

January 30, 2007

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

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

RECEIVED

Re: Columbia Gas of Kentucky, Inc.
Gas Cost Adjustment Case No. 2007 - 00050 JAN 30 2007

PUBLIC SERVICE
COMMISSION

Dear Ms. O'Donnell:

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 December quarterly Gas Cost Adjustment ("GCA").

Columbia proposes to decrease its current rates to tariff sales customers by \$2.1120 per Mcf effective with its March 2007 billing cycle on March 1, 2007. The decrease is composed of a decrease of \$0.9645 per Mcf in the Average Commodity Cost of Gas, a decrease of \$0.0236 per Mcf in the Average Demand Cost of Gas, a decrease of \$1.1414 per Mcf in the Balancing Adjustment, a decrease of \$0.0124 per Mcf in the Refund Adjustment, and an increase of \$0.0051 per Mcf in the Gas Cost Incentive Adjustment.

Please feel free to contact me at 859-288-0242 if there are any questions.

Sincerely,



Judy M. Cooper
Director, Regulatory Policy

Enclosures

RECEIVED

JAN 30 2007

PUBLIC SERVICE
COMMISSION

BEFORE THE
PUBLIC SERVICE COMMISSION
OF KENTUCKY

COLUMBIA GAS OF KENTUCKY, INC.

CASE 2007 - 00050

GAS COST ADJUSTMENT AND REVISED RATES OF
COLUMBIA GAS OF KENTUCKY, INC. PROPOSED TO BECOME
EFFECTIVE MARCH 2007 BILLINGS

Columbia Gas of Kentucky, Inc.
 Comparison of Current and Proposed GCAs

Line No.	December-06 <u>CURRENT</u>	March-07 <u>PROPOSED</u>	<u>DIFFERENCE</u>	
1	Commodity Cost of Gas	\$9.0113	\$8.0468	(\$0.9645)
2	Demand Cost of Gas	<u>\$1.3899</u>	<u>\$1.3663</u>	<u>(\$0.0236)</u>
3	Total: Expected Gas Cost (EGC)	\$10.4012	\$9.4131	(\$0.9881)
4	SAS Refund Adjustment	(\$0.0002)	(\$0.0002)	\$0.0000
5	Balancing Adjustment	\$0.0006	(\$1.1408)	(\$1.1414)
6	Supplier Refund Adjustment	(\$0.0131)	(\$0.0007)	\$0.0124
7	Actual Cost Adjustment	(\$1.9761)	(\$1.9761)	\$0.0000
8	Gas Cost Incentive Adjustment	<u>\$0.0230</u>	<u>\$0.0281</u>	<u>\$0.0051</u>
9	Cost of Gas to Tariff Customers (GCA)	\$8.4354	\$6.3234	(\$2.1120)
10	Transportation TOP Refund Adjustment	\$0.0000	\$0.0000	\$0.0000
11	Banking and Balancing Service	\$0.0206	\$0.0206	\$0.0000
12	Rate Schedule FI and GSO			
13	Customer Demand Charge	\$6.5482	\$6.5662	\$0.0180

Columbia Gas of Kentucky, Inc.
 Gas Cost Adjustment Clause
 Gas Cost Recovery Rate
 Mar 07 - May 07

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC)	Schedule No. 1	\$9.4131	
2	Actual Cost Adjustment (ACA)	Schedule No. 2	(\$1.9761)	8-31-07
3	SAS Refund Adjustment (RA)	Schedule No. 5	(\$0.0002)	8-31-07
4	Supplier Refund Adjustment (RA)	Schedule No. 4	(\$0.0007)	05-31-07
		Total Refunds	<u>(\$0.0007)</u>	
5	Balancing Adjustment (BA)	Schedule No. 3	(\$1.1408)	8-31-07
6	Gas Cost Incentive Adjustment	Schedule No. 6	\$0.0051	2-28-08
			<u>\$0.0230</u>	5-31-07
		Total GCIA	<u>\$0.0281</u>	
7	Gas Cost Adjustment			
8	Mar 07 - May 07		<u>\$6.3234</u>	
9	Expected Demand Cost (EDC) per Mcf			
10	(Applicable to Rate Schedule IS/SS and GSO)	Schedule No. 1, Sheet 4	<u>\$6.5662</u>	

DATE FILED: January 30, 2007

BY: J. M. Cooper

Columbia Gas of Kentucky, Inc.
Expected Gas Cost for Sales Customers
Mar 07 - May 07

Schedule No. 1
Sheet 1

Line No.	Description	Reference	Volume A/		Rate		Cost (5)
			Mcf (1)	Dth. (2)	Per Mcf (3)	Per Dth (4)	
Storage Supply							
Includes storage activity for sales customers only							
Commodity Charge							
1	Withdrawal		(1,419,000)			\$0.0153	\$21,711
2	Injection		2,089,000			\$0.0153	\$31,962
3	Withdrawals: gas cost includes pipeline fuel and commodity charges			1,419,000		\$7.1632	\$10,164,539
Total							
4	Volume	= 3		1,419,000			
5	Cost	sum(1:3)					\$10,218,212
6	Summary	4 or 5		1,419,000			\$10,218,212
Flowing Supply							
Excludes volumes injected into or withdrawn from storage.							
Net of pipeline retention volumes and cost. Add unit retention cost on line 17							
7	Non-Appalachian	Sch.1, Sht. 5, Ln. 4		1,286,000			\$9,117,688
8	Appalachian Supplies	Sch.1, Sht. 6, Ln. 4		125,000			\$809,000
9	Less Fuel Retention By Interstate Pipelines	Sch. 1,Sheet 7, Lines 21, 22		(171,000)			(\$1,212,314)
10	Total	7 + 8 + 9		1,240,000			\$8,714,373
Total Supply							
11	At City-Gate	Line 6 + 10		2,659,000			\$18,932,585
Lost and Unaccounted For							
12	Factor			-0.9%			
13	Volume	Line 11 * 12		(23,931)			
14	At Customer Meter	Line 11 + 13		2,635,069			
15	Sales Volume	Line 14	2,489,672	2,635,069			
Unit Costs \$/MCF							
Commodity Cost							
16	Excluding Cost of Pipeline Retention	Line 11 / Line 15				\$7.6044	
17	Annualized Unit Cost of Retention	Sch. 1,Sheet 7, Line 24				\$0.4424	
18	Including Cost of Pipeline Retention	Line 16 + 17				\$8.0468	
19	Demand Cost	Sch.1, Sht. 2, Line 9				\$1.3663	
20	Total Expected Gas Cost (EGC)	Line 18 + 19				\$9.4131	

A/ BTU Factor = 1.0584 Dth/MCF

Columbia Gas of Kentucky, Inc.
GCA Unit Demand Cost
Mar 07 - May 07

Schedule No. 1
 Sheet 2

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	
1	Expected Demand Cost: Annual Mar 2007 - Feb 2008	Sch. No.1, Sheet 3, Ln. 41	\$20,018,209
2	Less Rate Schedule IS/SS and GSO Customer Demand Charge Recovery	Sch. No.1, Sheet 4, Ln. 10	-\$450,545
3	Less Storage Service Recovery from Delivery Service Customers		-\$228,832
4	Net Demand Cost Applicable 1 + 2 + 3		\$19,338,832
	Projected Annual Demand: Sales + Choice Dec 2006 -Nov 2007		
	At city-gate		
	In Dth		15,117,000 Dth
	Heat content		1.0584 Dth/MCF
5	In MCF		14,282,880 MCF
	Lost and Unaccounted - For		
6	Factor		0.9%
7	Volume 5 * 6		<u>128,546</u> MCF
8	At Customer Meter 5 - 7		14,154,334 MCF
9	Unit Demand Cost (7 / 10) To Sheet 1, line 19		\$1.3663 per MCF

Columbia Gas of Kentucky, Inc.
Annual Demand Cost of Interstate Pipeline Capacity
 Mar 2007 - Feb 2008

Schedule No. 1
 Sheet 3

Line No.	Description	Dth	Monthly Rate \$/Dth	# Months	Expected Annual Demand Cost
Columbia Gas Transmission Corporation					
Firm Storage Service (FSS)					
1	FSS Max Daily Storage Quantity (MDSQ)	220,880	\$1.5000	12	\$3,975,840
2	FSS Seasonal Contract Quantity (SCQ)	11,264,911	\$0.0288	12	\$3,893,153
Storage Service Transportation (SST)					
3	Summer Apr. - Sept. 07	110,440	\$4.1850	6	\$2,773,148
4	Winter Mar. 07, Oct - Dec. 07, Jan - Feb 08	220,880	\$4.1850	6	\$5,546,297
5	Firm Transportation Service (FTS)	20,014	\$5.9410	12	\$1,426,838
6	Subtotal	sum(1:5)			\$17,615,277
Columbia Gulf Transmission Company					
11	FTS - 1 (Mainline)	28,991	\$3.1450	12	\$1,094,120
Tennessee Gas					
21	Firm Transportation	20,506	\$4.6238	12	\$1,137,788
Central Kentucky Transmission					
31	Firm Transportation	28,000	\$0.5090	12	\$171,024
41	Total. Used on Sheet 2, line 1				\$20,018,209

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

Mar 2007 - Feb 2008

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)					\$20,018,209
	City-Gate Capacity:					
	Columbia Gas Transmission					
2	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			1.0584	Dth/MCF	
7	Total Capacity - Annualized		Line 5 / Line 6	3,048,685	Mcf	
	Monthly Unit Expected Demand Cost (EDC) of Daily Capacity					
8	Applicable to Rate Schedules IS/SS and GSO			\$6.5662	/Mcf	
	Line 1 / Line 7					
9	Firm Volumes of IS/SS and GSO Customers	5,718	12	68,616	Mcf	
10	Expected Demand Charges to be Recovered Annually from Rate Schedule IS/SS and GSO Customers				to Sheet 2, line 2	\$450,545
	Line 8 * Line 9					

Columbia Gas of Kentucky, Inc.
Non-Appalachian Supply: Volume and Cost
 Mar 07 - May 07

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-07	26,000	\$824,000	\$31.69	0	26,000	\$824,000
2	Apr-07	1,614,000	\$10,566,000	\$6.55	(807,000)	807,000	\$5,283,000
3	May-07	1,735,000	\$11,531,000	\$6.65	(1,282,000)	453,000	\$3,010,688
4	Total 1+2+3	3,375,000	\$22,921,000	\$6.79	(2,089,000)	1,286,000	\$9,117,688

A/ Gross, before retention.

Columbia Gas of Kentucky, Inc.
Appalachian Supply: Volume and Cost
Mar 07 - May 07

Schedule No. 1
Sheet 6

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Dth</u> (2)	<u>Cost</u> (3)
1	Mar-07	56,000	\$359,000
2	Apr-07	38,000	\$247,000
3	May-07	31,000	\$203,000
4	Total 1 + 2 + 3	125,000	\$809,000

Columbia Gas of Kentucky, Inc.
Annualized Unit Charge for Gas Retained by Upstream Pipelines
 Mar 07 - May 07

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.

			Annual						
			Mar 07 - May 07	June - Aug 07	Sept - Nov 07	Dec 07 - Feb 08	Mar 2007 - Feb 2008		
	<u>Units</u>								
Gas purchased by CKY for the remaining sales customers									
1	Volume	Dth	3,500,000	4,633,000	2,478,000	1,504,000	12,115,000		
2	Commodity Cost Including Transportation		\$23,730,000	\$31,576,000	\$17,459,000	\$13,125,000	\$85,890,000		
3	Unit cost	\$/Dth					\$7.0896		
Consumption by the remaining sales customers									
11	At city gate	Dth	2,658,000	748,000	1,970,000	6,056,000	11,432,000		
12	Lost and unaccounted for portion		0.90%	0.90%	0.90%	0.90%			
At customer meters									
13	In Dth	(100% - 12) * 11	Dth	2,634,078	741,268	1,952,270	6,001,496	11,329,112	
14	Heat content		Dth/MCF	1.0584	1.0584	1.0584	1.0584		
15	In MCF	13 / 14	MCF	2,488,736	700,367	1,844,548	5,670,348	10,703,998	
16	Portion of annual	line 15, quarterly / annual		23.3%	6.5%	17.2%	53.0%	100.0%	
Gas retained by upstream pipelines									
21	Volume		Dth	171,000	200,000	124,000	173,000	668,000	
Cost									
22	Quarterly. Deduct from Sheet 1	3 * 21		To Sheet 1, line 9	\$1,212,314	\$1,417,912	\$879,105	\$1,226,494	\$4,735,825
23	Allocated to quarters by consumption				\$1,101,104	\$309,867	\$816,093	\$2,508,761	\$4,735,825
24	Annualized unit charge	23 / 15		To Sheet 1, line 17	\$0.4424	\$0.4424	\$0.4424	\$0.4424	\$0.4424

COLUMBIA GAS OF KENTUCKY, INC.

Schedule No. 1

Sheet 8

**DETERMINATION OF THE BANKING AND
BALANCING CHARGE
FOR THE PERIOD BEGINNING DECEMBER 2006**

<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 4	11,264,911		
2	Net Transportation Volume	11,753,240		
3	Contract Tolerance Level @ 5%	587,662		
4	Percent of Annual Storage Applicable to Transportation Customers		5.22%	
6	Seasonal Contract Quantity (SCQ)			
7	Rate		\$0.0288	
8	SCQ Charge - Annualized		<u>\$3,893,153</u>	
9	Amount Applicable To Transportation Customers			\$203,223
10	FSS Injection and Withdrawal Charge			
11	Rate		0.0306	
12	Total Cost		<u>\$344,706</u>	
13	Amount Applicable To Transportation Customers			\$17,994
14	SST Commodity Charge			
15	Rate		0.0157	
16	Total Cost		<u>\$145,894</u>	
17	Amount Applicable To Transportation Customers			<u>\$7,616</u>
18	Total Cost Applicable To Transportation Customers			<u>\$228,832</u>
19	Total Transportation Volume - Mcf			18,658,484
20	Flex and Special Contract Transportation Volume - Mcf			(7,553,760)
21	Net Transportation Volume - Mcf	line 19 + line 20		11,104,724
22	Banking and Balancing Rate - Mcf.	Line 18 / line 21. To line 11 of the GCA Comparison		<u>\$0.0206</u>

BALANCE ADJUSTMENT

COLUMBIA GAS OF KENTUCKY, INC.

**CALCULATION OF BALANCING ADJUSTMENT
TO BE EFFECTIVE MARCH 1, 2007**

<u>Line No.</u>	<u>Description</u>	<u>Detail</u> \$	<u>Amount</u> \$
1	<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND ADJUSTMENT (a)</u>		
2	Total adjustment to have been distributed to		
3	customers in Case No. 2005-00444	(\$766)	
4	Less: actual amount distributed	<u>(\$979)</u>	
5	REMAINING AMOUNT		\$213
6	<u>RECONCILIATION OF A PREVIOUS SAS REFUND ADJUSTMENT (a)</u>		
7	Total adjustment to have been distributed to		
8	customers in Case No. 2005-00318	(\$2,274)	
9	Less: actual amount distributed	<u>(\$938)</u>	
10	REMAINING AMOUNT		(\$1,336)
11	<u>RECONCILIATION OF A PREVIOUS BALANCING ADJUSTMENT (a)</u>		
12	Total adjustment to have been collected from		
12	customers in Case No. 2006-00062	(\$7,860)	
13	Less: actual amount collected	<u>(\$8,849)</u>	
14	REMAINING AMOUNT		\$989
15	<u>RECONCILIATION OF PREVIOUS ACTUAL COST ADJUSTMENT (a)</u>		
16	Total adjustment to have been collected from		
17	customers in Case No: 2005-00318	(\$11,567,394)	
18	Less: actual amount collected	<u>(\$6,693,882)</u>	
19	REMAINING AMOUNT		<u>(\$4,873,512)</u>
20	TOTAL BALANCING ADJUSTMENT AMOUNT		<u><u>(\$4,873,645)</u></u>
21	Divided by: projected sales volumes for the six months		
22	ended August 31, 2007		4,272,212 Mcf
23	BALANCING ADJUSTMENT (BA) TO		
24	EXPIRE AUGUST 31, 2007		<u><u>\$ (1.1408)</u></u>

Columbia Gas of Kentucky, Inc.
Supplier Refund Adjustment
Supporting Data

Case No. 2005-00444

Expires: November 30, 2006

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$766.16)
December 2005	1,513,507	(\$0.0001)	(\$151.35)	(\$614.81)
January 2006	1,867,283	(\$0.0001)	(\$186.73)	(\$428.08)
February 2006	1,538,461	(\$0.0001)	(\$153.85)	(\$274.23)
March 2006	1,422,086	(\$0.0001)	(\$142.21)	(\$132.02)
April 2006	900,150	(\$0.0001)	(\$90.02)	(\$42.00)
May 2006	418,455	(\$0.0001)	(\$41.85)	(\$0.15)
June 2006	241,714	(\$0.0001)	(\$24.17)	\$24.02
July 2006	187,752	(\$0.0001)	(\$18.78)	\$42.80
August 2006	169,594	(\$0.0001)	(\$16.96)	\$59.76
September 2006	199,642	(\$0.0001)	(\$19.96)	\$79.72
October 2006	373,387	(\$0.0001)	(\$37.34)	\$117.06
November 2006	958,530	(\$0.0001)	(\$95.85)	\$212.91
December 2006	16,081	(\$0.0001)	(\$1.61)	\$214.52
			(\$979.07)	

SUMMARY:

REFUND AMOUNT (\$766.16)

AMOUNT ACTUALLY REFUNDED (\$979.07)

TOTAL REMAINING TO BE
COLLECTED\$212.91

Columbia Gas of Kentucky, Inc.
SAS Refund Adjustment
Supporting Data

Case No. 2005-00318

Expires: August 31, 2006

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$2,274.10)
September 2005	184,443	(\$0.0001)	(\$18.44)	(\$2,255.66)
October 2005	238,197	(\$0.0001)	(\$23.82)	(\$2,231.84)
November 2005	681,321	(\$0.0001)	(\$68.13)	(\$2,163.71)
December 2005	1,522,244	(\$0.0001)	(\$152.22)	(\$2,011.49)
January 2006	1,867,283	(\$0.0001)	(\$186.73)	(\$1,824.76)
February 2006	1,538,461	(\$0.0001)	(\$153.85)	(\$1,670.91)
March 2006	1,422,086	(\$0.0001)	(\$142.21)	(\$1,528.70)
April 2006	900,150	(\$0.0001)	(\$90.02)	(\$1,438.68)
May 2006	418,455	(\$0.0001)	(\$41.85)	(\$1,396.83)
June 2006	241,714	(\$0.0001)	(\$24.17)	(\$1,372.66)
July 2006	187,752	(\$0.0001)	(\$18.78)	(\$1,353.88)
August 2006	169,594	(\$0.0001)	(\$16.96)	(\$1,336.92)
September 2006	9,067	(\$0.0001)	(\$0.91)	(\$1,336.01)
			(\$938.09)	

SUMMARY:

REFUND AMOUNT (\$2,274.10)

AMOUNT ACTUALLY REFUNDED (\$938.09)TOTAL REMAINING TO BE
REFUNDED (\$1,336.01)

Columbia Gas of Kentucky, Inc.
Balancing Adjustment
Supporting Data

Case No. 2006-00062

Expires: 9/30/06

	<u>Volume</u>	<u>Surcharge Rate</u>	<u>Surcharge Amount</u>	<u>Surcharge Balance</u>
Beginning Balance				(\$7,860.00)
March 2006	1,435,192	-\$0.0026	(\$3,731.50)	(\$4,128.50)
April 2006	919,924	-\$0.0026	(\$2,391.80)	(\$1,736.70)
May 2006	428,787	-\$0.0026	(\$1,114.85)	(\$621.85)
June 2006	247,784	-\$0.0026	(\$644.24)	\$22.39
July 2006	189,505	-\$0.0026	(\$492.71)	\$515.10
August 2006	173,351	-\$0.0026	(\$450.71)	\$965.81
September 2006	9,066	-\$0.0026	(\$23.57)	\$989.38
 TOTAL SURCHARGE COLLECTED			 (\$8,849.38)	

SUMMARY:

SURCHARGE AMOUNT	(\$7,860.00)
AMOUNT ACTUALLY COLLECTED	(\$8,849.38)
AMOUNT TO BE COLLECTED	<u>\$989.38</u>

**Columbia Gas of Kentucky, Inc.
Actual Cost Adjustment YR2005
Supporting Data**

Case No. 2005-00318

Expires: August 31, 2006

	Tariff			Choice			
	Volume	Surcharge Rate	Surcharge Amount	Volume	Surcharge Rate	Surcharge Amount	Surcharge Balance
September 2005	184,443	(\$0.7033)	(\$129,718.76)	2,646	(\$0.8559)	(\$2,264.71)	(\$11,567,394.00)
October 2005	238,197	(\$0.7033)	(\$167,523.95)	2,916	(\$0.8559)	(\$2,495.80)	(\$11,435,410.53)
November 2005	681,321	(\$0.7033)	(\$479,173.06)	5,556	(\$0.8559)	(\$4,755.38)	(\$11,265,390.78)
December 2005	1,522,244	(\$0.7033)	(\$1,070,594.21)	9,927	(\$0.8559)	(\$8,496.52)	(\$10,781,462.34)
January 2006	1,867,283	(\$0.7033)	(\$1,313,260.13)	10,140	(\$0.8559)	(\$8,678.83)	(\$9,702,371.61)
February 2006	1,538,461	(\$0.7033)	(\$1,081,999.62)	17,095	(\$0.8559)	(\$14,631.61)	(\$8,380,432.65)
March 2006	1,422,086	(\$0.7033)	(\$1,000,153.08)	22,652	(\$0.8559)	(\$19,387.85)	(\$7,283,801.42)
April 2006	900,150	(\$0.7033)	(\$633,075.50)	19,774	(\$0.8559)	(\$16,924.57)	(\$6,264,260.49)
May 2006	418,455	(\$0.7033)	(\$294,299.40)	10,332	(\$0.8559)	(\$8,843.16)	(\$5,614,260.42)
June 2006	241,714	(\$0.7033)	(\$169,997.46)	6,070	(\$0.8559)	(\$5,195.31)	(\$5,311,117.86)
July 2006	187,752	(\$0.7033)	(\$132,045.98)	1,753	(\$0.8559)	(\$1,500.39)	(\$5,135,925.09)
August 2006	169,594	(\$0.7033)	(\$119,275.46)	3,757	(\$0.8559)	(\$3,215.62)	(\$5,002,378.72)
September 2006	9,067	(\$0.7033)	(\$6,376.82)	(1)	(\$0.8559)	\$0.86	(\$4,879,887.64)
			(\$6,597,493.43)			(\$96,388.89)	(\$4,873,511.68)

SUMMARY:

SURCHARGE AMOUNT

(\$11,567,394.00)

AMOUNT ACTUALLY COLLECTED

(\$6,693,882.32)

TOTAL REMAINING TO BE COLLECTED

(\$4,873,511.68)

PIPELINE COMPANY TARIFF SHEETS

DETAIL SUPPORTING
DEMAND/COMMODITY SPLIT

PROPOSED TARIFF SHEETS

GAS COST INCENTIVE ADJUSTMENT

COLUMBIA GAS OF KENTUCKY, INC.

GAS COST INCENTIVE ADJUSTMENT

Line No.	<u>Description</u>	<u>Amount</u>
1	Amount to be recovered For period April - October 2006	\$72,790.90
2	Divided By: Projected Sales for the Twelve Months Ended February 28, 2008	14,283,000
3	Gas Cost Incentive Adjustment per Mcf Effective March 1, 2007 - February 28, 2008	\$ 0.0051

DETAIL SUPPORTING
DEMAND/COMMODITY SPLIT

COLUMBIA GAS OF KENTUCKY
CASE NO. 2007- Effective March 2007 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 19)	\$1.3663	
Demand ACA (Schedule No. 2, Sheet 1, Line 26)	0.0503	
Refund Adjustment (Schedule No. 4)	-0.0007	
SAS Refund Adjustment (Schedule No. 5)	<u>-0.0002</u>	
Total Demand Rate per Mcf	\$1.4157	<--- to Att. E, line 21

Commodity Component of Gas Cost Adjustment

Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 18)	\$8.0468
Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	-\$2.0264
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	-\$1.1408
Gas Cost Incentive Adjustment (Schedule No. 6)	<u>\$0.0281</u>
Total Commodity Rate per Mcf	\$4.9077

CHECK:	\$1.4157
	<u>\$4.9077</u>
COST OF GAS TO TARIFF CUSTOMERS (GCA)	\$6.3234

Calculation of Rate Schedule SVGTS - Actual Gas Cost Adjustment

Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	-\$2.0264
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	-\$1.1408
Gas Cost Incentive Adjustment (Schedule No. 6)	<u>\$0.0281</u>
Total Commodity Rate per Mcf	-\$3.1391

Columbia Gas of Kentucky, Inc.
CKY Choice Program
100% Load Factor Rate of Assigned FTS Capacity
Balancing Charge
Mar 07 - May 07

Line No.	Description	Contract Volume Dth Sheet 3 (1)	Retention (2)	Monthly demand charges \$/Dth Sheet 3 (3)	# months A/ (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

City gate capacity assigned to Choice marketers

Contract			
1	CKT FTS/SST	28,000	0.644%
2	TCO FTS	<u>20,014</u>	2.007%
3	Total	48,014	
Assignment Proportions			
4	CKT FTS/SST	1 / 3	58.32%
5	TCO FTS	2 / 3	41.68%

Annual demand cost of capacity assigned to choice marketers

6	CKT FTS		\$0.5090	12	0.5832	1.0000	\$3.5620	
7	TCO FTS		\$5.9410	12	0.4168	1.0000	\$29.7171	
8	Gulf FTS-1, upstream to CKT FTS		\$3.1450	12	0.5832	1.0065	\$22.1512	
9	TGP FTS-A, upstream to TCO FTS		\$4.6238	12	0.4168	1.0205	\$23.6021	
10	Total Demand Cost of Assigned FTS, per unit						\$79.0325	\$83.6479
11	100% Load Factor Rate (10 / 365 days)							\$0.2292

Balancing charge, paid by Choice marketers

12	Demand Cost Recovery Factor in GCA, per Mcf per CKY Tariff Sheet No. 5						\$1.4157	
13	Less credit for cost of assigned capacity						(\$0.2292)	
14	Plus storage commodity costs incurred by CKY for the Choice marketer						\$0.1199	
15	Balancing Charge, per Mcf sum(12:14)						\$1.3064	

PIPELINE COMPANY TARIFF SHEETS

Eightieth Revised Sheet No. 25
Superseding
Seventy-ninth Revised Sheet No. 25

Columbia Gas Transmission Corporation
FERC Gas Tariff
Second Revised Volume No. 1

Currently Effective Rates
Applicable to Rate Schedule FTS and KTS
Rate per Dth

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current	Electric Power Costs Adjustment Current	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
Rate Schedule FTS	5.575	0.354	0.029	0.000	5.941	0.195
Reservatation Charge 3/		-0.017				
Commodity	1.04	0.00	0.26	0.01	1.72	1.72
Maximum	1.04	0.00	0.26	0.01	1.72	1.72
Minimum	19.37	-0.06	0.36	0.01	21.25	21.25
Overrun						
Rate Schedule KTS	7.084	0.354	0.029	0.000	7.450	0.245
Reservatation Charge 1/		-0.017				
Commodity	1.04	0.00	0.26	0.01	1.72	1.72
Maximum	1.04	0.00	0.26	0.01	1.72	1.72
Minimum	24.33	-0.06	0.36	0.01	26.21	26.21
Overrun						

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. For rates by function, see Sheet No. 30A.
2/ XCA assessed where applicable pursuant to Section 154.002 of the Commission's Regulations.
3/ Minimum reservation charge is \$0.00.

Effective: October 1, 2006

Issued by: Thomas D. Stone, Manager
Issued on: August 31, 2006

Eightieth Revised Sheet No. 26
 Superseding
 Seventy-ninth Revised Sheet No. 26

Columbia Gas Transmission Corporation
 FERC Gas Tariff
 Second Revised Volume No. 1

Currently Effective Rates
 Applicable to Rate Schedule SST and GTS
 Rate Per Dth

Rate Schedule SST	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
Reservation Charge ^{3/}	\$ 5.405	0.354	0.029	0.000	5.771	0.190
Commodity						
Maximum	\$ 1.02	0.25	0.26	0.01	1.70	1.70
Minimum	\$ 1.02	0.25	0.26	0.01	1.70	1.70
Overrun	\$ 18.79	1.41	0.35	0.01	20.57	20.57
Commodity						
Maximum	\$ 74.23	2.58	0.45	0.01	77.32	77.32
Minimum	\$ 3.08	0.25	0.26	0.01	3.65	3.65
MECC	\$ 71.15	2.33	0.19	0.00	73.67	73.67

1/ Excludes Account BSS expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
 3/ Minimum reservation charge is \$0.00.

Effective: October 1, 2006

Issued by: Thomas D. Stone, Manager
 Issued on: August 31, 2006

Twenty-First Revised Sheet No. 29
 Currently Effective
 Revised Sheet No. 29
 Superseding Twentieth Revised Sheet No. 29

Columbia Gas Transmission Corporation
 FERC Gas Tariff
 Second Revised Volume No. 1

Currently Effective Rates
 Applicable to Rate Schedule FSS, ISS, and SIT
 Rate Per Dth

	Base Tariff Rate		Transportation Cost Rate Adjustment		Electric Power Costs Adjustment		Annual Charge Adjustment		Total Effective Rate	Daily Rate
	1/ 1/	2/ 2/	Current	Surcharge	Current	Surcharge	2/ 2/			
Rate Schedule FSS	\$ 1.500	-	-	-	-	-	-	-	1.500	0.049
Reservation Charge	\$ 2.88	-	-	-	-	-	-	-	2.88	2.88
Capacity	\$ 1.53	-	-	-	-	-	-	-	1.53	1.53
Injection	\$ 1.53	-	-	-	-	-	-	-	1.53	1.53
Withdrawal	\$ 10.87	-	-	-	-	-	-	-	10.87	10.87
Overrun										
Rate Schedule ISS										
Commodity	\$ 5.92	-	-	-	-	-	-	-	5.92	5.92
Maximum	\$ 0.00	-	-	-	-	-	-	-	0.00	0.00
Minimum	\$ 1.53	-	-	-	-	-	-	-	1.53	1.53
Injection	\$ 1.53	-	-	-	-	-	-	-	1.53	1.53
Withdrawal	\$ 1.53	-	-	-	-	-	-	-	1.53	1.53
Rate Schedule SIT										
Commodity	\$ 4.11	-	-	-	-	-	-	-	4.11	4.11
Maximum	\$ 1.53	-	-	-	-	-	-	-	1.53	1.53
Minimum										

1/ Excludes Account 852 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.

Effective: February 1, 2006

Issued by: Carl W. Levander, Vice President
 Issued on: December 30, 2005

Forty-first Revised Sheet No. 18
Superseding
Fortieth Revised Sheet No. 18

Columbia Gulf Transmission Company
FERC Gas Tariff
Second Revised Volume No. 1

Currently Effective Rates
Applicable to Rate Schedule FTS-1
Rates per 0th

	Base Rate (1)	Annual Charge Adjustment (2)	Subtotal (3)	Total Effective Rate (4)	Daily Rate (5)	Company Use and Unaccounted For (6)
	\$	\$	\$	\$	\$	\$
	1/					
Rate Schedule FTS-1	3.1450		3.1450	3.1450	0.1034	
Bayne, LA To Points North						
Reservation Charge 2/						
Commodity	0.0170	0.0016	0.0186	0.0186	0.0186	2.265
Maximum	0.0170	0.0016	0.0186	0.0186	0.0186	2.265
Minimum	0.1204	0.0016	0.1220	0.1220	0.1220	2.265
Overrun						

1/ Pursuant to Section 154.402 of the Commission's Regulations. Rate applies to all Gas Delivered and is non-cumulative, i.e., when transportation involves more than one zone, rate will be applied only one time.

2/ The Minimum Rate under Reservation Charge is zero (0).

Effective: October 1, 2006

Issued by: Thomas D. Stone, Manager
Issued on: August 31, 2006

Currently Effective Rates					
Applicable to Rate Schedules FTS and ITS					
Rate per Dth					
	Base	Annual	Total	Daily	
	Tariff Rate	Charge	Effective Rate	Rate	
		Adjustment			
Rate Schedule FTS					
Reservation Charge					
Maximum	\$ 0.509	-	0.509	0.0167	
Minimum	\$ 0.509	-	0.509	0.0167	
Commodity Charge					
Maximum	¢ 0.00	0.00	0.00	0.00	
Minimum	¢ 0.00	0.00	0.00	0.00	
Overrun	¢ 1.67	0.00	1.67	1.67	
Rate Schedule ITS					
Commodity Charge					
Maximum	¢ 1.67	0.00	1.67	1.67	
Minimum	¢ 1.67	0.00	1.67	1.67	
RETAINAGE PERCENTAGE					
Transportation Retainage		0.644%			

PROPOSED TARIFF SHEETS

CURRENTLY EFFECTIVE BILLING RATES

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment^{1/} Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$	
<u>RATE SCHEDULE GSR</u>					
First 1 Mcf or less per billing period	6.95	1.4157	4.9077	13.2734	R
Over 1 Mcf per billing period	1.8715	1.4157	4.9077	8.1949	R
<u>RATE SCHEDULE GSO</u>					
<u>Commercial or Industrial</u>					
First 1 Mcf or less per billing period	18.88	1.4157	4.9077	25.2034	R
Next 49 Mcf per billing period	1.8715	1.4157	4.9077	8.1949	R
Next 350 Mcf per billing period	1.8153	1.4157	4.9077	8.1387	R
Next 600 Mcf per billing period	1.7296	1.4157	4.9077	8.0530	R
Over 1000 Mcf per billing period	1.5802	1.4157	4.9077	7.9036	R
<u>Delivery Service</u>					
Administrative Charge	55.90			55.90	
<u>Standby Service Demand Charge</u>					
Demand Charge times Daily Firm Vol. (Mcf) in Cust. Serv. Agrmt.		6.5662		6.5662	I
<u>Delivery Rate Per Mcf</u>					
First 400 Mcf per billing period	1.8153			1.8153	
Next 600 Mcf per billing period	1.7296			1.7296	
All Over 1000 Mcf per billing period	1.5802			1.5802	
Former IN8 Rate Per Mcf	1.0575			1.0575	
Banking and Balancing Service		0.0206		0.0206	

(continued on following sheet)

^{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, IN6, or IUS and received service under Rate Schedule SVGTS shall be \$9.4131 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS

(I) Increase

DATE OF ISSUE: January 30, 2007

DATE EFFECTIVE: March 2007 Billing Cycle
(March 1, 2007)

ISSUED BY: Herbert A. Miller, Jr.

President

CURRENTLY EFFECTIVE BILLING RATES

(Continued)

	<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 GPR^{3/}</u>				
First 1 Mcf or less per billing period	6.95	N/A	N/A	N/A
Over 1 Mcf per billing period	1.8715	N/A	N/A	N/A
<u>RATE SCHEDULE GPO^{3/}</u>				
<u>Commercial or Industrial</u>				
First 1 Mcf or less per billing period	18.88	N/A	N/A	N/A
Next 49 Mcf per billing period	1.8715	N/A	N/A	N/A
Next 350 Mcf per billing period	1.8153	N/A	N/A	N/A
Next 600 Mcf per billing period	1.7296	N/A	N/A	N/A
Over 1000 Mcf per billing period	1.5802	N/A	N/A	N/A
<u>RATE SCHEDULE IS</u>				
<u>Customer Charge per billing period</u>	116.55			116.55
First 30,000 Mcf	0.5467		4.9077 ^{2/}	5.4544
Over 30,000 Mcf	0.2905		4.9077 ^{2/}	5.1982
<u>Standby Service Demand Charge</u>				
Demand Charge times Daily Firm Volume (Mcf) in Customer Service Agreement		6.5662		6.5662
<u>Delivery Service¹</u>				
Administrative Charge	55.90			55.90
First 30,000 Mcf	0.5467			
Over 30,000 Mcf	0.2905			0.2905
Banking and Balancing Service	0.0206			0.0206
(continued on following sheet)				
<p>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.</p> <p>2/ IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.</p> <p>3/ Currently, there are no customers on this rate schedule.</p>				
(I) – Increase				

R
R

DATE OF ISSUE: January 30, 2007

DATE EFFECTIVE: March 2007 Billing Cycle
(March 1, 2007)

ISSUED BY: Herbert A. Miller, Jr.

President

CURRENTLY EFFECTIVE BILLING RATES

(Continued)

	<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 IUS</u>					
For All Volumes Delivered Per Mcf	0.3038	1.4157	4.9077	6.6272	R
<u>Delivery Service</u>					
Administrative Charge	55.90			55.90	
Delivery Rate Per Mcf	0.3038	1.4157		1.7195	R
Banking and Balancing Service		0.0206		0.0206	
<u>MAINLINE DELIVERY SERVICE</u>					
Administrative Charge	55.90			55.90	
Delivery Rate Per Mcf	0.0858			0.0858	
Banking and Balancing Service		0.0206		0.0206	

^{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.

R – Reduction I- Increase

DATE OF ISSUE: January 30, 2007

DATE EFFECTIVE: March 2007 Billing Cycle
(March 1, 2007)

ISSUED BY: Herbert A. Miller, Jr.

President

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

CURRENTLY EFFECTIVE BILLING RATES**RATE SCHEDULE SVGTS****Delivery Charge per Mcf****General Service Residential**

First 1 Mcf or less per billing period	\$ 6.95 (Minimum Bill)
Over 1 Mcf per billing period	1.8715

General Service Other

First 1 Mcf or less per billing period	\$18.88 (Minimum Bill)
Next 49 Mcf per billing period	1.8715
Next 350 Mcf per billing period	1.8153
Next 600 Mcf per billing period	1.7296
Over 1000 Mcf per billing period	1.5802

Intrastate Utility Service

For all volumes per billing period	\$ 0.038
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Actual Gas Cost Adjustment

For all volumes per billing period	\$ (3.1391)
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Rate Schedule SVAS

Balancing Charge – per Mcf	\$ 1.3064
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R

R

DATE OF ISSUE: January 30, 2007

DATE EFFECTIVE: March 2007 Billing Cycle
(March 1, 2007)

ISSUED BY: Herbert A. Miller, Jr.

President