

Columbia Gas  
of Kentucky

A NiSource Company

2001 Mercer Road  
Lexington, KY 40511

January 30, 2009

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

RECEIVED

FEB 02 2009

PUBLIC SERVICE  
COMMISSION

Re: Columbia Gas of Kentucky, Inc.  
Gas Cost Adjustment Case No. 2009 -

2009 - 00036

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 \$3.1463 per Mcf effective with its March 2009 billing cycle on March 2, 2009. The decrease is composed of a decrease of \$4.2230 per Mcf in the Average Commodity Cost of Gas, an increase of \$0.0061 per Mcf in the Average Demand Cost of Gas, an increase of \$1.0395 per Mcf in the Balancing Adjustment, and an increase of \$0.0311 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

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF KENTUCKY

COLUMBIA GAS OF KENTUCKY, INC.

CASE 2009 -

GAS COST ADJUSTMENT AND REVISED RATES OF  
COLUMBIA GAS OF KENTUCKY, INC. PROPOSED TO BECOME  
EFFECTIVE MARCH 2009 BILLINGS

Columbia Gas of Kentucky, Inc.

Comparison of Current and Proposed GCAs

Line No.	December-08 <u>CURRENT</u>	March-09 <u>PROPOSED</u>	<u>DIFFERENCE</u>
1 Commodity Cost of Gas	\$11.0603	\$6.8373	(\$4.2230)
2 Demand Cost of Gas	\$1.3420	\$1.3481	\$0.0061
3 Total: Expected Gas Cost (EGC)	\$12.4023	\$8.1854	(\$4.2169)
4 SAS Refund Adjustment	(\$0.0002)	(\$0.0002)	\$0.0000
5 Balancing Adjustment	(\$0.5782)	\$0.4613	\$1.0395
6 Supplier Refund Adjustment	(\$0.0063)	(\$0.0063)	\$0.0000
7 Actual Cost Adjustment	\$1.4238	\$1.4238	\$0.0000
8 Gas Cost Incentive Adjustment	\$0.0273	\$0.0584	\$0.0311
9 Cost of Gas to Tariff Customers (GCA)	\$13.2687	\$10.1224	(\$3.1463)
10 Transportation TOP Refund Adjustment	\$0.0000	\$0.0000	\$0.0000
11 Banking and Balancing Service	\$0.0208	\$0.0208	\$0.0000
12 Rate Schedule FI and GSO			
13 Customer Demand Charge	\$6.5697	\$6.5672	(\$0.0025)

**Columbia Gas of Kentucky, Inc.**  
**Gas Cost Adjustment Clause**  
**Gas Cost Recovery Rate**  
Mar - May 09

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC)	Schedule No. 1	\$8.1854	
2	Actual Cost Adjustment (ACA)	Schedule No. 2	\$1.4238	8-31-09
3	SAS Refund Adjustment (RA)	Schedule No. 5	(\$0.0002)	8-31-09
4	Supplier Refund Adjustment (RA)	Schedule No. 4	(\$0.0053)	02-28-10
			(\$0.0010)	05-31-09
		Total Refunds	<u>(\$0.0063)</u>	
5	Balancing Adjustment (BA)	Schedule No. 3	\$0.4613	9-30-09
6	Gas Cost Incentive Adjustment	Schedule No. 6	\$0.0584	2-28-10
7	Gas Cost Adjustment			
8	Mar - May 09		<u>\$10.1224</u>	
9	Expected Demand Cost (EDC) per Mcf			
10	(Applicable to Rate Schedule IS/SS and GSO) Schedule No. 1, Sheet 4		<u>\$6.5672</u>	

DATE FILED: January 30, 2009

BY: J. M. Cooper

**Columbia Gas of Kentucky, Inc.**  
**Expected Gas Cost for Sales Customers**  
**Mar - May 09**

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		(1,510,000)		\$0.0153		\$23,103
2	Injection		2,097,000		\$0.0153		\$32,084
3	Withdrawals: gas cost includes pipeline fuel and commodity charges		1,504,000		\$7.0089		\$10,541,390
<b>Total</b>							
4	Volume	= 3	1,504,000				
5	Cost	sum(1:3)					\$10,596,578
6	Summary	4 or 5	1,504,000				\$10,596,578
<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 17							
7	Non-Appalachian	Sch.1, Sht. 5, Ln. 4	1,269,000				\$6,316,992
8	Appalachian Supplies	Sch.1, Sht. 6, Ln. 4	121,000				\$589,000
9	Less Fuel Retention By Interstate Pipelines	Sch. 1,Sheet 7, Lines 21, 22	(171,000)				(\$947,376)
10	Total	7 + 8 + 9	1,219,000				\$5,958,617
<b>Total Supply</b>							
11	At City-Gate	Line 6 + 10	2,723,000				\$16,555,194
Lost and Unaccounted For							
12	Factor			-0.9%			
13	Volume	Line 11 * 12		(24,507)			
14	At Customer Meter	Line 11 + 13	2,555,875	2,698,493			
15	Less: Right-of-Way Contract Volume			1,344			
16	<b>Sales Volume</b>	Line 14-15	2,554,531				
<b>Unit Costs \$/MCF</b>							
Commodity Cost							
17	Excluding Cost of Pipeline Retention	Line 11 / Line 16			\$6.4807		
18	Annualized Unit Cost of Retention	Sch. 1,Sheet 7, Line 24			\$0.3566		
19	Including Cost of Pipeline Retention	Line 17 + 18			\$6.8373		
20	Demand Cost	Sch.1, Sht. 2, Line 10			\$1.3481		
21	Total Expected Gas Cost (EGC)	Line 19 + 20			\$8.1854		

A/ BTU Factor = 1.0558 Dth/MCF

**Columbia Gas of Kentucky, Inc.**  
**GCA Unit Demand Cost**  
**Mar - May 09**

Schedule No. 1  
 Sheet 2

<u>Line No.</u>	<u>Description</u>	<u>Reference</u>	
1	Expected Demand Cost: Annual Mar 2009 - Feb 2010	Sch. No.1, Sheet 3, Ln. 41	\$20,070,523
2	Less Rate Schedule IS/SS and GSO Customer Demand Charge Recovery	Sch. No.1, Sheet 4, Ln. 10	-\$93,385
3	Less Storage Service Recovery from Delivery Service Customers		-\$129,718
4	Net Demand Cost Applicable 1 + 2 + 3		\$19,847,420
	Projected Annual Demand: Sales + Choice		
	At city-gate		
	In Dth		15,685,000 Dth
	Heat content		1.0558 Dth/MCF
5	In MCF		14,856,033 MCF
	Lost and Unaccounted - For		
6	Factor		0.9%
7	Volume	5 * 6	133,704 MCF
8	Right of way Volumes		<u>5,376</u>
9	At Customer Meter	5 - 7- 8	14,722,329 MCF
10	Unit Demand Cost (4/ 9)	To Sheet 1, line 19	\$1.3481 per MCF

**Columbia Gas of Kentucky, Inc.**  
**Annual Demand Cost of Interstate Pipeline Capacity**  
**Mar 2009 - Feb 2010**

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	\$1.5070	12	\$3,994,394
2	FSS Seasonal Contract Quantity (SCQ)	11,264,911	\$0.0290	12	\$3,920,189
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	\$5.9690	12	\$1,433,563
6	Subtotal	sum(1:5)			\$17,667,591
<b>Columbia Gulf Transmission Company</b>					
11	FTS - 1 (Mainline)	28,991	\$3.1450	12	\$1,094,120
<b>Tennessee Gas</b>					
21	Firm Transportation	20,506	\$4.6238	12	\$1,137,788
<b>Central Kentucky Transmission</b>					
31	Firm Transportation	28,000	\$0.5090	12	\$171,024
41	<b>Total.</b> Used on Sheet 2, line 1				\$20,070,523

**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**

Mar 2009 - Feb 2010

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)					\$20,070,523
	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			1.0558	Dth/MCF	
7	Total Capacity - Annualized		Line 5/ Line 6	3,056,192	Mcf	
	Monthly Unit Expected Demand Cost (EDC) of Daily Capacity					
8	Applicable to Rate Schedules IS/SS and GSO Line 1 / Line 7			\$6.5672	/Mcf	
9	Firm Volumes of IS/SS and GSO Customers	1,185	12	14,220	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	\$93,385



**Columbia Gas of Kentucky, Inc.**  
**Non-Appalachian Supply: Volume and Cost**  
**Mar - May 09**

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-09	0	\$720,000	\$0.00	0	0	\$0
2	Apr-09	1,627,000	\$8,056,000	\$4.95	(809,000)	818,000	\$4,050,281
3	May-09	1,733,000	\$8,710,000	\$5.03	(1,282,000)	451,000	\$2,266,711
4	Total 1+2+3	3,360,000	\$17,486,000	\$5.20	(2,091,000)	1,269,000	\$6,316,992

A/ Gross, before retention.

**Columbia Gas of Kentucky, Inc.**  
**Appalachian Supply: Volume and Cost**  
**Mar - May 09**

Schedule No. 1  
Sheet 6

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Dth</u> (2)	<u>Cost</u> (3)
1	Mar-09	57,000	\$274,000
2	Apr-09	37,000	\$183,000
3	May-09	27,000	\$132,000
4	Total    1 + 2 + 3	121,000	\$589,000

**Columbia Gas of Kentucky, Inc.**  
**Annualized Unit Charge for Gas Retained by Upstream Pipelines**  
 Mar - May 09

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.

		Units	Mar - May 09	June - Aug 09	Sept - Nov 09	Dec 09 - Feb 10	Annual Mar 2009 - Feb 2010	
Gas purchased by CKY for the remaining sales customers								
1	Volume	Dth	3,481,000	4,716,000	2,513,000	1,526,000	12,236,000	
2	Commodity Cost Including Transportation		\$18,075,000	\$24,599,000	\$13,965,000	\$11,151,000	\$67,790,000	
3	Unit cost	\$/Dth					\$5.5402	
Consumption by the remaining sales customers								
11	At city gate	Dth	2,723,000	748,000	2,107,000	6,439,000	12,017,000	
12	Lost and unaccounted for portion		0.90%	0.90%	0.90%	0.90%		
At customer meters								
13	In Dth	(100% - 12) * 11	Dth	2,698,493	741,268	2,088,037	6,381,049	11,908,847
14	Heat content		Dth/MCF	1.0558	1.0558	1.0558	1.0558	
15	In MCF	13 / 14	MCF	2,555,875	702,091	1,977,682	6,043,805	11,279,453
16	Portion of annual	line 15, quarterly / annual		22.7%	6.2%	17.5%	53.6%	100.0%
Gas retained by upstream pipelines								
21	Volume		Dth	171,000	199,000	141,000	215,000	726,000
Cost								
22	Quarterly. Deduct from Sheet 1	3 * 21		To Sheet 1, line 9				
23	Allocated to quarters by consumption			\$947,376	\$1,102,502	\$781,169	\$1,191,145	\$4,022,192
				\$911,411	\$250,362	\$705,231	\$2,155,188	\$4,022,192
24	Annualized unit charge	23 / 15		To Sheet 1, line 17				
			\$/MCF	\$0.3566	\$0.3566	\$0.3566	\$0.3566	\$0.3566

**COLUMBIA GAS OF KENTUCKY, INC.**

Schedule No. 1

Sheet 8

**DETERMINATION OF THE BANKING AND  
BALANCING CHARGE  
FOR THE PERIOD BEGINNING MARCH 2009**

<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	6,583,545		
3	Contract Tolerance Level @ 5%	329,177		
4	Percent of Annual Storage Applicable to Transportation Customers		2.92%	
6	Seasonal Contract Quantity (SCQ)			
7	Rate		\$0.0290	
8	SCQ Charge - Annualized		<u>\$3,920,189</u>	
9	Amount Applicable To Transportation Customers			<b>\$114,470</b>
10	FSS Injection and Withdrawal Charge			
11	Rate		0.0306	
12	Total Cost		<u>\$344,706</u>	
13	Amount Applicable To Transportation Customers			<b>\$10,065</b>
14	SST Commodity Charge			
15	Rate		0.0191	
16	Total Cost		<u>\$177,489</u>	
17	Amount Applicable To Transportation Customers			<b>\$5,183</b>
18	Total Cost Applicable To Transportation Customers			<b><u>\$129,718</u></b>
19	Total Transportation Volume - Mcf			18,658,484
20	Flex and Special Contract Transportation Volume - Mcf			(12,422,886)
21	Net Transportation Volume - Mcf	line 19 + line 20		6,235,598
22	Banking and Balancing Rate - Mcf.	Line 18 / line 21. To line 11 of the GCA Comparison		<b><u>\$0.0208</u></b>

Schedule 3  
BALANCING ADJUSTMENT

**COLUMBIA GAS OF KENTUCKY, INC.**

**CALCULATION OF BALANCING ADJUSTMENT  
TO BE EFFECTIVE MARCH 1, 2009**

<b><u>Line No.</u></b>	<b><u>Description</u></b>	<b><u>Detail</u></b> \$	<b><u>Amount</u></b> \$
1	<b><u>RECONCILIATION OF A PREVIOUS SAS REFUND ADJUSTMENT</u></b>		
2	Total adjustment to have been distributed to		
3	customers in Case No. 2007-00347	(\$2,490)	
4	Less: actual amount distributed	<u>(\$2,216)</u>	
5	REMAINING AMOUNT		<u>(\$274)</u>
6	<b><u>RECONCILIATION OF PREVIOUS ACTUAL COST ADJUSTMENT</u></b>		
7	Total adjustment to have been collected from		
8	customers in Case No. 2007-00347	\$7,744,143	
9	Less: actual amount collected	<u>\$6,242,052</u>	
10	REMAINING AMOUNT		<u>\$1,502,091</u>
11	<b>TOTAL BALANCING ADJUSTMENT AMOUNT</b>		<b><u><u>\$1,501,817</u></u></b>
12	Divided by: projected sales volumes for the six months		
13	ended August 31, 2009		3,255,278
14	<b>BALANCING ADJUSTMENT (BA) TO</b>		
15	<b>    EXPIRE AUGUST 31, 2009</b>		<b><u><u>\$ 0.4613</u></u></b>

Columbia Gas of Kentucky, Inc.  
Actual Cost Adjustment YR2007  
Supporting Data

Case No. 2007-00347

Expires: August 31, 2008

	Tariff		Choice		Surcharge Balance		
	Volume	Surcharge Rate	Surcharge Amount	Volume		Surcharge Rate	Surcharge Amount
September 2007	199,354	\$0.5382	\$107,292.32	3,268	\$0.8850	\$2,892.18	\$7,744,143.23
October 2007	250,441	\$0.5382	\$134,787.35	3,577	\$0.8850	\$3,165.65	\$7,633,958.73
November 2007	722,217	\$0.5382	\$388,697.19	11,456	\$0.8850	\$10,138.56	\$7,496,005.73
December 2007	1,450,075	\$0.5382	\$780,430.37	21,646	\$0.8850	\$19,156.71	\$7,097,169.98
January 2008	2,076,774	\$0.5382	\$1,117,719.77	28,730	\$0.8850	\$25,426.05	\$6,297,582.90
February 2008	2,184,195	\$0.5382	\$1,175,533.75	46,824	\$0.8850	\$41,439.24	\$5,154,437.08
March 2008	1,863,253	\$0.5382	\$1,002,802.76	32,398	\$0.8850	\$28,672.23	\$3,937,464.09
April 2008	1,103,116	\$0.5382	\$593,697.03	19,775	\$0.8850	\$17,500.88	\$2,905,989.10
May 2008	512,793	\$0.5382	\$275,985.19	7,664	\$0.8850	\$6,782.64	\$2,294,791.19
June 2008	294,076	\$0.5382	\$158,271.70	4,288	\$0.8850	\$3,794.88	\$2,012,023.36
July 2008	221,294	\$0.5382	\$119,100.43	3,370	\$0.8850	\$2,982.45	\$1,849,956.78
August 2008	207,090	\$0.5382	\$111,455.84	3,567	\$0.8850	\$3,156.80	\$1,727,873.90
September 2008	(363)	\$0.5382	(\$195.37)	487	\$0.8850	\$431.00	\$1,613,261.26
			\$5,965,578.33			\$165,539.27	\$1,613,025.63

SUMMARY:

Surcharge Amount	\$7,744,143.23
Less	
Amount Collected	\$6,131,117.60
Less	
Kentucky Natural Gas Closing	\$161,760.59
Add	
Adjustment for Under Recovery of Gas Costs 1/	<u>\$50,826.29</u>
Total to be Collected	<u><u>\$1,502,091.33</u></u>

1/ Unrecovered gas cost from rate schedules IN3, IN4, IN5, LG2, LG3, and LG4 for the twelve months ending June 2007

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

Case No. 2007-00347

Expires: August 31, 2008

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$2,490.45)
September 2007	199,354	(\$0.0002)	(\$39.87)	(\$2,450.58)
October 2007	250,441	(\$0.0002)	(\$50.09)	(\$2,400.49)
November 2007	722,217	(\$0.0002)	(\$144.44)	(\$2,256.05)
December 2007	1,450,075	(\$0.0002)	(\$290.02)	(\$1,966.03)
January 2008	2,076,774	(\$0.0002)	(\$415.35)	(\$1,550.68)
February 2008	2,181,928	(\$0.0002)	(\$436.39)	(\$1,114.29)
March 2008	1,863,253	(\$0.0002)	(\$372.65)	(\$741.64)
April 2008	1,103,116	(\$0.0002)	(\$220.62)	(\$521.02)
May 2008	512,793	(\$0.0002)	(\$102.56)	(\$418.46)
June 2008	294,076	(\$0.0002)	(\$58.82)	(\$359.64)
July 2008	221,294	(\$0.0002)	(\$44.26)	(\$315.38)
August 2008	207,090	(\$0.0002)	(\$41.42)	(\$273.96)
September 2008	(363)	(\$0.0002)	\$0.07	(\$274.03)
			(\$2,216.42)	

SUMMARY:

REFUND AMOUNT (\$2,490.45)

AMOUNT ACTUALLY REFUNDED (\$2,216.42)TOTAL REMAINING TO BE  
REFUNDED (\$274.03)



Schedule 4  
REFUND ADJUSTMENT

**COLUMBIA GAS OF KENTUCKY, INC.**

**SUPPLIER REFUND ADJUSTMENT**

<b><u>Line No.</u></b>	<b><u>Description</u></b>	<b><u>Amount</u></b>
1	Supplier Refunds from Columbia Gulf and Transmission (Dec. 2008)	\$76,312
2	To Be Passed Back to Customers	
3	Interest on Refund Balances	<u>\$1,226</u>
4	REFUND INCLUDING INTEREST	\$77,538
5	Divided By:	
6	Projected Sales for the Twelve Months Ended February 28, 2010	14,722,329
7	<b>SUPPLIER REFUND TO EXPIRE February 28, 2010</b>	<b><u>(\$0.0053)</u></b>

CKY RATE REFUND INTEREST CALCULATION  
SELECTED INTEREST RATES  
COMMERCIAL PAPER - 3-MONTH

December 16, 2008

<u>RATE</u>	<u>MONTH</u>	<u>DAYS</u>	x	<u>DAILY RATE</u>	x	<u>CGT</u>	=	<u>INTEREST</u>
3.25	JANUARY 2008	31		0.000044		259.88		0.35
2.72	FEBRUARY 2008	28		0.000044		259.88		0.32
2.35	MARCH 2008	31		0.000044		259.88		0.35
1.99	APRIL 2008	30		0.000044		259.88		0.34
2.00	MAY 2008	31		0.000044		259.88		0.35
2.21	JUNE 2008	30		0.000044		259.88		0.34
2.18	JULY 2008	31		0.000044		259.88		0.35
2.08	AUGUST 2008	31		0.000044		259.88		0.35
2.13	SEPTEMBER 2008	30		0.000044		259.88		0.34
2.07	OCTOBER 2008	31		0.000044		259.88		0.35
1.45	NOVEMBER 2008	30		0.000044		259.88		0.34
<u>0.97</u>	DECEMBER 2008	31		0.000044		259.88		0.35
25.40	TOTAL					TOTAL		4.13
0.000044	DAILY RATE							

CKY RATE REFUND INTEREST CALCULATION  
SELECTED INTEREST RATES  
COMMERCIAL PAPER - 3-MONTH

December 16, 2008

<u>RATE</u>	<u>MONTH</u>	<u>DAYS</u>	x	<u>DAILY RATE</u>	x	<u>TCO</u>	=	<u>INTEREST</u>
3.25	JANUARY 2008	31		0.000044		76,052.35		103.74
2.72	FEBRUARY 2008	28		0.000044		76,052.35		93.70
2.35	MARCH 2008	31		0.000044		76,052.35		103.74
1.99	APRIL 2008	30		0.000044		76,052.35		100.39
2.00	MAY 2008	31		0.000044		76,052.35		103.74
2.21	JUNE 2008	30		0.000044		76,052.35		100.39
2.18	JULY 2008	31		0.000044		76,052.35		103.74
2.08	AUGUST 2008	31		0.000044		76,052.35		103.74
2.13	SEPTEMBER 2008	30		0.000044		76,052.35		100.39
2.07	OCTOBER 2008	31		0.000044		76,052.35		103.74
1.45	NOVEMBER 2008	30		0.000044		76,052.35		100.39
<u>0.97</u>	DECEMBER 2008	31		0.000044		76,052.35		103.74
25.40	TOTAL					TOTAL		1,221.44
0.000044	DAILY RATE							

Schedule 6

GAS COST INCENTIVE ADJUSTMENT

**COLUMBIA GAS OF KENTUCKY, INC.**

**GAS COST INCENTIVE ADJUSTMENT**

<b>Line No.</b>	<b><u>Description</u></b>	<b><u>Amount</u></b>
1	Amount to be recovered For period April - October 2008	\$860,406
2	Divided By: Projected Sales for the Twelve Months Ended February 28, 2010	14,722,329
3	Gas Cost Incentive Adjustment per Mcf Effective March 1, 2009 - February 28, 2010	\$ 0.0584

PIPELINE COMPANY TARIFF SHEETS

Currently Effective Rates  
 Applicable to Rate Schedule FTS, NTS and NTS-S  
 Rate Per Dth

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment		Electric Power Costs Adjustment		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Current	Surcharge	Current	Surcharge			
<b>Rate Schedule FTS</b>								
Reservation Charge 3/	\$ 5.636	0.323	-0.015	0.027	-0.002	-	5.969	0.1962
Commodity								
Maximum	¢ 1.04	0.23	0.04	0.32	0.13	0.17	1.93	1.93
Minimum	¢ 1.04	0.23	0.04	0.32	0.13	0.17	1.93	1.93
Overrun	¢ 19.57	1.25	-0.01	0.41	0.12	0.17	21.55	21.55
<b>Rate Schedule NTS</b>								
Reservation Charge 3/4/	\$ 7.152	0.323	-0.015	0.027	-0.002	-	7.485	0.2460
Commodity								
Maximum	¢ 1.04	0.23	0.04	0.32	0.13	0.17	1.93	1.93
Minimum	¢ 1.04	0.23	0.04	0.32	0.13	0.17	1.93	1.93
Overrun	¢ 24.55	1.29	-0.01	0.41	0.12	0.17	26.53	26.53

- 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/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
- 3/ Minimum reservation charge is \$0.00.
- 4/ The rates shown above for Service under Rate Schedule NTS shall be applicable to Service under Rate Schedule NTS-S except that the maximum Reservation Fee shall be adjusted to reflect the applicable expedited period of gas flow (EPF) utilizing the following formula, rounded to 3 decimal places:  
 $NTS-S = NTS * (24/EPF)$  where:  
 NTS-S = NTS-S Reservation Fee  
 NTS = Applicable NTS Reservation Fee  
 24 = Number of Hours in a Gas Day  
 EPF = MDQ/MHQ

Issued by: Claire A. Burum, SVP Regulatory Affairs  
 Issued on: August 28, 2008

Effective on: October 1, 2008

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

Eighty-Seventh Revised Sheet No. 26  
 Superseding  
 Eighty-Sixth Revised Sheet No. 26

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

	Base Tariff Rate 1/	Transportation Cost Rate Adjustment		Electric Power Costs Adjustment		Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
		Current	Surcharge	Current	Surcharge			
<b>Rate Schedule SST</b>								
Reservation Charge 3/	\$ 5.466	0.323	-0.015	0.027	-0.002	-	5.799	0.1906
<b>Commodity</b>								
Maximum	¢ 1.02	0.23	0.04	0.32	0.13	0.17	1.91	1.91
Minimum	¢ 1.02	0.23	0.04	0.32	0.13	0.17	1.91	1.91
Overrun	¢ 18.99	1.29	-0.01	0.41	0.12	0.17	20.97	20.97
<b>Rate Schedule GTS</b>								
<b>Commodity</b>								
Maximum	¢ 75.10	2.35	-0.06	0.50	0.12	0.17	78.18	78.18
Minimum	¢ 3.08	0.23	-0.06	0.32	0.12	0.17	3.86	3.86
MFCC	¢ 72.02	2.12	0.00	0.18	0.00	-	74.32	74.32

1/ Excludes Account 850 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.

Issued by: Claire A. Burum, SVP Regulatory Affairs  
 Issued on: August 28, 2008

Effective on: October 1, 2008



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

First Rev Twenty-Second Rev Sheet No. 29  
 Superseding  
 Twenty-Second Revised Sheet No. 29

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 Current	Annual Charge Adjustment 2/	Total Effective Rate	Daily Rate
	1/	2/	Current	Surcharge				
<b>Rate Schedule FSS</b>								
Reservation Charge	\$	1.507	-	-	-	-	1.507	0.050
Capacity	¢	2.90	-	-	-	-	2.90	2.90
Injection	¢	1.53	-	-	-	-	1.53	1.53
Withdrawal	¢	1.53	-	-	-	-	1.53	1.53
Overrun	¢	10.91	-	-	-	-	10.91	10.91
<b>Rate Schedule ISS</b>								
Commodity								
Maximum	¢	5.95	-	-	-	-	5.95	5.95
Minimum	¢	0.00	-	-	-	-	0.00	0.00
Injection	¢	1.53	-	-	-	-	1.53	1.53
Withdrawal	¢	1.53	-	-	-	-	1.53	1.53
<b>Rate Schedule SIT</b>								
Commodity								
Maximum	¢	4.12	-	-	-	-	4.12	4.12
Minimum	¢	1.53	-	-	-	-	1.53	1.53

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/ ACR assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.

Issued by: Claire A. Burum, SVP Regulatory Affairs  
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Columbia Gulf Transmission Company  
 PERC Gas Tariff  
 Second Revised Volume No. 1

Forty-Sixth Revised Sheet No. 18  
 Superseding  
 Sub Forty-Fifth Revised Sheet No. 18

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

	Base Rate (1) \$	Annual Charge Adjustment (2) ¢ 1/	Subtotal (3) \$	Total Effective Rate (4) \$	Daily Rate (5) ¢	Unaccounted For (6) ¢	Company Use and Unaccounted For (7) ¢
Rate Schedule FTS-1							
Rayne, LA To Points North	3.1450	-	3.1450	3.1450	0.1034		-
Reservation Charge 2/							
Commodity							
Maximum	0.0170	0.0017	0.0187	0.0187	0.0187	0.365	2.795
Minimum	0.0170	0.0017	0.0187	0.0187	0.0187	0.365	2.795
Overrun	0.1204	0.0017	0.1221	0.1221	0.1221	0.365	2.795

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).

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Effective on: October 1, 2008

Issued:  
Effective:

28-Aug-08  
1-Oct-08

Central Kentucky Transmission  
Tariff Sheet Summary for  
Current Rates and Retainage Factors

Description.	Non-Gas Base Rate (1) \$	ACA (2) \$ 1/	Total Effective Rate (3) \$
Rate Schedule FTS Reservation Charge Maximum	\$ 0.509	-	0.509
Commodity Maximum	\$ 0.0000	0.0017	0.0017
Overrun	\$ 0.0167	0.0017	0.0184
Rate Schedule ITS Commodity Maximum	\$ 0.0167	0.0017	0.0184
Retainage Percentages Gas Reimbursement	0.641%		

DETAIL SUPPORTING  
DEMAND/COMMODITY SPLIT

**COLUMBIA GAS OF KENTUCKY**  
**CASE NO. 2009- Effective March 2009 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 20)	\$1.3481	
Demand ACA (Case No. 2008-00310)	-0.1073	
Refund Adjustment (Schedule 4)	-0.0063	
SAS Refund Adjustment (Case No. 2008-00310)	-0.0002	
Total Demand Rate per Mcf	<u>\$1.2343</u>	<--- to Att. E, line 21

Commodity Component of Gas Cost Adjustment

Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 19)	\$6.8373
Commodity ACA (Case No. 2008-00310)	\$1.5311
Balancing Adjustment (Schedule 3)	\$0.4613
Gas Cost Incentive Adjustment (Schedule 6)	<u>\$0.0584</u>
Total Commodity Rate per Mcf	<u>\$8.8881</u>

CHECK:	\$1.2343
	<u>\$8.8881</u>
COST OF GAS TO TARIFF CUSTOMERS (GCA)	\$10.1224

Calculation of Rate Schedule SVGTS - Actual Gas Cost Adjustment

Commodity ACA (Case No. 2008-00310)	\$1.5311
Balancing Adjustment (Schedule 3)	\$0.4613
Gas Cost Incentive Adjustment (Schedule 6)	<u>\$0.0584</u>
Total Commodity Rate per Mcf	<u>\$2.0508</u>

**Columbia Gas of Kentucky, Inc.**  
**CKY Choice Program**  
**100% Load Factor Rate of Assigned FTS Capacity**  
**Balancing Charge**  
**Mar - May 09**

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	\$/MCF
								(7) =	3 * 4 * 5 * 6
<b>City gate capacity assigned to Choice marketers</b>									
1	Contract								
2	CKT FTS/SST	28,000	0.641%						
3	TCO FTS	<u>20,014</u>	2.154%						
4	Total	48,014							
5									
6	Assignment Proportions								
7	CKT FTS/SST	1 / 3	58.32%						
8	TCO FTS	2 / 3	41.68%						
9									
10									
<b>Annual demand cost of capacity assigned to choice marketers</b>									
11	CKT FTS			\$0.5090	12	0.5832	1.0000	\$3.5620	
12	TCO FTS			\$5.9690	12	0.4168	1.0000	\$29.8572	
13	Gulf FTS-1, upstream to CKT FTS			\$3.1450	12	0.5832	1.0065	\$22.1506	
14	TGP FTS-A, upstream to TCO FTS			\$4.6238	12	0.4168	1.0220	\$23.6376	
15									
16	Total Demand Cost of Assigned FTS, per unit							\$79.2073	\$83.6271
17									
18	100% Load Factor Rate (10 / 365 days)								\$0.2291
19									
20									
<b>Balancing charge, paid by Choice marketers</b>									
21	Demand Cost Recovery Factor in GCA, per Mcf per CKY Tariff Sheet No. 5							\$1.2343	
22	Less credit for cost of assigned capacity							(\$0.2291)	
23	Plus storage commodity costs incurred by CKY for the Choice marketer							\$0.1305	
24									
25	Balancing Charge, per Mcf	sum(12:14)						\$1.1357	

PROPOSED TARIFF SHEETS

**COLUMBIA GAS OF KENTUCKY, INC.**

**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	9.30			9.30	
Delivery Charge per Mcf	1.8715	1.2343	8.8881	11.9939	R
<b><u>RATE SCHEDULE GSO</u></b>					
<b><u>Commercial or Industrial</u></b>					
Customer Charge per billing period	23.96			23.96	
Delivery Charge per Mcf -					
First 50 Mcf or less per billing period	1.8715	1.2343	8.8881	11.9939	R
Next 350 Mcf per billing period	1.8153	1.2343	8.8881	11.9377	R
Next 600 Mcf per billing period	1.7296	1.2343	8.8881	11.8520	R
Over 1,000 Mcf per billing period	1.5802	1.2343	8.8881	11.7026	R
<b><u>RATE SCHEDULE IS</u></b>					
Customer Charge per billing period	547.37			547.37	
Delivery Charge per Mcf					
First 30,000 Mcf per billing period	0.5467		8.8881 <sup>2/</sup>	9.4348	R
Over 30,000 Mcf per billing period	0.2905		8.8881 <sup>2/</sup>	9.1786	R
Firm Service Demand Charge					
Demand Charge times Daily Firm					
Volume (Mcf) in Customer Service Agreement		6.5672		6.5672	R
<b><u>RATE SCHEDULE IUS</u></b>					
Customer Charge per billing period	255.00			255.00	
Delivery Charge per Mcf					
For All Volumes Delivered	0.5905	1.2343	8.8881	10.7129	R
<p><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. 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 \$8.1854 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS</p> <p><sup>2/</sup> IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.</p>					
R – Reduction      I - Increase					

DATE OF ISSUE: January 30, 2009

DATE EFFECTIVE: March 2, 2009  
 March 2009 Billing

ISSUED BY: Herbert A. Miller, Jr.

President



COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

**CURRENTLY EFFECTIVE BILLING RATES**

(Continued)

<u>TRANSPORTATION SERVICE</u>	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup></u> <u>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		6.5672		6.5672
Standby Service Commodity Charge per Mcf			8.8881	8.8881
<b><u>RATE SCHEDULE DS</u></b>				
Administrative Charge per account per billing period				55.90
Customer Charge per billing period <sup>2/</sup>				547.37
Customer Charge per billing period (GDS only)				23.96
Customer Charge per billing period (IUDS only)				255.00
<u>Delivery Charge per Mcf<sup>2/</sup></u>				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
- Grandfathered Delivery Service				
First 50 Mcf or less per billing period				1.8715
Next 350 Mcf per billing period				1.8153
Next 600 Mcf per billing period				1.7296
All Over 1,000 Mcf per billing period				1.5802
- Intrastate Utility Delivery Service				
All Volumes per billing period				0.5905
Banking and Balancing Service				
Rate per Mcf		0.0208		0.0208
<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		0.0208		0.0208

R  
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.  
 2/ Applicable to all Rate Schedule DS customers except those served under Grandfathered Delivery Service or Intrastate Utility Delivery Service.

R - Reduction    I - Increase

DATE OF ISSUE: January 30, 2009

DATE EFFECTIVE: March 2, 2009  
 March 2009 Billing Cycle  
 President

ISSUED BY: Herbert A. Miller, Jr.

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

**CURRENTLY EFFECTIVE BILLING RATES**

**RATE SCHEDULE SVGTS**

**Billing Rate**  
**\$**

General Service Residential

Customer Charge per billing period	9.30
Delivery Charge per Mcf	1.8715

General Service Other - Commercial or Industrial

Customer Charge per billing period	23.96
Delivery Charge per Mcf -	
First 50 Mcf or less per billing period	1.8715
Next 350 Mcf per billing period	1.8153
Next 600 Mcf per billing period	1.7296
Over 1,000 Mcf per billing period	1.5802

Intrastate Utility Service

Customer Charge per billing period	255.00
Delivery Charge per Mcf	\$ 0.5905

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

For all volumes per billing period per Mcf	\$ 2.0508
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Rate Schedule SVAS

Balancing Charge – per Mcf	\$ 1.1357
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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 or IUS for only those months of the prior twelve months during which they were served under Rate Schedule GS or IUS.

R – Reduction      I - Increase

DATE OF ISSUE: January 30, 2009

DATE EFFECTIVE: March 2, 2009  
 March 2009 Billing Cycle  
 President

ISSUED BY: Herbert A. Miller, Jr.