066
6	\$0.0346		\$0.0300	\$0.0143	\$0.0163	\$0.0086	\$0.0041	\$0.0020

Maximum  
 Commodity Rates 1/, 2/, 3/

RECEIPT ZONE	DELIVERY ZONE							
	0	L	1	2	3	4	5	6
0	\$0.0039		\$0.0122	\$0.0184	\$0.0226	\$0.2675	\$0.2553	\$0.3037
L		\$0.0019						
1	\$0.0049		\$0.0088	\$0.0154	\$0.0186	\$0.2276	\$0.2320	\$0.2648
2	\$0.0174		\$0.0094	\$0.0019	\$0.0035	\$0.0741	\$0.1185	\$0.1312
3	\$0.0214		\$0.0176	\$0.0033	\$0.0009	\$0.0989	\$0.1365	\$0.1489
4	\$0.0257		\$0.0212	\$0.0094	\$0.0112	\$0.0461	\$0.0649	\$0.1048
5	\$0.0291		\$0.0263	\$0.0107	\$0.0125	\$0.0646	\$0.0640	\$0.0794
6	\$0.0353		\$0.0307	\$0.0150	\$0.0170	\$0.0991	\$0.0540	\$0.0331

Notes:

- 1/ Rates stated above exclude the ACA Surcharge as revised annually and posted on the FERC website at <http://www.ferc.gov> on the Annual Charges page of the Natural Gas section. The ACA Surcharge is incorporated by reference into Transporter's Tariff and shall apply to all transportation under this Rate Schedule as provided in Article XXIV of the General Terms and Conditions.
- 2/ The applicable F&LR's and EPCR's, determined pursuant to Article XXXVII of the General Terms and Conditions, are listed on Sheet No. 32.
- 3/ Includes a per Dth charge for the PS/GHG Surcharge Adjustment per Article XXXVIII of the General Terms and Conditions of \$0.0007.

FUEL AND EPCR

F&LR 1/, 2/, 3/, 4/	RECEIPT ZONE	DELIVERY ZONE							
		0	L	1	2	3	4	5	6
	0	0.48%		1.05%	1.46%	1.75%	2.05%	2.29%	2.68%
	L		0.35%						
	1	0.55%		0.82%	1.26%	1.48%	1.77%	2.09%	2.36%
	2	1.46%		0.86%	0.34%	0.46%	0.67%	0.99%	1.26%
	3	1.75%		1.48%	0.46%	0.28%	0.85%	1.12%	1.41%
	4	2.05%		1.65%	0.86%	0.98%	0.47%	0.60%	0.88%
	5	2.33%		2.09%	0.99%	1.13%	0.60%	0.59%	0.70%
	6	2.74%		2.36%	1.26%	1.41%	0.84%	0.52%	0.37%

EPCR 3/, 4/	RECEIPT ZONE	DELIVERY ZONE							
		0	L	1	2	3	4	5	6
	0	\$0.0049		\$0.0189	\$0.0292	\$0.0363	\$0.0439	\$0.0499	\$0.0599
	L		\$0.0016						
	1	\$0.0066		\$0.0132	\$0.0242	\$0.0296	\$0.0368	\$0.0451	\$0.0518
	2	\$0.0292		\$0.0142	\$0.0015	\$0.0043	\$0.0095	\$0.0174	\$0.0238
	3	\$0.0363		\$0.0296	\$0.0043	\$0.0000	\$0.0139	\$0.0206	\$0.0275
	4	\$0.0439		\$0.0340	\$0.0141	\$0.0172	\$0.0045	\$0.0079	\$0.0148
	5	\$0.0499		\$0.0451	\$0.0174	\$0.0206	\$0.0078	\$0.0077	\$0.0103
	6	\$0.0599		\$0.0518	\$0.0238	\$0.0275	\$0.0138	\$0.0058	\$0.0021

- 1/ Included in the above F&LR is the Losses component of the F&LR equal to 0.26%.
- 2/ For service that is rendered entirely by displacement and for gas scheduled and allocated for receipt at the Dracut, Massachusetts receipt point, Shipper shall render only the quantity of gas associated with Losses of 0.26%.
- 3/ The F&LR's and EPCR's listed above are applicable to FT-A, FT-BH, FT-G, FT-GS, and IT.
- 4/ The F&LR's and EPCR's determined pursuant to Article XXXVII of the General Terms and Conditions.

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**Columbia Gas Transmission, LLC**  
**Tariff Sheet Summary for Pending Rates & Retainage Factors**

Description	Base Tariff Rate <sup>1/</sup>	EPGA & TCRA	OTRA	CGRM	Total Effective Rate <sup>1/</sup>
<b>FTS</b>					
Reservation Charge	\$ 4.944	0.317	0.115	1.044	6.420
Commodity					
Maximum	¢ 1.04	0.76	0.00	0.00	1.80
Minimum	¢ 1.04	0.76	0.00	0.00	1.80
Overrun	¢ 17.29	1.80	0.38	3.43	22.90
<b>APX Incremental FTS</b>					
Reservation Charge	\$ 5.757	0.317	0.115	-	6.189
Commodity					
Maximum	¢ 1.04	0.76	0.00	-	1.80
Minimum	¢ 1.04	0.76	0.00	-	1.80
Overrun	¢ 19.97	1.80	0.38	-	22.15
<b>NTS</b>					
Reservation Charge	\$ 6.454	0.317	0.115	1.044	7.930
Commodity					
Maximum	¢ 1.04	0.76	0.00	0.00	1.80
Minimum	¢ 1.04	0.76	0.00	0.00	1.80
Overrun	¢ 22.26	1.80	0.38	3.43	27.87
<b>ITS</b>					
Commodity					
Winter Period					
Maximum	¢ 17.29	1.81	0.37	3.43	22.90
Minimum	¢ 1.04	0.76	0.00	0.00	1.80
Summer Period					
Maximum	¢ 11.87	1.46	0.25	2.29	15.87
Minimum	¢ 1.04	0.76	0.00	0.00	1.80

<sup>1/</sup> Excludes the Annual Charge Adjustment (ACA) Surcharge of 0.14¢. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 34 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

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**Columbia Gas Transmission, LLC**  
**Tariff Sheet Summary for Pending Rates & Retainage Factors**

Description	Base Tariff Rate 1/	EPCA & TCRA	OTRA	CCRM	Total Effective Rate 1/
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**GTS**

Commodity						
Maximum	¢	70.13	2.84	0.76	6.86	80.59
Minimum	¢	3.08	0.76	0.00	0.00	3.84
MFCC	¢	67.05	2.08	0.76	6.86	76.75

**OPT**

30 Days Interruption Reservation Charge	\$	4.526	0.289	0.104	0.953	5.872
60 Days Interruption Reservation Charge	\$	4.113	0.263	0.095	0.867	5.338
Commodity						
Maximum	¢	1.04	0.76	0.00	0.00	1.80
Minimum	¢	1.04	0.76	0.00	0.00	1.80
Overrun						
30 Days Interruption	¢	15.92	1.71	0.34	3.13	21.10
60 Days Interruption	¢	14.56	1.62	0.31	2.85	19.34

**TPS**

Reservation Charge	\$	4.944	0.317	0.115	1.044	6.420
Commodity						
Maximum	¢	1.04	0.76	0.00	0.00	1.80
Minimum	¢	1.04	0.76	0.00	0.00	1.80
Overrun	¢	17.29	1.80	0.38	3.43	22.90

<sup>1/</sup> Excludes the Annual Charge Adjustment (ACA) Surcharge of 0.14¢. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 34 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

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**Columbia Gas Transmission, LLC**  
**Tariff Sheet Summary for Pending Rates & Retainage Factors**

Description	Base Tariff Rate 1/	EPCA & TCRA	OTRA	CCRM	Total Effective Rate 1/
<b>SST</b>					
Reservation Charge	\$ 4.774	0.317	0.115	1.044	6.250
Commodity					
Maximum	¢ 1.02	0.76	0.00	0.00	1.78
Minimum	¢ 1.02	0.76	0.00	0.00	1.78
Overrun	¢ 16.72	1.80	0.38	3.43	22.33
<b>SST - EME</b>					
Reservation Charge	\$ 17.625	0.317	0.115	-	18.057
Commodity					
Maximum	¢ 1.02	0.76	0.00	-	1.78
Minimum	¢ 1.02	0.76	0.00	-	1.78
Overrun	¢ 58.97	1.80	0.38	-	61.15
<b>FSS</b>					
Reservation Charge	\$ 1.501	-	-	-	1.501
Capacity	¢ 2.88	-	-	-	2.88
Injection	¢ 1.53	-	-	-	1.53
Withdrawal	¢ 1.53	-	-	-	1.53
Overrun	¢ 10.87	-	-	-	10.87
<b>FSS - EME</b>					
Reservation Charge					
Reservation Charge	\$ 4.130	-	-	-	4.130
Capacity	¢ 6.80	-	-	-	6.80
Injection	¢ 1.53	-	-	-	1.53
Withdrawal	¢ 1.53	-	-	-	1.53
Overrun	¢ 23.44	-	-	-	23.44

<sup>1/</sup> Excludes the Annual Charge Adjustment (ACA) Surcharge of 0.14¢. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 34 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

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**Columbia Gas Transmission, LLC  
Tariff Sheet Summary for Pending Rates & Retainage Factors**

Description	Base Tariff Rate 1/	EPCA & TCRA	OTRA	CGRM	Total Effective Rate 1/
<b>ISS</b>					
Commodity					
Maximum	¢ 5.92	-	-	-	5.92
Minimum	¢ 0.00	-	-	-	0.00
Injection	¢ 1.53	-	-	-	1.53
Withdrawal	¢ 1.53	-	-	-	1.53
<b>SIT</b>					
Commodity					
Maximum	¢ 4.11	-	-	-	4.11
Minimum	¢ 1.53	-	-	-	1.53
<b>FBS</b>					
Reservation Charge	\$ 0.0495	-	-	-	0.0495
Capacity	¢ 2.89	-	-	-	2.89
Injection	¢ 1.53	-	-	-	1.53
Withdrawal	¢ 1.53	-	-	-	1.53
Overrun	¢ 10.90	-	-	-	10.90
<b>PAL</b>					
Commodity					
Winter Period					
Maximum	¢ 19.39	-	-	-	19.39
Minimum	¢ 0.00	-	-	-	0.00
Summer Period					
Maximum	¢ 13.27	-	-	-	13.27
Minimum	¢ 0.00	-	-	-	0.00

<sup>1/</sup> Excludes the Annual Charge Adjustment (ACA) Surcharge of 0.14¢. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 34 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.



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**Columbia Gas Transmission, LLC**  
**Tariff Sheet Summary for Pending Rates & Retainage Factors**

Description	Base Tariff Rate <sup>1/</sup>	EPCA & TCRA	OTRA	GGRM	Total Effective Rate <sup>1/</sup>
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**Gathering**

Firm:

Reservation Charge

Maximum	\$	8.030	-	-	-	8.030
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Commodity

Maximum	¢	0.60	-	-	-	0.60
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Minimum	¢	0.60	-	-	-	0.60
---------	---	------	---	---	---	------

Overrun

	¢	27.00	-	-	-	27.00
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Interruptible:

Commodity

Maximum	¢	27.00	-	-	-	27.00
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Minimum	¢	0.60	-	-	-	0.60
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**FT-C**

Reservation Charge	\$	4.944	-	-	-	4.944
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Commodity

Maximum	¢	1.04	-	-	-	1.04
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Minimum	¢	1.04	-	-	-	1.04
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Overrun

	¢	17.29	-	-	-	17.29
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**GC Incremental FTS**

Reservation Charge	\$	7.090	0.317	0.115	-	7.522
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Commodity

Maximum	¢	1.04	0.76	0.00	-	1.80
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Minimum	¢	1.04	0.76	0.00	-	1.80
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Overrun

	¢	24.35	1.80	0.38	-	26.53
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<sup>1/</sup> Excludes the Annual Charge Adjustment (ACA) Surcharge of 0.14¢. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 34 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

Issued:  
Dec 31, 2015

Effective:  
Feb 1, 2016

**Columbia Gas Transmission, LLC**  
**Tariff Sheet Summary for Pending Rates & Retainage Factors**

Description	Base Tariff Rate <sup>1/</sup>	EPCA & TCRA	OTRA	CCRM	Total Effective Rate <sup>1/</sup>
<b>ESE Incremental FTS</b>					
Reservation Charge	\$ 11.287	0.317	0.115	-	11.719
Commodity					
Maximum	¢ 1.04	0.76	0.00	-	1.80
Minimum	¢ 1.04	0.76	0.00	-	1.80
Overrun	¢ 38.15	1.80	0.38	-	40.33
<b>ESE Incremental NTS</b>					
Reservation Charge	\$ 12.805	0.317	0.115	-	13.237
Commodity					
Maximum	¢ 1.04	0.76	0.00	-	1.80
Minimum	¢ 1.04	0.76	0.00	-	1.80
Overrun	¢ 43.14	1.80	0.38	-	45.32
<b>Processing</b>					
	¢ -				-
<b>X-131, 132, &amp; 133</b>					
Reservation Charge	\$ 0.640	0.160	-	-	0.800
Capacity	\$ 0.257	0.063	-	-	0.320
<b>X-131, 132, &amp; 133 Adder Rate</b>					
Reservation Charge	\$ 0.497	0.000	-	-	0.497
Capacity	\$ 0.198	0.000	-	-	0.198
<b>Retainage Percentages</b>					
Transportation Retainage	1.885%				
Gathering Retainage	0.617%				
Storage Gas Loss Retainage	0.130%				
Ohio Storage Gas Lost Retainage	0.260%				
Columbia Processing Retainage	0.000%				

<sup>1/</sup> Excludes the Annual Charge Adjustment (ACA) Surcharge of 0.14¢. An ACA Commodity surcharge per Dth shall be assessed where applicable pursuant to Section 154.402 of the Commission's Regulations and in accordance with Section 34 of the GTC of Transporter's FERC Gas Tariff. The ACA unit charge authorized for each fiscal year (commencing October 1) by the Commission and posted on its website (<http://www.ferc.gov>) is incorporated herein by reference.

**PROPOSED TARIFF SHEETS**

**CURRENTLY EFFECTIVE BILLING RATES**

<u>SALES SERVICE</u>	<u>Base Rate</u>	<u>Gas Cost Adjustment<sup>1/</sup></u>		<u>Total</u>	
	<u>Charge</u>	<u>Demand</u>	<u>Commodity</u>	<u>Billing</u>	
	\$	\$	\$	\$	
<b><u>RATE SCHEDULE GSR</u></b>					
Customer Charge per billing period	15.00			15.00	
Delivery Charge per Mcf	2.2666	1.3114	0.9137	4.4917	R
<b><u>RATE SCHEDULE GSO</u></b>					
<u>Commercial or Industrial</u>					
Customer Charge per billing period	37.50			37.50	
Delivery Charge per Mcf -					
First 50 Mcf or less per billing period	2.2666	1.3114	0.9137	4.4917	R
Next 350 Mcf per billing period	1.7520	1.3114	0.9137	3.9771	R
Next 600 Mcf per billing period	1.6659	1.3114	0.9137	3.8910	R
Over 1,000 Mcf per billing period	1.5164	1.3114	0.9137	3.7415	R
<b><u>RATE SCHEDULE IS</u></b>					
Customer Charge per billing period	1,007.05			1007.05	
Delivery Charge per Mcf					
First 30,000 Mcf per billing period	0.5443		0.9137 <sup>2/</sup>	1.4580	R
Over 30,000 Mcf per billing period	0.2890		0.9137 <sup>2/</sup>	1.2027	R
Firm Service Demand Charge					
Demand Charge times Daily Firm					
Volume (Mcf) in Customer Service Agreement		6.8316		6.8316	I
<b><u>RATE SCHEDULE IUS</u></b>					
Customer Charge per billing period	477.00			477.00	
Delivery Charge per Mcf					
For All Volumes Delivered	0.8150	1.3114	0.9137	3.0401	R

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 \$4.3062 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            January 29, 2016  
 DATE EFFECTIVE        March 1, 2016 (Unit 1 March)

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

**CURRENTLY EFFECTIVE BILLING RATES  
 (Continued)**

<u>TRANSPORTATION SERVICE</u>	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup> Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$	
<b><u>RATE SCHEDULE SS</u></b>					
Standby Service Demand Charge per Mcf					
Demand Charge times Daily Firm					
Volume (Mcf) in Customer Service Agreement		6.8316		6.8316	I
Standby Service Commodity Charge per Mcf			0.9137	0.9137	R
<b><u>RATE SCHEDULE DS</u></b>					
Administrative Charge per account per billing period				55.90	
Customer Charge per billing period <sup>2/</sup>				1007.05	
Customer Charge per billing period (GDS only)				37.50	
Customer Charge per billing period (IUDS only)				477.00	
<u>Delivery Charge per Mcf<sup>2/</sup></u>					
First 30,000 Mcf	0.5443			0.5443	
Over 30,000 Mcf	0.2890			0.2890	
- Grandfathered Delivery Service					
First 50 Mcf or less per billing period				2.2666	
Next 350 Mcf per billing period				1.7520	
Next 600 Mcf per billing period				1.6659	
All Over 1,000 Mcf per billing period				1.5164	
- Intrastate Utility Delivery Service					
All Volumes per billing period				0.8150	
Banking and Balancing Service					
Rate per Mcf		0.0209		0.0209	
<b><u>RATE SCHEDULE MLDS</u></b>					
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		0.0209		0.0209	

<sup>1/</sup> The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff.  
<sup>2/</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered Delivery Service or Intrastate Utility Delivery Service.

DATE OF ISSUE            January 29, 2016  
 DATE EFFECTIVE        March 1, 2016 (Unit 1 March)

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>	
Customer Charge per billing period	15.00
Delivery Charge per Mcf	2.2666
<u>General Service Other - Commercial or Industrial (SVGTS GSO)</u>	
Customer Charge per billing period	37.50
Delivery Charge per Mcf -	
First 50 Mcf or less per billing period	2.2666
Next 350 Mcf per billing period	1.7520
Next 600 Mcf per billing period	1.6659
Over 1,000 Mcf per billing period	1.5164
<u>Intrastate Utility Service</u>	
Customer Charge per billing period	477.00
Delivery Charge per Mcf	\$ 0.8150

**Billing Rate**

Actual Gas Cost Adjustment <sup>1/</sup>

For all volumes per billing period per Mcf	(\$1.9178)	R
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**RATE SCHEDULE SVAS**

Balancing Charge – per Mcf	\$1.1119	I
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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	January 29, 2016
DATE EFFECTIVE	March 1, 2016 (Unit 1 March)

ISSUED BY	<i>Herbert A. Miller, Jr.</i>
TITLE	President