

November 30, 2011

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

RECEIVED
DEC 01 2011
PUBLIC SERVICE
COMMISSION

RE: Case No. 2008-00433

Dear Mr Derouen:

Pursuant to the Commission's Order issued on April 15, 2009, in the above referenced case, Columbia Gas of Kentucky, Inc. ("Columbia") submits its 2011 GCIM Annual Report.

If you have questions, please don't hesitate to contact me at 859-288-0242 or jmcoop@nisource.com.

Sincerely,



Judy M. Cooper
Director, Regulatory Policy

COLUMBIA GAS OF KENTUCKY
GAS COST INCENTIVE MECHANISM

ANNUAL REPORT

NOVEMBER 30, 2011

**COLUMBIA GAS OF KENTUCKY
GCIM CALCULATION
April-11**

| BENCHMARK CALCULATION | | | | | | | PURCHASE COST | | | |
|-----------------------|---------------------|------------------------|------------------------|------------------------------------|--------------------------------|--|--------------------------------|----------------------|-----------------------------|----------------------------------|
| PIPE (1) | REC POINT (2) | TOTAL VOLUME (3) | NYMEX SETTLE (4) | INSIDE FERC HENRY HUB (5) | INSIDE FERC INDEX (6) | MARKET STANDARD PRICE (7=4+(6-5)) | BENCHMARK COST (8=3 X 7) | PURCH RATE (9) | PURCH COST (10=3 X 9) | SAVINGS / (LOSS) (11=8-10) |
| TENN | 020999 | 8,000 | \$4.2400 | \$4.2400 | \$4.1900 | \$4.1900 | \$33,520.00 | \$4.0675 | \$32,540.00 | \$980.00 |
| TENN | 020999 | 44 | \$4.2400 | \$4.2400 | \$4.1900 | \$4.1900 | \$184.36 | \$4.1950 | \$184.58 | -\$0.22 |
| TCO | P1067231 | 5,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$21,800.00 | \$4.3550 | \$21,775.00 | \$25.00 |
| TCO | P1041143 | 5,800 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$25,288.00 | \$4.2900 | \$24,882.00 | \$406.00 |
| TCO | P1078372 | 10,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$43,600.00 | \$4.3300 | \$43,300.00 | \$300.00 |
| TCO | P1078372 | 10,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$43,600.00 | \$4.3500 | \$43,500.00 | \$100.00 |
| TCO | P1078372 | 23,900 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$104,204.00 | \$4.2000 | \$100,380.00 | \$3,824.00 |
| TCO | P1078372 | 10,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$43,600.00 | \$4.3550 | \$43,550.00 | \$50.00 |
| CGT | P2004852 | 660,000 | \$4.2400 | \$4.2400 | \$4.1800 | \$4.1800 | \$2,758,800.00 | \$4.1800 | \$2,758,800.00 | \$0.00 |
| TCO | P1006315 | 210,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$915,600.00 | \$4.3600 | \$915,600.00 | \$0.00 |
| TCO | P1037154 | 5,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$21,800.00 | \$4.3500 | \$21,750.00 | \$50.00 |
| TCO | P1079353 | 2,800 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$12,208.00 | \$4.2900 | \$12,012.00 | \$196.00 |
| TENN | 020999 | 1,000 | \$4.2400 | \$4.2400 | \$4.1900 | \$4.1900 | \$4,190.00 | \$4.0450 | \$4,045.00 | \$145.00 |
| TENN | 020999 | 42,000 | \$4.2400 | \$4.2400 | \$4.1900 | \$4.1900 | \$175,980.00 | \$4.1100 | \$172,620.00 | \$3,360.00 |
| TCO | P1095251 | 6,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$26,160.00 | \$4.2900 | \$25,740.00 | \$420.00 |
| TCO | P1095251 | 19,500 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$85,020.00 | \$4.3375 | \$84,581.25 | \$438.75 |
| TCO | P1071797 | 30,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$130,800.00 | \$4.3400 | \$130,200.00 | \$600.00 |
| TCO | P1071797 | 5,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$21,800.00 | \$4.3550 | \$21,775.00 | \$25.00 |
| TCO | P1071797 | 3,800 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$16,568.00 | \$4.3350 | \$16,473.00 | \$95.00 |
| TCO | P1071797 | 15,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$65,400.00 | \$4.1250 | \$61,875.00 | \$3,525.00 |
| TCO | P1051667 | 25,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$109,000.00 | \$4.3100 | \$107,750.00 | \$1,250.00 |
| TCO | SPP6853 | 25,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$109,000.00 | \$4.4100 | \$110,250.00 | -\$1,250.00 |
| TENN | 020999 | 5,000 | \$4.2400 | \$4.2400 | \$4.1900 | \$4.1900 | \$20,950.00 | \$4.0450 | \$20,225.00 | \$725.00 |
| TCO | P1063575 | 7,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$30,520.00 | \$4.3300 | \$30,310.00 | \$210.00 |
| TCO | P1063575 | 120,000 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$523,200.00 | \$4.3200 | \$518,400.00 | \$4,800.00 |
| TCO | P1079296 | 232,100 | \$4.2400 | \$4.2400 | \$4.3600 | \$4.3600 | \$1,011,956.00 | \$4.3600 | \$1,011,956.00 | \$0.00 |
| TOTAL | | 1,486,944 | | | | | \$6,354,748.36 | | \$6,334,473.83 | \$20,274.53 |
| 50% SHARE | | | | | | | | | | \$10,137.27 |

INSIDE FERC April-11

| | |
|----------|--------|
| TCO | \$4.36 |
| CGT | \$4.18 |
| TENN 500 | \$4.19 |

**COLUMBIA GAS OF KENTUCKY
GCIM CALCULATION
May-11**

| | | | | | | | | | | |
|-----------------------|--|--|--|--|--|--|---------------|--|--|--|
| BENCHMARK CALCULATION | | | | | | | PURCHASE COST | | | |
|-----------------------|--|--|--|--|--|--|---------------|--|--|--|

| PIPE (1) | REC POINT (2) | TOTAL VOLUME (3) | NYMEX SETTLE (4) | INSIDE FERC HENRY HUB (5) | INSIDE FERC INDEX (6) | MARKET STANDARD PRICE (7=4+(6-5)) | BENCHMARK COST (8=3 X 7) | PURCH RATE (9) | PURCH COST (10=3 X 9) | SAVINGS / (LOSS) (11=8-10) |
|-------------|---------------------|------------------------|------------------------|------------------------------------|--------------------------------|--|--------------------------------|----------------------|-----------------------------|----------------------------------|
| TCO | P1043905 | 5,000 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$22,485.00 | \$4.2600 | \$21,300.00 | \$1,185.00 |
| TCO | P1043905 | 886 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$3,984.34 | \$4.2900 | \$3,800.94 | \$183.40 |
| TCO | P1039484 | 15,000 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$67,455.00 | \$4.2050 | \$63,075.00 | \$4,380.00 |
| TCO | P1067231 | 8,000 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$35,976.00 | \$4.2700 | \$34,160.00 | \$1,816.00 |
| TCO | P1089643 | 930,000 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$4,182,210.00 | \$4.5000 | \$4,185,000.00 | -\$2,790.00 |
| TCO | P1078372 | 30,000 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$134,910.00 | \$4.1800 | \$125,400.00 | \$9,510.00 |
| TCO | P1078372 | 2,400 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$10,792.80 | \$4.2600 | \$10,224.00 | \$568.80 |
| TCO | P1078372 | 2,500 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$11,242.50 | \$4.2575 | \$10,643.75 | \$598.75 |
| TCO | P1037195 | 4,000 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$17,988.00 | \$4.3900 | \$17,560.00 | \$428.00 |
| TCO | P1037304 | 5,000 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$22,485.00 | \$4.2600 | \$21,300.00 | \$1,185.00 |
| TCO | P1094740 | 60 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$269.82 | \$4.2600 | \$255.60 | \$14.22 |
| TCO | P1094740 | 2,500 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$11,242.50 | \$4.2600 | \$10,650.00 | \$592.50 |
| TCO | P1094740 | 180 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$809.46 | \$4.1850 | \$753.30 | \$56.16 |
| TCO | P1073499 | 1,000 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$4,497.00 | \$4.2600 | \$4,260.00 | \$237.00 |
| GCT | P2039245 | 310,000 | \$4.3770 | \$4.3800 | \$4.2900 | \$4.2870 | \$1,328,970.00 | \$4.2875 | \$1,329,125.00 | -\$155.00 |
| TCO | P1051219 | 15,000 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$67,455.00 | \$4.1825 | \$62,737.50 | \$4,717.50 |
| CGT | P2048369 | 310,000 | \$4.3770 | \$4.3800 | \$4.2900 | \$4.2870 | \$1,328,970.00 | \$4.2875 | \$1,329,125.00 | -\$155.00 |
| TCO | SPP7249 | 15,000 | \$4.3770 | \$4.3800 | \$4.5000 | \$4.4970 | \$67,455.00 | \$4.1800 | \$62,700.00 | \$4,755.00 |
| | | 1,656,526 | | | | | \$7,319,197.42 | | \$7,292,070.09 | \$27,127.33 |
| | | | | | | | | | | \$13,563.67 |

INSIDE FERC May-11

| | |
|-----|--------|
| TCO | \$4.50 |
| CGT | \$4.29 |

**COLUMBIA GAS OF KENTUCKY
GCIM CALCULATION
June-11**

| | |
|-----------------------|---------------|
| BENCHMARK CALCULATION | PURCHASE COST |
|-----------------------|---------------|

| PIPE (1) | REC POINT (2) | TOTAL VOLUME (3) | NYMEX SETTLE (4) | INSIDE FERC HENRY HUB (5) | INSIDE FERC INDEX (6) | MARKET STANDARD PRICE (7=4+(6-5)) | BENCHMARK COST (8=3 X 7) | PURCH RATE (9) | PURCH COST (10=3 X 9) | SAVINGS / (LOSS) (11=8-10) |
|-------------|---------------------|------------------------|------------------------|------------------------------------|--------------------------------|--|--------------------------------|----------------------|-----------------------------|----------------------------------|
| CGT | P2074477 | 303 | \$4.3260 | \$4.3300 | \$4.2600 | \$4.2560 | \$1,289.57 | \$4.1600 | \$1,260.48 | \$29.09 |
| CGT | P2074477 | 507 | \$4.3260 | \$4.3300 | \$4.2600 | \$4.2560 | \$2,157.79 | \$4.1900 | \$2,124.33 | \$33.46 |
| TCO | P1092609 | 30,000 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$133,680.00 | \$4.3200 | \$129,600.00 | \$4,080.00 |
| TCO | P1092609 | 30,000 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$133,680.00 | \$4.3900 | \$131,700.00 | \$1,980.00 |
| TCO | P1092609 | 600 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$2,673.60 | \$4.4200 | \$2,652.00 | \$21.60 |
| TCO | P1092609 | 7,410 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$33,018.96 | \$4.4300 | \$32,826.30 | \$192.66 |
| CKT | 801CKT | 105,000 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$467,880.00 | \$4.4100 | \$463,050.00 | \$4,830.00 |
| TCO | P1039484 | 1,399 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$6,233.94 | \$4.4350 | \$6,204.57 | \$29.38 |
| TCO | P1089643 | 4,500 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$20,052.00 | \$4.4150 | \$19,867.50 | \$184.50 |
| TCO | SPP10685 | 210,000 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$935,760.00 | \$4.4400 | \$932,400.00 | \$3,360.00 |
| TCO | SPPF25BE | 3,400 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$15,150.40 | \$4.4150 | \$15,011.00 | \$139.40 |
| TCO | SPP10740 | 6,400 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$28,518.40 | \$4.4300 | \$28,352.00 | \$166.40 |
| TCO | P1063575 | 8,000 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$35,648.00 | \$4.4200 | \$35,360.00 | \$288.00 |
| TCO | P1079296 | 2,500 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$11,140.00 | \$4.4300 | \$11,075.00 | \$65.00 |
| TCO | P1079296 | 70,000 | \$4.3260 | \$4.3300 | \$4.4600 | \$4.4560 | \$311,920.00 | \$4.4600 | \$312,200.00 | -\$280.00 |
| CGT | P2079316 | 6,760 | \$4.3260 | \$4.3300 | \$4.2600 | \$4.2560 | \$28,770.56 | \$4.2800 | \$28,932.80 | -\$162.24 |
| TOTALS | | 486,779 | | | | | \$2,167,573.22 | | \$2,152,615.98 | \$14,957.25 |
| 50% SHARE | | | | | | | | | | \$7,478.62 |

INSIDE FERC June-11

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|-----|--------|
| TCO | \$4.46 |
| CGT | \$4.26 |

**COLUMBIA GAS OF KENTUCKY
GCIM CALCULATION
July-11**

| | |
|-----------------------|---------------|
| BENCHMARK CALCULATION | PURCHASE COST |
|-----------------------|---------------|

| PIPE (1) | REC POINT (2) | TOTAL VOLUME (3) | NYMEX SETTLE (4) | INSIDE FERC HENRY HUB (5) | INSIDE FERC INDEX (6) | MARKET STANDARD PRICE (7=4+(6-5)) | BENCHMARK COST (8=3 X 7) | PURCH RATE (9) | PURCH COST (10=3 X 9) | SAVINGS / (LOSS) (11=8-10) |
|-------------|---------------------|------------------------|------------------------|------------------------------------|--------------------------------|--|--------------------------------|----------------------|-----------------------------|----------------------------------|
| TCO | SPP10216 | 8,100 | \$4.3570 | \$4.3600 | \$4.4800 | \$4.4770 | \$36,263.70 | \$4.3000 | \$34,830.00 | \$1,433.70 |
| TCO | P1043905 | 511,500 | \$4.3570 | \$4.3600 | \$4.4800 | \$4.4770 | \$2,289,985.50 | \$4.4800 | \$2,291,520.00 | -\$1,534.50 |
| TCO | P1092609 | 27,400 | \$4.3570 | \$4.3600 | \$4.4800 | \$4.4770 | \$122,669.80 | \$4.2800 | \$117,272.00 | \$5,397.80 |
| TCO | P1092609 | 18,429 | \$4.3570 | \$4.3600 | \$4.4800 | \$4.4770 | \$82,506.63 | \$4.4100 | \$81,271.89 | \$1,234.74 |
| CKT | 801CKT | 108,500 | \$4.3570 | \$4.3600 | \$4.4800 | \$4.4770 | \$485,754.50 | \$4.4300 | \$480,655.00 | \$5,099.50 |
| CGT | P2039245 | 465,000 | \$4.3570 | \$4.3600 | \$4.3000 | \$4.2970 | \$1,998,105.00 | \$4.3000 | \$1,999,500.00 | -\$1,395.00 |
| TCO | P1079296 | 150,000 | \$4.3570 | \$4.3600 | \$4.4800 | \$4.4770 | \$671,550.00 | \$4.4800 | \$672,000.00 | -\$450.00 |
| TOTALS | | 1,288,929 | | | | | \$5,686,835.13 | | \$5,677,048.89 | \$9,786.24 |
| 50% SHARE | | | | | | | | | | \$4,893.12 |

INSIDE FERC July-11

| | |
|-----|--------|
| TCO | \$4.48 |
| CGT | \$4.30 |

COLUMBIA GAS OF KENTUCKY
GCIM CALCULATION
August-11

| BENCHMARK CALCULATION | | | | | | | PURCHASE COST | | | |
|-----------------------|---------------------|------------------------|------------------------|------------------------------------|--------------------------------|--|--------------------------------|----------------------|-----------------------------|----------------------------------|
| PIPE (1) | REC POINT (2) | TOTAL VOLUME (3) | NYMEX SETTLE (4) | INSIDE FERC HENRY HUB (5) | INSIDE FERC INDEX (6) | MARKET STANDARD PRICE (7=4+(6-5)) | BENCHMARK COST (8=3 X 7) | PURCH RATE (9) | PURCH COST (10=3 X 9) | SAVINGS / (LOSS) (11=8-10) |
| CGT | P2087460 | 4,500 | \$4.3700 | \$4.3800 | \$4.3200 | \$4.3100 | \$19,395.00 | \$3.9450 | \$17,752.50 | \$1,642.50 |
| TCO | P1043905 | 10,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$44,400.00 | \$4.0650 | \$40,650.00 | \$3,750.00 |
| TCO | P1043905 | 30,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$133,200.00 | \$4.0300 | \$120,900.00 | \$12,300.00 |
| TCO | P1043905 | 4,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$17,760.00 | \$4.1200 | \$16,480.00 | \$1,280.00 |
| TCO | P1022275 | 10,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$44,400.00 | \$4.1500 | \$41,500.00 | \$2,900.00 |
| TCO | P1022275 | 10,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$44,400.00 | \$4.3000 | \$43,000.00 | \$1,400.00 |
| TCO | P1092609 | 4,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$17,760.00 | \$4.3825 | \$17,530.00 | \$230.00 |
| TCO | P1092609 | 7,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$31,080.00 | \$4.3825 | \$30,677.50 | \$402.50 |
| TCO | P1092609 | 25,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$111,000.00 | \$4.3575 | \$108,937.50 | \$2,062.50 |
| CKT | 801CKT | 99,200 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$440,448.00 | \$4.4000 | \$436,480.00 | \$3,968.00 |
| TCO | P1051539 | 500 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$2,220.00 | \$4.3650 | \$2,182.50 | \$37.50 |
| TCO | P1089643 | 10,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$44,400.00 | \$4.4000 | \$44,000.00 | \$400.00 |
| TCO | P1089643 | 1,500 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$6,660.00 | \$4.3825 | \$6,573.75 | \$86.25 |
| TCO | P1089643 | 17,500 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$77,700.00 | \$4.0650 | \$71,137.50 | \$6,562.50 |
| TCO | P1089643 | 6,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$26,640.00 | \$4.1500 | \$24,900.00 | \$1,740.00 |
| TCO | P1037161 | 5,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$22,200.00 | \$3.9350 | \$19,675.00 | \$2,525.00 |
| TCO | P1037161 | 10,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$44,400.00 | \$4.0700 | \$40,700.00 | \$3,700.00 |
| TCO | P1078372 | 5,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$22,200.00 | \$4.1500 | \$20,750.00 | \$1,450.00 |
| TCO | P1037195 | 10,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$44,400.00 | \$4.1450 | \$41,450.00 | \$2,950.00 |
| TCO | P1037195 | 2,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$8,880.00 | \$4.3600 | \$8,720.00 | \$160.00 |
| TCO | P1036902 | 8,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$35,520.00 | \$4.1150 | \$32,920.00 | \$2,600.00 |
| CGT | P2004852 | 3,400 | \$4.3700 | \$4.3800 | \$4.3200 | \$4.3100 | \$14,654.00 | \$4.2250 | \$14,365.00 | \$289.00 |
| TCO | P1006315 | 210,800 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$935,952.00 | \$4.4475 | \$937,533.00 | (\$1,581.00) |
| CGT | P2004852 | 465,000 | \$4.3700 | \$4.3800 | \$4.3200 | \$4.3100 | \$2,004,150.00 | \$4.3200 | \$2,008,800.00 | (\$4,650.00) |
| TCO | P1037304 | 10,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$44,400.00 | \$4.1100 | \$41,100.00 | \$3,300.00 |
| TCO | P1037304 | 5,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$22,200.00 | \$4.1500 | \$20,750.00 | \$1,450.00 |
| TCO | P1054533 | 1,500 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$6,660.00 | \$4.1500 | \$6,225.00 | \$435.00 |
| TCO | P1054533 | 10,100 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$44,844.00 | \$4.3050 | \$43,480.50 | \$1,363.50 |
| TCO | P1054533 | 30,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$133,200.00 | \$4.0100 | \$120,300.00 | \$12,900.00 |
| TCO | P10 | 400 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$1,776.00 | \$4.1400 | \$1,656.00 | \$120.00 |
| TCO | P10 | 68 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$301.92 | \$3.9400 | \$267.92 | \$34.00 |
| TCO | P10 | 68 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$301.92 | \$3.9400 | \$267.92 | \$34.00 |
| TCO | P10 | 7,500 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$33,300.00 | \$4.0200 | \$30,150.00 | \$3,150.00 |
| TCO | P10 | 220,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$976,800.00 | \$4.0500 | \$891,000.00 | \$85,800.00 |
| TCO | P10 | 500 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$2,220.00 | \$4.3600 | \$2,180.00 | \$40.00 |
| TCO | P10 | 10,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$44,400.00 | \$4.3750 | \$43,750.00 | \$650.00 |
| TCO | P10 | 500 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$2,220.00 | \$4.0250 | \$2,012.50 | \$207.50 |
| CGT | P20 | 3,000 | \$4.3700 | \$4.3800 | \$4.3200 | \$4.3100 | \$12,930.00 | \$4.2500 | \$12,750.00 | \$180.00 |
| CGT | P20 | 3,500 | \$4.3700 | \$4.3800 | \$4.3200 | \$4.3100 | \$15,085.00 | \$3.8550 | \$13,492.50 | \$1,592.50 |
| TCO | P10 | 7,500 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$33,300.00 | \$4.1600 | \$31,200.00 | \$2,100.00 |
| TCO | P10 | 1,800 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$7,992.00 | \$4.1500 | \$7,470.00 | \$522.00 |

**COLUMBIA GAS OF KENTUCKY
GCIM CALCULATION
August-11**

| | |
|-----------------------|---------------|
| BENCHMARK CALCULATION | PURCHASE COST |
|-----------------------|---------------|

| PIPE (1) | REC POINT (2) | TOTAL VOLUME (3) | NYMEX SETTLE (4) | INSIDE FERC HENRY HUB (5) | INSIDE FERC INDEX (6) | MARKET STANDARD PRICE (7=4+(6-5)) | BENCHMARK COST (8=3 X 7) | PURCH RATE (9) | PURCH COST (10=3 X 9) | SAVINGS / (LOSS) (11=8-10) |
|-------------|---------------------|------------------------|------------------------|------------------------------------|--------------------------------|--|--------------------------------|----------------------|-----------------------------|----------------------------------|
| TCO | P10 | 5,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$22,200.00 | \$4.0250 | \$20,125.00 | \$2,075.00 |
| TCO | P10 | 5,600 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$24,864.00 | \$4.3850 | \$24,556.00 | \$308.00 |
| TCO | P10 | 5,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$22,200.00 | \$4.1400 | \$20,700.00 | \$1,500.00 |
| CGT | P20 | 3,400 | \$4.3700 | \$4.3800 | \$4.3200 | \$4.3100 | \$14,654.00 | \$4.2300 | \$14,382.00 | \$272.00 |
| TCO | SPP | 155,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$688,200.00 | \$4.4375 | \$687,812.50 | \$387.50 |
| TCO | P1079296 | 310,000 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$1,376,400.00 | \$4.4500 | \$1,379,500.00 | (\$3,100.00) |
| TCO | P1079296 | 62,400 | \$4.3700 | \$4.3800 | \$4.4500 | \$4.4400 | \$277,056.00 | \$4.0100 | \$250,224.00 | \$26,832.00 |
| TOTALS | | 1,816,236 | | | | | \$8,001,323.84 | | \$7,812,966.09 | \$188,357.75 |
| 50% SHARE | | | | | | | | | | \$94,178.88 |

INSIDE FERC August-11

| | |
|-----|--------|
| TCO | \$4.45 |
| CGT | \$4.32 |

**COLUMBIA GAS OF KENTUCKY
GCIM CALCULATION
September-11**

| | |
|-----------------------|---------------|
| BENCHMARK CALCULATION | PURCHASE COST |
|-----------------------|---------------|

| PIPE (1) | REC POINT (2) | TOTAL VOLUME (3) | NYMEX SETTLE (4) | INSIDE FERC HENRY HUB (5) | INSIDE FERC INDEX (6) | MARKET STANDARD PRICE (7=4+(6-5)) | BENCHMARK COST (8=3 X 7) | PURCH RATE (9) | PURCH COST (10=3 X 9) | SAVINGS / (LOSS) (11=8-10) |
|-------------|---------------------|------------------------|------------------------|------------------------------------|--------------------------------|--|--------------------------------|----------------------|-----------------------------|----------------------------------|
| CGT | P2074477 | 203 | \$3.8570 | \$3.8500 | \$3.8100 | \$3.8170 | \$774.85 | \$3.9400 | \$799.82 | (\$24.97) |
| CGT | P2074477 | 1 | \$3.8570 | \$3.8500 | \$3.8100 | \$3.8170 | \$3.82 | \$3.9400 | \$3.94 | (\$0.12) |
| TCO | P2074477 | 6,092 | \$3.8570 | \$3.8500 | \$3.9000 | \$3.9070 | \$23,801.44 | \$3.7800 | \$23,027.76 | \$773.68 |
| CGT | P2074477 | 6,242 | \$3.8570 | \$3.8500 | \$3.8100 | \$3.8170 | \$23,825.71 | \$3.7250 | \$23,251.45 | \$574.26 |
| TCO | P2074477 | 2,500 | \$3.8570 | \$3.8500 | \$3.9000 | \$3.9070 | \$9,767.50 | \$3.7300 | \$9,325.00 | \$442.50 |
| TCO | P2074477 | 700 | \$3.8570 | \$3.8500 | \$3.9000 | \$3.9070 | \$2,734.90 | \$3.7650 | \$2,635.50 | \$99.40 |
| CGT | P2074477 | 75,000 | \$3.8570 | \$3.8500 | \$3.8100 | \$3.8170 | \$286,275.00 | \$3.8100 | \$285,750.00 | \$525.00 |
| CGT | P2074477 | 10,000 | \$3.8570 | \$3.8500 | \$3.8100 | \$3.8170 | \$38,170.00 | \$3.7825 | \$37,825.00 | \$345.00 |
| CGT | P1092609 | 5,848 | \$3.8570 | \$3.8500 | \$3.8100 | \$3.8170 | \$22,321.82 | \$3.6675 | \$21,447.54 | \$874.28 |
| TCO | P2076609 | 271 | \$3.8570 | \$3.8500 | \$3.9000 | \$3.9070 | \$1,058.80 | \$3.9200 | \$1,062.32 | (\$3.52) |
| TCO | P2076609 | 4,900 | \$3.8570 | \$3.8500 | \$3.9000 | \$3.9070 | \$19,144.30 | \$3.6750 | \$18,007.50 | \$1,136.80 |
| CGT | P2004852 | 6,054 | \$3.8570 | \$3.8500 | \$3.8100 | \$3.8170 | \$23,108.12 | \$3.7850 | \$22,914.39 | \$193.73 |
| TOTALS | | 117,811 | | | | | \$450,986.26 | | \$446,050.22 | \$4,936.04 |
| 50% SHARE | | | | | | | | | | \$2,468.02 |

INSIDE FERC September-11

| | |
|-----|----------|
| TCO | \$3.9000 |
| CGT | \$3.8100 |

**COLUMBIA GAS OF KENTUCKY
GCIM CALCULATION
October-11**

| BENCHMARK CALCULATION | | | | | | | PURCHASE COST | | | |
|-----------------------|---------------------|------------------------|------------------------|------------------------------------|--------------------------------|--|--------------------------------|----------------------|-----------------------------|----------------------------------|
| PIPE (1) | REC POINT (2) | TOTAL VOLUME (3) | NYMEX SETTLE (4) | INSIDE FERC HENRY HUB (5) | INSIDE FERC INDEX (6) | MARKET STANDARD PRICE (7=4+(6-5)) | BENCHMARK COST (8=3 X 7) | PURCH RATE (9) | PURCH COST (10=3 X 9) | SAVINGS / (LOSS) (11=8-10) |
| TCO | P1041143 | 105,000 | \$3.7590 | \$3.7600 | \$3.7700 | \$3.7690 | \$395,745.00 | \$3.3900 | \$355,950.00 | \$39,795.00 |
| CGT | P2074477 | 18,183 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$66,713.43 | \$3.4150 | \$62,094.95 | \$4,618.48 |
| CGT | P2074477 | 81 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$297.19 | \$3.3150 | \$268.52 | \$28.67 |
| CGT | P2074477 | 19,167 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$70,323.72 | \$3.3500 | \$64,209.45 | \$6,114.27 |
| CGT | P2074477 | 80 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$293.52 | \$3.6700 | \$293.60 | (\$0.08) |
| CGT | P2074477 | 80 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$293.52 | \$3.4900 | \$279.20 | \$14.32 |
| CGT | P2074477 | 57,600 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$211,334.40 | \$3.4875 | \$200,880.00 | \$10,454.40 |
| CGT | P2074477 | 80 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$293.52 | \$3.5400 | \$283.20 | \$10.32 |
| CGT | P2074477 | 19,200 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$70,444.80 | \$3.5200 | \$67,584.00 | \$2,860.80 |
| TCO | P1092609 | 10,000 | \$3.7590 | \$3.7600 | \$3.7700 | \$3.7690 | \$37,690.00 | \$3.7450 | \$37,450.00 | \$240.00 |
| CGT | P2076609 | 57,600 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$211,334.40 | \$3.5300 | \$203,328.00 | \$8,006.40 |
| CGT | P2076609 | 19,200 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$70,444.80 | \$3.5300 | \$67,776.00 | \$2,668.80 |
| CGT | P2004852 | 77,500 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$284,347.50 | \$3.6675 | \$284,231.25 | \$116.25 |
| TCO | P1057831 | 10,000 | \$3.7590 | \$3.7600 | \$3.7700 | \$3.7690 | \$37,690.00 | \$3.7450 | \$37,450.00 | \$240.00 |
| TCO | P1057831 | 4,600 | \$3.7590 | \$3.7600 | \$3.7700 | \$3.7690 | \$17,337.40 | \$3.7550 | \$17,273.00 | \$64.40 |
| TCO | P1037304 | 5,000 | \$3.7590 | \$3.7600 | \$3.7700 | \$3.7690 | \$18,845.00 | \$3.4100 | \$17,050.00 | \$1,795.00 |
| TCO | P1094740 | 5,000 | \$3.7590 | \$3.7600 | \$3.7700 | \$3.7690 | \$18,845.00 | \$3.6350 | \$18,175.00 | \$670.00 |
| TCO | P1079353 | 5,100 | \$3.7590 | \$3.7600 | \$3.7700 | \$3.7690 | \$19,221.90 | \$3.7450 | \$19,099.50 | \$122.40 |
| CGT | P2067888 | 15,000 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$55,035.00 | \$3.4925 | \$52,387.50 | \$2,647.50 |
| CGT | P2067888 | 15,000 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$55,035.00 | \$3.4725 | \$52,087.50 | \$2,947.50 |
| CGT | P2067888 | 15,000 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$55,035.00 | \$3.5175 | \$52,762.50 | \$2,272.50 |
| TCO | P1071797 | 5,000 | \$3.7590 | \$3.7600 | \$3.7700 | \$3.7690 | \$18,845.00 | \$3.7450 | \$18,725.00 | \$120.00 |
| TCO | P1025517 | 10,000 | \$3.7590 | \$3.7600 | \$3.7700 | \$3.7690 | \$37,690.00 | \$3.4250 | \$34,250.00 | \$3,440.00 |
| TCO | P1060039 | 5,000 | \$3.7590 | \$3.7600 | \$3.7700 | \$3.7690 | \$18,845.00 | \$3.7500 | \$18,750.00 | \$95.00 |
| CGT | P2048369 | 161 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$590.71 | \$3.5300 | \$568.33 | \$22.38 |
| CGT | P2048369 | 79 | \$3.7590 | \$3.7600 | \$3.6700 | \$3.6690 | \$289.85 | \$3.5800 | \$282.82 | \$7.03 |
| TCO | P1051219 | 10,000 | \$3.7590 | \$3.7600 | \$3.7700 | \$3.7690 | \$37,690.00 | \$3.4300 | \$34,300.00 | \$3,390.00 |
| TCO | P1051219 | 10,000 | \$3.7590 | \$3.7600 | \$3.7700 | \$3.7690 | \$37,690.00 | \$3.4300 | \$34,300.00 | \$3,390.00 |

TOTALS 28 498,711 \$1,848,240.66 \$1,752,089.31 \$96,151.35

50% SHARE \$48,075.67

INSIDE FERC October-11

TCO \$3.7700
CGT \$3.6700