

September 13, 2013

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

**RE: Case No. 2013-00115  
Tariff Revision of Columbia Gas of Kentucky, Inc.**

On March 26, 2013, Columbia Gas of Kentucky, Inc. ("Columbia") filed an Application in Case No. 2013-00115 seeking a Certificate of Public Convenience and Necessity to qualify it to bid on a franchise for natural gas services offered by the Lexington-Fayette Urban County Government ("LFUCG"). By Order dated April 1, 2013, the Commission granted Columbia the requested Certificate of Public Convenience and Necessity. By letter dated April 24 Columbia notified the Commission that it was a successful bidder and had been awarded a franchise by the LFUCG.

On September 5, 2013, the LFUCG passed Ordinance No. 95-2013. The Ordinance increased the LFUCG's franchise fee from 3% of Columbia's gross revenue to 4%, effective October 1, 2013. A copy of that Ordinance is attached.

Because of the LFUCG's increase in its franchise fee, Columbia must revise its tariff in order to recover the franchise fees to be paid to the LFUCG. Sheet No. 52 of Columbia's current tariff specifies the fee applicable to each of several municipalities in Columbia's service territory that impose a utility franchise fee. Columbia seeks authority to revise its tariff Sheet No. 52 to remove the listing of the individual tariff fees and replace that listing with language that will permit Columbia to recover all franchise fees without specifying each individual fee. This language will also eliminate the need to revise the tariff sheet every time a mu-

municipality changes its franchise fee, as the LFUCG just did. The language proposed by Columbia is similar to language that the Commission has approved for Delta Natural Gas Co., Inc.

Please find attached an original and four copies of Columbia's Sixth Revised Tariff Sheet No. 52 reflecting the revised franchise fee language explained above.

If you have any questions or need additional information, do not hesitate to call me at (859) 288-0242. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Judy Cooper".

Judy Cooper  
Director, Regulatory Policy

Attachments