

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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MAY 01 2009

**PUBLIC SERVICE  
COMMISSION**

IN THE MATTER OF AN ADJUSTMENT )  
OF GAS RATES OF COLUMBIA GAS )  
OF KENTUCKY, INC. )

CASE NO. 2009-00141

VOLUME 3

FILING REQUIREMENTS

**Columbia Gas of Kentucky**  
**Case No. 2009-00141**  
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**Volume 3**

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37	6-s	3	Nisource Form 10Ks and 10Qs for 2007 & 2008	James F. Racher



**Columbia Gas of Kentucky**  
**CASE NO. 2009-00141**  
**Historical Test Period Filing Requirements**  
**Filing Requirement #6-r**

**Description of Filing Requirement:**

The monthly management reports providing financial results of operations for the twelve (12) months in the test period.

**Response:**

Please refer to the attached reports.

**Responsible Witness:**

James F. Racher

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT JANUARY 31, 2008

TITLE OF ACCOUNT	JANUARY CURRENT YEAR =====	JANUARY PRIOR YEAR =====	INCREASE OR DECREASE =====
1 UTILITY PLANT			
2 UTILITY PLANT (101-106,114)	260,592,738	254,406,189	6,186,549
3 CONSTRUCTION WORK IN PROGRESS (107)	<u>2,584,987</u>	<u>1,778,499</u>	<u>806,488</u>
4 TOTAL UTILITY PLANT (LINES 2 AND 3)	263,177,725	256,184,688	6,993,037
5 (LESS) ACCUM PROV FOR DEPR, AMORT, DEPL (108,111,115)	<u>(115,804,454)</u>	<u>(113,156,774)</u>	<u>(2,647,680)</u>
6 NET UTILITY PLANT, LESS NUCLEAR FUEL (LINE 4 LESS 5)	<u>147,373,271</u>	<u>143,027,914</u>	<u>4,345,357</u>
7 NUCLEAR FUEL (120.0-120.4,120.6)	-	-	-
8 (LESS) ACCUM PROV FOR AMORT OF NUC FUEL ASSEMB. (120.5)	-	-	-
9 NET NUCLEAR FUEL (LINE 7 LESS 8)	-	-	-
10 NET UTILITY PLANT (LINES 6 AND 9)	<u>147,373,271</u>	<u>143,027,914</u>	<u>4,345,357</u>
11 UTILITY PLANT ADJUSTMENTS (116)	-	-	-
12 GAS STORED UNDERGROUND (117)	-	-	-
13 OTHER PROPERTY AND INVESTMENTS			
14 NONUTILITY PROPERTY (121)	-	-	-
15 (LESS) ACCUM PROV FOR DEPR AND AMORT (122)	-	-	-
16 INVESTMENTS IN ASSOCIATED COMPANIES (123)	-	-	-
17 INVESTMENTS IN SUBSIDIARY COMPANIES (123.1)	240,188	193,246	46,942
18 (FOR COST OF ACCT 123.1, SEE FOOTNOTE PAGE 224, LINE 42)	-	-	-
19 NONCURRENT PORTION OF ALLOWANCES	-	-	-
20 OTHER INVESTMENTS (124)	-	-	-
21 SPECIAL FUNDS (125-128)	-	-	-
22 TOTAL OTHER PROPERTY AND INVEST (LINES 14 -17, 19-21)	<u>240,188</u>	<u>193,246</u>	<u>46,942</u>
23 CURRENT AND ACCRUED ASSETS			
24 CASH (131)	1,017,633	285,529	732,104
25 SPECIAL DEPOSITS (132-134)	-	-	-
26 WORKING FUNDS (135)	8	8	-
27 TEMPORARY CASH INVESTMENTS (136)	415,373	1,406,369	(990,996)
28 NOTES RECEIVABLE (141)	22	22	-
29 CUSTOMER ACCOUNTS RECEIVABLE (142)	17,361,177	11,117,942	6,243,235
30 OTHER ACCOUNTS RECEIVABLE (143)	8,901,016	9,197,963	(296,947)
31 (LESS) ACCUM PROV FOR UNCOLLECT ACCT - CREDIT (144)	<u>(500,450)</u>	<u>(649,135)</u>	<u>148,685</u>
32 NOTES REC FROM ASSOCIATED COMPANIES (145)	-	-	-
33 ACCOUNTS REC FROM ASSOC COMPANIES (146)	18,558,818	28,349,090	(9,790,272)
34 FUEL STOCK (151)	22	22	-
35 FUEL STOCK EXPENSE UNDISTRIBUTED (152)	-	-	-
36 RESIDUALS (ELEC) AND EXTRACTED PROD (GAS) (153)	-	-	-
37 PLANT MATERIALS AND OPERATING SUPPLIES (154)	63,509	40,425	23,084
38 MERCHANDISE (155)	-	-	-
39 OTHER MATERIALS AND SUPPLIES (156)	-	-	-
40 NUCLEAR MATERIALS HELD FOR SALE (157)	-	-	-
41 ALLOWANCES (158.1 AND 158.2)	-	-	-
42 NONCURRENT PORTION OF ALLOWANCES	-	-	-
43 STORES EXPENSE UNDISTRIBUTED (163)	<u>(30)</u>	<u>(30)</u>	<u>-</u>
44 GAS STORED UNDERGROUND-CURRENT (164.1)	19,073,031	26,509,524	(7,436,493)
45 LIQUEFIED NATURAL GAS HELD FOR PROCESSING (164.2-164.3)	2	2	-

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT JANUARY 31, 2008

TITLE OF ACCOUNT	JANUARY CURRENT YEAR =====	JANUARY PRIOR YEAR =====	INCREASE OR DECREASE =====
46 PREPAYMENTS (165)	467,214	476,034	(8,820)
47 ADVANCES FOR GAS (166-167)	-	-	-
48 INTEREST AND DIVIDENDS RECEIVABLE (171)	1,326	1,564	(238)
49 RENTS RECEIVABLE (172)	-	-	-
50 ACCRUED UTILITY REVENUES (173)	16,247,480	14,359,934	1,887,546
51 MISCELLANEOUS CURRENT AND ACCRUED ASSETS (174)	<u>1,979,371</u>	<u>2,118,004</u>	<u>(138,633)</u>
52 TOTAL CURRENT AND ACCRUED ASSETS (LINES 24 THRU 51)	<u>83,585,522</u>	<u>93,213,267</u>	<u>(9,627,745)</u>
53 DEFERRED DEBITS			
54 UNAMORTIZED DEBT EXPENSE (181)	-	-	-
55 EXTRAORDINARY PROPERTY LOSSES (182.1)	-	-	-
56 UNRECOVERED PLANT AND REG STUDY COSTS (182.2)	-	-	-
57 OTHER REGULATORY ASSETS (182.3)	4,826,214	2,465,228	2,360,986
58 PRELIM SURVEY AND INVEST CHRGS - ELECTRIC (183)	-	-	-
59 PRELIM SURVEY AND INVEST CHRGS - GAS (183.1, 183.2)	278,450	297,935	(19,485)
60 CLEARING ACCOUNTS (184)	38,645	22,501	16,144
61 TEMPORARY FACILITIES (185)	-	-	-
62 MISCELLANEOUS DEFERRED DEBITS (186)	1,855,948	2,379,135	(523,187)
63 DEF LOSSES FROM DISPOS OF UTILITY PLANT (187)	-	-	-
64 RESEARCH, DEVEL AND DEMONSTR EXP (188)	20	20	-
65 UNAMORTIZED LOSS ON REACQUIRED DEBT (189)	-	-	-
66 ACCUMULATED DEFERRED INCOME TAXES (190)	6,557,590	7,019,522	(461,932)
67 UNRECOVERED PURCHASED GAS COSTS (191)	7,340,668	(10,968,068)	18,308,736
68 OTHER SPECIAL FUNDS	<u>2,947,218</u>	<u>-</u>	<u>2,947,218</u>
69 TOTAL DEFERRED DEBITS (LINES 54 THRU 68)	<u>23,844,753</u>	<u>1,216,273</u>	<u>22,628,480</u>
70 TOTAL ASSETS AND OTHER DEBITS (ENTER TOTAL OF LINES 10, 11, 12, 22, 52, AND 69)	<u>255,043,734</u> =====	<u>237,650,700</u> =====	<u>17,393,034</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT JANUARY 31, 2008

	JANUARY CURRENT YEAR =====	JANUARY PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
PROPRIETARY CAPITAL			
1			
2	23,806,202	23,806,202	-
3	-	-	-
4	-	-	-
5	-	-	-
6	5,182,741	4,833,887	348,854
7	-	-	-
8	-	-	-
9	-	-	-
10	-	-	-
11	1	(2,277,862)	2,277,863
12	76,008,931	64,092,412	11,916,519
13	-	-	-
14	-	-	-
15	<u>104,997,875</u>	<u>90,454,639</u>	<u>14,543,236</u>
LONG-TERM DEBT			
16			
17	-	-	-
18	-	-	-
19	58,055,011	58,055,011	-
20	-	-	-
21	-	-	-
22	-	-	-
23	<u>58,055,011</u>	<u>58,055,011</u>	<u>-</u>
OTHER NONCURRENT LIABILITIES			
24			
25	85	86	(1)
26	-	-	-
27	5,821,718	146,873	5,674,845
28	-	-	-
29	-	-	-
30	-	-	-
31	<u>5,821,803</u>	<u>146,959</u>	<u>5,674,844</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT JANUARY 31, 2008

TITLE OF ACCOUNT	JANUARY CURRENT YEAR =====	JANUARY PRIOR YEAR =====	INCREASE OR DECREASE =====
32 CURRENT AND ACCRUED LIABILITIES			
33 NOTES PAYABLE (231)	-	-	-
34 ACCOUNTS PAYABLE (232)	13,439,552	13,496,513	(56,961)
35 NOTES PAYABLE TO ASSOC COMPANIES (233)	4	4	-
36 ACCOUNTS PAYABLE TO ASSOC COMPANIES (234)	3,927,268	5,158,145	(1,230,877)
37 CUSTOMER DEPOSITS (235)	3,266,188	3,350,526	(84,338)
38 TAXES ACCRUED (236)	3,529,252	5,851,041	(2,321,789)
39 INTEREST ACCRUED (237)	51,365	38,765	12,600
40 DIVIDENDS DECLARED (238)	4	4	-
41 MATURED LONG-TERM DEBT (239)	-	-	-
42 MATURED INTEREST (240)	-	-	-
43 TAX COLLECTIONS PAYABLE (241)	2,287,853	1,672,651	615,202
44 MISC CURRENT AND ACCRUED LIAB (242)	24,398,013	23,952,957	445,056
45 OBLIG UNDER CAP LEASES - CURRENT (243)	(54)	17,282	(17,336)
46 DERIVATIVE INSTRU-LIAB- CURRENT (245)	<u>364,978</u>	<u>434,963</u>	<u>(69,985)</u>
47 TOTAL CURRENT AND ACCRUED LIAB (L32 THRU L44)	<u>51,264,423</u>	<u>53,972,851</u>	<u>(2,708,428)</u>
48 DEFERRED CREDITS			
49 CUSTOMER ADVANCES FOR CONSTRUCTION (252)	1,531,614	1,080,123	451,491
50 ACCUM DEFERRED INVEST TAX CREDITS (255)	846,972	934,069	(87,097)
51 DEF GAINS FROM DISPOS OF UTILITY PLANT (256)	-	-	-
52 OTHER DEFERRED CREDITS (253)	2,222,899	9,467,117	(7,244,218)
53 OTHER REGULATORY LIABILITIES (254)	4,136,423	2,717,825	1,418,598
54 UNAMORT GAIN ON REACQUIRED DEBT (257)	-	-	-
55 ACCUMULATED DEFERRED INCOME TAXES(281-283)	<u>26,166,714</u>	<u>20,822,106</u>	<u>5,344,608</u>
56 TOTAL DEFERRED CREDITS (LINES 47 THRU 52)	<u>34,904,622</u>	<u>35,021,240</u>	<u>(116,618)</u>
57 TOTAL LIAB AND OTHER CREDITS (L14,22,30,45,54)	<u>255,043,734</u>	<u>237,650,700</u>	<u>17,393,034</u>

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT JANUARY 31, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
1 UTILITY OPERATING INCOME				
2 OPERATING REVENUES (400)	36,026,252	8,002,413	168,753,193	10,470,769
3 OPERATING EXPENSES:				
4 OPERATING EXPENSES (401)	30,228,177	7,035,913	140,258,285	4,105,838
5 MAINTENANCE EXPENSES (402)	260,900	57,273	2,523,738	105,191
6 DEPRECIATION EXPENSE (403)	422,842	10,799	5,002,712	149,085
7 AMORT AND DEPL OF UTIL PLANT (404-405)	28,422	(6,110)	418,473	(71,900)
8 AMORT OF UTIL PLANT ACQ ADJ (406)	-	-	-	-
9 AMORT OF PROPERTY LOSSES, UNRECOVERED PLANT AND REGULATORY STUDY COSTS (407)	-	-	-	-
10 AMORT OF CONVERSION EXPENSES (407)	-	-	-	-
11 REGULATORY DEBITS (407.3)	-	-	-	-
12 (LESS) REGULATORY CREDITS (407.4)	-	-	-	-
13 TAXES OTHER THAN INCOME TAXES (408.1)	213,370	(18,653)	2,344,801	49,528
14 INCOME TAXES - FEDERAL (409.1)	1,095,481	253,788	1,150,225	(5,663,803)
15 - OTHER (409.1)	195,060	93,691	(301,563)	(511,986)
16 PROV FOR DEFERRED INC TAXES (410.1)	560,638	76,398	6,766,534	808,999
17 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.1)	(71,578)	(41,142)	(2,144,895)	7,494,265
18 INVESTMENT TAX CREDIT ADJ - NET (411.4)	(7,224)	83	(87,104)	602
19 (LESS) GAINS FROM DISP. OF UTILITY PLANT (411.6)	-	-	-	-
20 LOSSES FROM DISPOS OF UTIL PLANT (411.7)	-	-	-	-
21 (LESS) GAINS FROM DISPOSITION OF ALLOWANCES (411.8)	-	-	-	-
22 LOSSES FROM DISPOSITION OF ALLOWANCES (411.9)	-	-	-	-
23 TOTAL UTILITY OPERATING EXPENSES	32,926,088	7,462,040	155,931,206	6,465,819
24 NET UTILITY OPERATING INCOME	3,100,164	540,373	12,821,987	4,004,950
26 OTHER INCOME AND DEDUCTIONS				
27 OTHER INCOME:				
28 NONUTILITY OPERATING INCOME				
29 REVENUES FROM MERCHANDISING, JOBBING AND CONTRACT WORK (415)	-	-	-	-
30 (LESS) COSTS AND EXP. OF MERCHANDISING, JOB & CONTRACT WORK (416)	-	-	-	-
31 REVENUES FROM NONUTILITY OPERATIONS (417)	130,793	(27,148)	819,716	(158,009)
32 (LESS) EXPENSES OF NONUTILITY OPERATIONS (417.1)	-	-	-	-
33 NONOPERATING RENTAL INCOME (418)	(4,061)	(297)	(46,647)	(18,398)
34 EQUITY IN EARNINGS OF SUBSID COS (418.1)	-	-	-	-
35 INTEREST AND DIVIDEND INCOME (419)	55,795	(70,801)	1,569,389	777,375
36 ALLOW FOR OTHER FUNDS USED DURING CONSTR (419.1)	-	-	-	-
37 MISCELLANEOUS NONOPERATING INCOME (421)	335,970	(29,925)	2,147,906	(271,877)
38 GAIN ON DISPOSITION OF PROPERTY (421.1)	-	-	95,186	87,859
39 TOTAL OTHER INCOME (CENTER TOTAL OF LINES 29 THRU 38)	526,619	(127,577)	4,678,844	453,746
40 OTHER INCOME DEDUCTIONS:				
41 LOSS ON DISPOSITION OF PROPERTY (421.2)	-	-	-	(602)
42 MISCELLANEOUS AMORTIZATION (425)	-	-	-	-
43 MISC INCOME DEDUCTIONS (426.1-426.5)	11,185	(5,682)	375,509	53,164
44 TOTAL OTHER INCOME DEDUCTIONS (TOTAL OF LINES 41 THRU 43)	11,185	(5,682)	375,509	52,562

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT JANUARY 31, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
45 TAXES APPLIC TO OTHER INCOME AND DEDUCTIONS:	-	-	-	-
46 TAXES OTHER THAN INCOME TAXES (408.2)	-	-	-	-
47 INCOME TAXES - FEDERAL (409.2)	200,350	(47,590)	1,704,340	643,261
48 - OTHER (409.2)	-	-	-	-
49 PROVISION FOR DEFERRED INC TAXES (410.2)	-	-	-	(476,872)
50 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.2)	-	-	49,962	49,962
51 INVESTMENT TAX CREDIT ADJ - NET (411.5)	-	-	-	-
52 INVESTMENT TAX CREDITS (420)	-	-	-	-
53 TOTAL TAXES ON OTHER INCOME AND DED. (TOTAL OF 46 THRU 52)	<u>200,350</u>	<u>(47,590)</u>	<u>1,654,378</u>	<u>116,427</u>
54 NET OTHER INCOME AND DEDUCTIONS (ENTER TOTAL OF LINES 39, 44, 53)	<u>315,084</u>	<u>(74,305)</u>	<u>2,648,957</u>	<u>284,757</u>
55 INTEREST CHARGES	-	-	-	-
56 INTEREST ON LONG-TERM DEBT (427)	-	-	-	-
57 AMORT OF DEBT DISC AND EXP (428)	-	-	-	-
58 AMORT OF LOSS ON REACQUIRED DEBT (428.1)	-	-	-	-
59 (LESS) AMORT. OF PREMIUM ON DEBT-CREDIT (429)	-	-	-	-
60 (LESS) AMORT. OF GAIN ON REACQ. DEBT-CR. (429.1)	-	-	-	-
61 INTEREST ON DEBT TO ASSOC. CO. (430)	278,850	(1)	3,288,993	689,853
62 OTHER INTEREST EXPENSE (431)	14,051	(2,216)	209,161	(134,290)
63 (LESS) ALLOW. FOR BORROWED FUNDS USED DURING CONST.-CR (432)	<u>(4,814)</u>	<u>3,486</u>	<u>(59,414)</u>	<u>198,507</u>
64 NET INTEREST CHARGES (ENTER TOTAL OF LINES 25, 54, 64)	<u>288,087</u>	<u>1,269</u>	<u>3,438,740</u>	<u>754,070</u>
65 INCOME BEFORE EXTRAORDINARY ITEMS	<u>3,127,161</u>	<u>464,799</u>	<u>12,032,204</u>	<u>3,535,637</u>
66 EXTRAORDINARY ITEMS	-	-	-	-
67 EXTRAORDINARY INCOME (434)	-	-	-	-
68 (LESS) EXTRAORDINARY DEDUCTIONS (435)	-	-	-	-
69 NET EXTRAORDINARY ITEMS (ENTER TOTAL OF LINE 67 LESS LINE 68)	-	-	-	-
70 INCOME TAXES - FEDERAL AND OTHER (409.3 & 410.3)	-	-	-	-
71 EXTRAORDINARY ITEMS AFTER TAXES	-	-	-	-
72 NET INCOME (ENTER TOTAL OF LINES 65 AND 71)	<u>3,127,161</u>	<u>464,799</u>	<u>12,032,204</u>	<u>3,535,637</u>

COLUMBIA GAS OF KENTUCKY, INC.  
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
AT FEBRUARY 29, 2008

TITLE OF ACCOUNT	FEBRUARY CURRENT YEAR =====	FEBRUARY PRIOR YEAR =====	INCREASE OR DECREASE =====
1 UTILITY PLANT			
2 UTILITY PLANT (101-106,114)	261,898,189	254,642,951	7,255,238
3 CONSTRUCTION WORK IN PROGRESS (107)	<u>1,912,289</u>	<u>2,086,383</u>	<u>(174,094)</u>
4 TOTAL UTILITY PLANT (LINES 2 AND 3)	263,810,478	256,729,334	7,081,144
5 (LESS) ACCUM PROV FOR DEPR, AMORT, DEPL (108,111,115)	<u>(116,127,757)</u>	<u>(113,512,502)</u>	<u>(2,615,255)</u>
6 NET UTILITY PLANT, LESS NUCLEAR FUEL (LINE 4 LESS 5)	<u>147,682,721</u>	<u>143,216,832</u>	<u>4,465,889</u>
7 NUCLEAR FUEL (120.0-120.4,120.6)	-	-	-
8 (LESS) ACCUM PROV FOR AMORT OF NUC FUEL ASSEMB (120.5)	-	-	-
9 NET NUCLEAR FUEL (LINE 7 LESS 8)	-	-	-
10 NET UTILITY PLANT (LINES 6 AND 9)	<u>147,682,721</u>	<u>143,216,832</u>	<u>4,465,889</u>
11 UTILITY PLANT ADJUSTMENTS (116)	-	-	-
12 GAS STORED UNDERGROUND (117)	-	-	-
13 OTHER PROPERTY AND INVESTMENTS			
14 NONUTILITY PROPERTY (121)	-	-	-
15 (LESS) ACCUM PROV FOR DEPR AND AMORT (122)	-	-	-
16 INVESTMENTS IN ASSOCIATED COMPANIES (123)	-	-	-
17 INVESTMENTS IN SUBSIDIARY COMPANIES (123.1)	248,392	197,091	51,301
18 (FOR COST OF ACCT 123.1, SEE FOOTNOTE PAGE 224, LINE 42)			
19 NONCURRENT PORTION OF ALLOWANCES	-	-	-
20 OTHER INVESTMENTS (124)	-	-	-
21 SPECIAL FUNDS (125-128)	-	-	-
22 TOTAL OTHER PROPERTY AND INVEST (LINES 14 -17, 19-21)	<u>248,392</u>	<u>197,091</u>	<u>51,301</u>
23 CURRENT AND ACCRUED ASSETS			
24 CASH (131)	1,050,849	1,448,653	(397,804)
25 SPECIAL DEPOSITS (132-134)	-	-	-
26 WORKING FUNDS (135)	8	8	-
27 TEMPORARY CASH INVESTMENTS (136)	177,132	1,083,370	(906,238)
28 NOTES RECEIVABLE (141)	22	22	-
29 CUSTOMER ACCOUNTS RECEIVABLE (142)	20,344,912	17,037,010	3,307,902
30 OTHER ACCOUNTS RECEIVABLE (143)	7,856,089	9,088,683	(1,232,594)
31 (LESS) ACCUM PROV FOR UNCOLLECT ACCT - CREDIT (144)	<u>(567,590)</u>	<u>(897,398)</u>	<u>329,808</u>
32 NOTES REC FROM ASSOCIATED COMPANIES (145)	-	-	-
33 ACCOUNTS REC FROM ASSOC COMPANIES (146)	37,598,109	43,165,297	(5,567,188)
34 FUEL STOCK (151)	22	22	-
35 FUEL STOCK EXPENSE UNDISTRIBUTED (152)	-	-	-
36 RESIDUALS (ELEC) AND EXTRACTED PROD (GAS) (153)	-	-	-
37 PLANT MATERIALS AND OPERATING SUPPLIES (154)	67,119	39,524	27,595
38 MERCHANDISE (155)	-	-	-
39 OTHER MATERIALS AND SUPPLIES (156)	-	-	-
40 NUCLEAR MATERIALS HELD FOR SALE (157)	-	-	-
41 ALLOWANCES (158.1 AND 158.2)	-	-	-
42 NONCURRENT PORTION OF ALLOWANCES	-	-	-
43 STORES EXPENSE UNDISTRIBUTED (163)	(30)	(30)	-
44 GAS STORED UNDERGROUND-CURRENT (164.1)	4,586,100	4,725,344	(139,244)
45 LIQUEFIED NATURAL GAS HELD FOR PROCESSING (164.2-164.3)	2	2	-



COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT FEBRUARY 29, 2008

TITLE OF ACCOUNT	FEBRUARY CURRENT YEAR =====	FEBRUARY PRIOR YEAR =====	INCREASE OR DECREASE =====
46 PREPAYMENTS (165)	435,984	391,895	44,089
47 ADVANCES FOR GAS (166-167)	-	-	-
48 INTEREST AND DIVIDENDS RECEIVABLE (171)	7,922	2,498	5,424
49 RENTS RECEIVABLE (172)	-	-	-
50 ACCRUED UTILITY REVENUES (173)	13,948,152	12,190,234	1,757,918
51 MISCELLANEOUS CURRENT AND ACCRUED ASSETS (174)	<u>2,549,951</u>	<u>1,819,080</u>	<u>730,871</u>
52 TOTAL CURRENT AND ACCRUED ASSETS (LINES 24 THRU 51)	<u>88,054,753</u>	<u>90,094,214</u>	<u>(2,039,461)</u>
53 DEFERRED DEBITS			
54 UNAMORTIZED DEBT EXPENSE (181)	-	-	-
55 EXTRAORDINARY PROPERTY LOSSES (182.1)	-	-	-
56 UNRECOVERED PLANT AND REG STUDY COSTS (182.2)	-	-	-
57 OTHER REGULATORY ASSETS (182.3)	4,866,568	1,991,495	2,875,073
58 PRELIM SURVEY AND INVEST CHRGS - ELECTRIC (183)	-	-	-
59 PRELIM SURVEY AND INVEST CHRGS - GAS (183.1, 183.2)	277,714	311,572	(33,858)
60 CLEARING ACCOUNTS (184)	55,764	35,041	20,723
61 TEMPORARY FACILITIES (185)	-	-	-
62 MISCELLANEOUS DEFERRED DEBITS (186)	1,846,751	2,590,071	(743,320)
63 DEF LOSSES FROM DISPOS OF UTILITY PLANT (187)	-	-	-
64 RESEARCH, DEVEL AND DEMONSTR EXP (188)	20	20	-
65 UNAMORTIZED LOSS ON REACQUIRED DEBT (189)	-	-	-
66 ACCUMULATED DEFERRED INCOME TAXES (190)	6,590,623	7,050,898	(460,275)
67 UNRECOVERED PURCHASED GAS COSTS (191)	9,262,268	1,218,371	8,043,897
68 OTHER SPECIAL FUNDS	<u>2,953,860</u>	<u>-</u>	<u>2,953,860</u>
69 TOTAL DEFERRED DEBITS (LINES 54 THRU 68)	<u>25,853,568</u>	<u>13,197,468</u>	<u>12,656,100</u>
70 TOTAL ASSETS AND OTHER DEBITS (ENTER TOTAL OF LINES 10, 11, 12, 22, 52, AND 69)	<u>261,839,434</u> =====	<u>246,705,605</u> =====	<u>15,133,829</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT FEBRUARY 29, 2008

	FEBRUARY CURRENT YEAR =====	FEBRUARY PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
1 PROPRIETARY CAPITAL			
2 COMMON STOCK ISSUED (201)	23,806,202	23,806,202	-
3 PREFERRED STOCK ISSUED (204)	-	-	-
4 CAPITAL STOCK SUBSCRIBED (202, 205)	-	-	-
5 STOCK LIABILITY FOR CONVERSION (203, 206)	-	-	-
6 PREMIUM ON CAPITAL STOCK (207)	-	-	-
7 OTHER PAID-IN CAPITAL (208 - 211)	5,182,754	4,833,887	348,867
8 INSTALLMENTS RECEIVED ON CAPITAL STOCK (212)	-	-	-
9 (LESS) DISCOUNT ON CAPITAL STOCK (213)	-	-	-
10 (LESS) CAPITAL STOCK EXPENSE (214)	-	-	-
11 OTHER COMPREHENSIVE INCOME (219)	1	(1,079,730)	1,079,731
12 RETAINED EARNINGS (215, 215.1, 216)	78,575,808	66,550,313	12,025,495
13 UNAPPROP UNDIST SUBSIDIARY EARNINGS (216.1)	-	-	-
14 (LESS) REACQUIRED CAPITAL STOCK (217)	-	-	-
15 TOTAL PROPRIETARY CAPITAL (LINES 2 THRU 13)	<u>107,564,765</u>	<u>94,110,672</u>	<u>13,454,093</u>
16 LONG-TERM DEBT			
17 BONDS (221)	-	-	-
18 (LESS) REACQUIRED BONDS (222)	-	-	-
19 ADVANCES FROM ASSOCIATED COMPANIES (223)	58,055,011	58,055,011	-
20 OTHER LONG-TERM DEBT (224)	-	-	-
21 UNAMORT PREMIUM ON LONG-TERM DEBT (225)	-	-	-
22 (LESS) UNAMORT DISCOUNT ON LONG-TERM DEBT (226)	-	-	-
23 TOTAL LONG-TERM DEBT (LINES 16 THRU 21)	<u>58,055,011</u>	<u>58,055,011</u>	-
24 OTHER NONCURRENT LIABILITIES			
25 OBLIG UNDER CAP LEASES-NONCURRENT (227)	85	86	(1)
26 ACCUM PROVISION FOR PROPERTY INSURANCE (228.1)	-	-	-
27 ACCUM PROV FOR INJURIES AND DAMAGES (228.2)	5,839,315	146,873	5,692,442
28 ACCUM PROV FOR PENSIONS AND BENEFITS (228.3)	-	-	-
29 ACCUM MISC OPERATING PROVISIONS (228.4)	-	-	-
30 ACCUM PROVISION FOR RATE REFUNDS (229)	-	-	-
31 TOTAL OTHER NONCURRENT LIAB (TOTAL L24 THRU L29)	<u>5,839,400</u>	<u>146,959</u>	<u>5,692,441</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT FEBRUARY 29, 2008

	FEBRUARY CURRENT YEAR =====	FEBRUARY PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
32 CURRENT AND ACCRUED LIABILITIES			
33 NOTES PAYABLE (231)	-	-	-
34 ACCOUNTS PAYABLE (232)	14,622,787	19,802,038	(5,179,251)
35 NOTES PAYABLE TO ASSOC COMPANIES (233)	4	4	-
36 ACCOUNTS PAYABLE TO ASSOC COMPANIES (234)	4,394,226	5,249,612	(855,386)
37 CUSTOMER DEPOSITS (235)	3,271,389	3,352,035	(80,646)
38 TAXES ACCRUED (236)	5,191,162	6,734,245	(1,543,083)
39 INTEREST ACCRUED (237)	62,254	50,853	11,401
40 DIVIDENDS DECLARED (238)	4	4	-
41 MATURED LONG-TERM DEBT (239)	-	-	-
42 MATURED INTEREST (240)	-	-	-
43 TAX COLLECTIONS PAYABLE (241)	2,400,396	2,347,444	52,952
44 MISC CURRENT AND ACCRUED LIAB (242)	24,673,747	22,252,999	2,420,748
45 OBLIG UNDER CAP LEASES - CURRENT (243)	(54)	13,873	(13,927)
46 DERIVATIVE INSTRU-LIAB- CURRENT (245)	<u>129,981</u>	<u>82,876</u>	<u>47,105</u>
47 TOTAL CURRENT AND ACCRUED LIAB (L32 THRU L44)	<u>54,745,896</u>	<u>59,885,983</u>	<u>(5,140,087)</u>
48 DEFERRED CREDITS			
49 CUSTOMER ADVANCES FOR CONSTRUCTION (252)	1,564,894	1,095,858	469,036
50 ACCUM DEFERRED INVEST TAX CREDITS (255)	839,749	926,763	(87,014)
51 DEF GAINS FROM DISPOS OF UTILITY PLANT (256)	-	-	-
52 OTHER DEFERRED CREDITS (253)	2,218,153	8,396,761	(6,178,608)
53 OTHER REGULATORY LIABILITIES (254)	4,945,363	2,780,952	2,164,411
54 UNAMORT GAIN ON REACQUIRED DEBT (257)	-	-	-
55 ACCUMULATED DEFERRED INCOME TAXES(281-283)	<u>26,066,203</u>	<u>21,306,646</u>	<u>4,759,557</u>
56 TOTAL DEFERRED CREDITS (LINES 47 THRU 52)	<u>35,634,362</u>	<u>34,506,980</u>	<u>1,127,382</u>
57 TOTAL LIAB AND OTHER CREDITS (L14,22,30,45,54)	<u>261,839,434</u>	<u>246,705,605</u>	<u>15,133,829</u>

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT FEBRUARY 29, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
1 UTILITY OPERATING INCOME				
2 OPERATING REVENUES (400)	29,830,393	2,016,415	170,769,608	10,190,830
3 OPERATING EXPENSES:				
4 OPERATING EXPENSES (401)	24,937,262	1,838,055	142,096,340	4,355,507
5 MAINTENANCE EXPENSES (402)	214,229	47,305	2,571,043	166,063
6 DEPRECIATION EXPENSE (403)	424,965	12,254	5,014,966	147,514
7 AMORT AND DEPL OF UTIL PLANT (404-405)	37,636	3,104	421,577	(61,851)
8 AMORT OF UTIL PLANT ACQ ADJ (406)	-	-	-	-
9 AMORT OF PROPERTY LOSSES, UNRECOVE RED PLANT AND REGULATORY STUDY COSTS (407)	-	-	-	-
10 AMORT OF CONVERSION EXPENSES (407)	-	-	-	-
11 REGULATORY DEBITS (407.3)	-	-	-	-
12 (LESS) REGULATORY CREDITS (407.4)	-	-	-	-
13 TAXES OTHER THAN INCOME TAXES (408.1)	257,930	58,241	2,403,042	98,451
14 INCOME TAXES - FEDERAL (409.1)	1,339,632	538,170	1,688,395	(4,357,039)
15 - OTHER (409.1)	239,261	145,664	(155,899)	(139,981)
16 PROV FOR DEFERRED INC TAXES (410.1)	83,090	(443,783)	6,322,751	201,279
17 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.1)	(230,212)	(197,450)	(2,342,345)	6,244,100
18 INVESTMENT TAX CREDIT ADJ - NET (411.4)	(7,224)	83	(87,021)	683
19 (LESS) GAINS FROM DISP. OF UTILITY PLANT (411.6)	-	-	-	-
20 LOSSES FROM DISPOS OF UTIL PLANT (411.7)	-	-	-	-
21 (LESS) GAINS FROM DISPOSITION OF ALLOWANCES (411.8)	-	-	-	-
22 LOSSES FROM DISPOSITION OF ALLOWANCES (411.9)	-	-	-	-
23 TOTAL UTILITY OPERATING EXPENSES	27,296,569	2,001,643	157,932,849	6,654,726
24 NET UTILITY OPERATING INCOME	2,533,824	14,772	12,836,759	3,536,104
26 OTHER INCOME AND DEDUCTIONS				
27 OTHER INCOME:				
28 NONUTILITY OPERATING INCOME				
29 REVENUES FROM MERCHANDISING, JOBBING AND CONTRACT WORK (415)	-	-	-	-
30 (LESS) COSTS AND EXP. OF MERCHANDISING, JOB & CONTRACT WORK (416)	-	-	-	-
31 REVENUES FROM NONUTILITY OPERATIONS (417)	135,722	(99,618)	720,098	(277,430)
32 (LESS) EXPENSES OF NONUTILITY OPERATIONS (417.1)	-	-	-	-
33 NONOPERATING RENTAL INCOME (418)	(8,191)	(4,345)	(50,992)	(18,897)
34 EQUITY IN EARNINGS OF SUBSID COS (418.1)	-	-	-	-
35 INTEREST AND DIVIDEND INCOME (419)	106,255	(62,498)	1,506,891	556,583
36 ALLOW FOR OTHER FUNDS USED DURING CONSTR (419.1)	-	-	-	-
37 MISCELLANEOUS NONOPERATING INCOME (421)	224,369	90,935	2,238,841	(259,894)
38 GAIN ON DISPOSITION OF PROPERTY (421.1)	-	-	95,186	87,859
39 TOTAL OTHER INCOME (ENTER TOTAL OF LINES 29 THRU 38)	474,537	(66,836)	4,612,008	126,015
40 OTHER INCOME DEDUCTIONS:				
41 LOSS ON DISPOSITION OF PROPERTY (421.2)	-	-	-	(602)
42 MISCELLANEOUS AMORTIZATION (425)	-	-	-	-
43 MISC INCOME DEDUCTIONS (426.1-426.5)	(17,852)	(47,087)	328,422	(5,625)
44 TOTAL OTHER INCOME DEDUCTIONS (TOTAL OF LINES 41 THRU 43)	(17,852)	(47,087)	328,422	(6,227)

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT FEBRUARY 29, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
45 TAXES APPLIC TO OTHER INCOME AND DEDUCTIONS:	-	-	-	-
46 TAXES OTHER THAN INCOME TAXES (408.2)	-	-	-	-
47 INCOME TAXES - FEDERAL (409.2)	189,878	(9,457)	1,694,883	540,155
48 - OTHER (409.2)	-	-	-	-
49 PROVISION FOR DEFERRED INC TAXES (410.2)	-	-	-	(476,872)
50 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.2)	-	-	49,962	49,962
51 INVESTMENT TAX CREDIT ADJ - NET (411.5)	-	-	-	-
52 INVESTMENT TAX CREDITS (420)	-	-	-	-
53 TOTAL TAXES ON OTHER INCOME AND DED. (TOTAL OF 46 THRU 52)	<u>189,878</u>	<u>(9,457)</u>	<u>1,644,921</u>	<u>13,321</u>
54 NET OTHER INCOME AND DEDUCTIONS (ENTER TOTAL OF LINES 39, 44, 53)	<u>302,511</u>	<u>(10,292)</u>	<u>2,638,665</u>	<u>118,921</u>
55 INTEREST CHARGES				
56 INTEREST ON LONG-TERM DEBT (427)	-	-	-	-
57 AMORT OF DEBT DISC AND EXP (428)	-	-	-	-
58 AMORT OF LOSS ON REACQUIRED DEBT (428.1)	-	-	-	-
59 (LESS) AMORT. OF PREMIUM ON DEBT-CREDIT (429)	-	-	-	-
60 (LESS) AMORT. OF GAIN ON REACQ. DEBT-CR. (429.1)	-	-	-	-
61 INTEREST ON DEBT TO ASSOC. CO. (430)	260,859	8,996	3,297,989	635,093
62 OTHER INTEREST EXPENSE (431)	13,219	(1,185)	207,976	(123,807)
63 (LESS) ALLOW. FOR BORROWED FUNDS USED DURING CONST.-CR (432)	<u>(4,620)</u>	<u>3,378</u>	<u>(56,036)</u>	<u>199,414</u>
64 NET INTEREST CHARGES (ENTER TOTAL OF LINES 25, 54, 64)	<u>269,458</u>	<u>11,189</u>	<u>3,449,929</u>	<u>710,700</u>
65 INCOME BEFORE EXTRAORDINARY ITEMS	<u>2,566,877</u>	<u>(6,709)</u>	<u>12,025,495</u>	<u>2,944,325</u>
66 EXTRAORDINARY ITEMS				
67 EXTRAORDINARY INCOME (434)	-	-	-	-
68 (LESS) EXTRAORDINARY DEDUCTIONS (435)	-	-	-	-
69 NET EXTRAORDINARY ITEMS (ENTER TOTAL OF LINE 67 LESS LINE 68)	-	-	-	-
70 INCOME TAXES - FEDERAL AND OTHER (409.3 & 410.3)	-	-	-	-
71 EXTRAORDINARY ITEMS AFTER TAXES	-	-	-	-
72 NET INCOME (ENTER TOTAL OF LINES 65 AND 71)	<u>2,566,877</u>	<u>(6,709)</u>	<u>12,025,495</u>	<u>2,944,325</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT MARCH 31, 2008

TITLE OF ACCOUNT	MARCH CURRENT YEAR =====	MARCH PRIOR YEAR =====	INCREASE OR DECREASE =====
1 UTILITY PLANT			
2 UTILITY PLANT (101-106,114)	261,979,791	254,933,442	7,046,349
3 CONSTRUCTION WORK IN PROGRESS (107)	<u>3,065,051</u>	<u>2,612,412</u>	<u>452,639</u>
4 TOTAL UTILITY PLANT (LINES 2 AND 3)	265,044,842	257,545,854	7,498,988
5 (LESS) ACCUM PROV FOR DEPR, AMORT, DEPL (108,111,115)	<u>(116,467,058)</u>	<u>(113,775,413)</u>	<u>(2,691,645)</u>
6 NET UTILITY PLANT, LESS NUCLEAR FUEL (LINE 4 LESS 5)	<u>148,577,784</u>	<u>143,770,441</u>	<u>4,807,343</u>
7 NUCLEAR FUEL (120.0-120.4,120.6)	-	-	-
8 (LESS) ACCUM PROV FOR AMORT OF NUC FUEL ASSEMB (120.5)	-	-	-
9 NET NUCLEAR FUEL (LINE 7 LESS 8)	-	-	-
10 NET UTILITY PLANT (LINES 6 AND 9)	<u>148,577,784</u>	<u>143,770,441</u>	<u>4,807,343</u>
11 UTILITY PLANT ADJUSTMENTS (116)	-	-	-
12 GAS STORED UNDERGROUND (117)	-	-	-
13 OTHER PROPERTY AND INVESTMENTS			
14 NONUTILITY PROPERTY (121)	-	-	-
15 (LESS) ACCUM PROV FOR DEPR AND AMORT (122)	-	-	-
16 INVESTMENTS IN ASSOCIATED COMPANIES (123)	-	-	-
17 INVESTMENTS IN SUBSIDIARY COMPANIES (123.1)	248,346	200,905	47,441
18 (FOR COST OF ACCT 123.1, SEE FOOTNOTE PAGE 224, LINE 42)			
19 NONCURRENT PORTION OF ALLOWANCES	-	-	-
20 OTHER INVESTMENTS (124)	-	-	-
21 SPECIAL FUNDS (125-128)	-	-	-
22 TOTAL OTHER PROPERTY AND INVEST (LINES 14 -17, 19-21)	<u>248,346</u>	<u>200,905</u>	<u>47,441</u>
23 CURRENT AND ACCRUED ASSETS			
24 CASH (131)	953,571	969,910	(16,339)
25 SPECIAL DEPOSITS (132-134)	-	-	-
26 WORKING FUNDS (135)	8	8	-
27 TEMPORARY CASH INVESTMENTS (136)	225,549	4,803,045	(4,577,496)
28 NOTES RECEIVABLE (141)	22	22	-
29 CUSTOMER ACCOUNTS RECEIVABLE (142)	21,678,061	12,941,065	8,736,996
30 OTHER ACCOUNTS RECEIVABLE (143)	8,672,664	9,842,157	(1,169,493)
31 (LESS) ACCUM PROV FOR UNCOLLECT ACCT - CREDIT (144)	<u>(637,234)</u>	<u>(1,050,239)</u>	<u>413,005</u>
32 NOTES REC FROM ASSOCIATED COMPANIES (145)	-	-	-
33 ACCOUNTS REC FROM ASSOC COMPANIES (146)	51,240,349	48,322,791	2,917,558
34 FUEL STOCK (151)	22	22	-
35 FUEL STOCK EXPENSE UNDISTRIBUTED (152)	-	-	-
36 RESIDUALS (ELEC) AND EXTRACTED PROD (GAS) (153)	-	-	-
37 PLANT MATERIALS AND OPERATING SUPPLIES (154)	66,785	39,654	27,131
38 MERCHANDISE (155)	-	-	-
39 OTHER MATERIALS AND SUPPLIES (156)	-	-	-
40 NUCLEAR MATERIALS HELD FOR SALE (157)	-	-	-
41 ALLOWANCES (158.1 AND 158.2)	-	-	-
42 NONCURRENT PORTION OF ALLOWANCES	-	-	-
43 STORES EXPENSE UNDISTRIBUTED (163)	(30)	(30)	-
44 GAS STORED UNDERGROUND-CURRENT (164.1)	1,421,542	2,151,312	(729,770)
45 LIQUEFIED NATURAL GAS HELD FOR PROCESSING (164.2-164.3)	2	2	-

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT MARCH 31, 2008

TITLE OF ACCOUNT	MARCH CURRENT YEAR =====	MARCH PRIOR YEAR =====	INCREASE OR DECREASE =====
46 PREPAYMENTS (165)	422,114	307,757	114,357
47 ADVANCES FOR GAS (166-167)	-	-	-
48 INTEREST AND DIVIDENDS RECEIVABLE (171)	3,460	709	2,751
49 RENTS RECEIVABLE (172)	-	-	-
50 ACCRUED UTILITY REVENUES (173)	10,611,033	4,532,343	6,078,690
51 MISCELLANEOUS CURRENT AND ACCRUED ASSETS (174)	<u>3,007,576</u>	<u>2,320,648</u>	<u>686,928</u>
52 TOTAL CURRENT AND ACCRUED ASSETS (LINES 24 THRU 51)	<u>97,665,494</u>	<u>85,181,176</u>	<u>12,484,318</u>
53 DEFERRED DEBITS			
54 UNAMORTIZED DEBT EXPENSE (181)	-	-	-
55 EXTRAORDINARY PROPERTY LOSSES (182.1)	-	-	-
56 UNRECOVERED PLANT AND REG STUDY COSTS (182.2)	-	-	-
57 OTHER REGULATORY ASSETS (182.3)	5,423,484	2,100,398	3,323,086
58 PRELIM SURVEY AND INVEST CHRGS - ELECTRIC (183)	-	-	-
59 PRELIM SURVEY AND INVEST CHRGS - GAS (183.1, 183.2)	271,455	265,022	6,433
60 CLEARING ACCOUNTS (184)	18,445	15,480	2,965
61 TEMPORARY FACILITIES (185)	-	-	-
62 MISCELLANEOUS DEFERRED DEBITS (186)	1,864,462	2,539,316	(674,854)
63 DEF LOSSES FROM DISPOS OF UTILITY PLANT (187)	-	-	-
64 RESEARCH, DEVEL AND DEMONSTR EXP (188)	20	20	-
65 UNAMORTIZED LOSS ON REACQUIRED DEBT (189)	-	-	-
66 ACCUMULATED DEFERRED INCOME TAXES (190)	6,636,981	6,923,055	(286,074)
67 UNRECOVERED PURCHASED GAS COSTS (191)	15,374,668	2,244,998	13,129,670
68 OTHER SPECIAL FUNDS	<u>2,960,502</u>	<u>-</u>	<u>2,960,502</u>
69 TOTAL DEFERRED DEBITS (LINES 54 THRU 68)	<u>32,550,017</u>	<u>14,088,289</u>	<u>18,461,728</u>
70 TOTAL ASSETS AND OTHER DEBITS (CENTER TOTAL OF LINES 10, 11, 12, 22, 52, AND 69)	<u>279,041,641</u> =====	<u>243,240,811</u> =====	<u>35,800,830</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT MARCH 31, 2008

	MARCH CURRENT YEAR =====	MARCH PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
1 PROPRIETARY CAPITAL			
2 COMMON STOCK ISSUED (201)	23,806,202	23,806,202	-
3 PREFERRED STOCK ISSUED (204)	-	-	-
4 CAPITAL STOCK SUBSCRIBED (202, 205)	-	-	-
5 STOCK LIABILITY FOR CONVERSION (203, 206)	-	-	-
6 PREMIUM ON CAPITAL STOCK (207)	-	-	-
7 OTHER PAID-IN CAPITAL (208 - 211)	5,182,754	4,833,887	348,867
8 INSTALLMENTS RECEIVED ON CAPITAL STOCK (212)	-	-	-
9 (LESS) DISCOUNT ON CAPITAL STOCK (213)	-	-	-
10 (LESS) CAPITAL STOCK EXPENSE (214)	-	-	-
11 OTHER COMPREHENSIVE INCOME (219)	1	(1,545,804)	1,545,805
12 RETAINED EARNINGS (215, 215.1, 216)	80,187,560	68,292,008	11,895,552
13 UNAPPROP UNDIST SUBSIDIARY EARNINGS (216.1)	-	-	-
14 (LESS) REACQUIRED CAPITAL STOCK (217)	-	-	-
15 TOTAL PROPRIETARY CAPITAL (LINES 2 THRU 13)	<u>109,176,517</u>	<u>95,386,293</u>	<u>13,790,224</u>
16 LONG-TERM DEBT			
17 BONDS (221)	-	-	-
18 (LESS) REACQUIRED BONDS (222)	-	-	-
19 ADVANCES FROM ASSOCIATED COMPANIES (223)	58,055,011	58,055,011	-
20 OTHER LONG-TERM DEBT (224)	-	-	-
21 UNAMORT PREMIUM ON LONG-TERM DEBT (225)	-	-	-
22 (LESS) UNAMORT DISCOUNT ON LONG-TERM DEBT (226)	-	-	-
23 TOTAL LONG-TERM DEBT (LINES 16 THRU 21)	<u>58,055,011</u>	<u>58,055,011</u>	<u>-</u>
24 OTHER NONCURRENT LIABILITIES			
25 OBLIG UNDER CAP LEASES-NONCURRENT (227)	85	86	(1)
26 ACCUM PROVISION FOR PROPERTY INSURANCE (228.1)	-	-	-
27 ACCUM PROV FOR INJURIES AND DAMAGES (228.2)	5,863,394	146,892	5,716,502
28 ACCUM PROV FOR PENSIONS AND BENEFITS (228.3)	-	-	-
29 ACCUM MISC OPERATING PROVISIONS (228.4)	-	-	-
30 ACCUM PROVISION FOR RATE REFUNDS (229)	-	-	-
31 TOTAL OTHER NONCURRENT LIAB (TOTAL L24 THRU L29)	<u>5,863,479</u>	<u>146,978</u>	<u>5,716,501</u>



COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT MARCH 31, 2008

TITLE OF ACCOUNT	MARCH CURRENT YEAR =====	MARCH PRIOR YEAR =====	INCREASE OR DECREASE =====
32 CURRENT AND ACCRUED LIABILITIES			
33 NOTES PAYABLE (231)	-	-	-
34 ACCOUNTS PAYABLE (232)	11,049,189	12,250,991	(1,201,802)
35 NOTES PAYABLE TO ASSOC COMPANIES (233)	4	4	-
36 ACCOUNTS PAYABLE TO ASSOC COMPANIES (234)	5,170,549	5,969,477	(798,928)
37 CUSTOMER DEPOSITS (235)	3,220,239	3,311,377	(91,138)
38 TAXES ACCRUED (236)	3,468,683	5,699,013	(2,230,330)
39 INTEREST ACCRUED (237)	75,971	52,047	23,924
40 DIVIDENDS DECLARED (238)	4	4	-
41 MATURED LONG-TERM DEBT (239)	-	-	-
42 MATURED INTEREST (240)	-	-	-
43 TAX COLLECTIONS PAYABLE (241)	2,044,426	1,581,918	462,508
44 MISC CURRENT AND ACCRUED LIAB (242)	41,149,332	23,857,646	17,291,686
45 OBLIG UNDER CAP LEASES - CURRENT (243)	(54)	10,434	(10,488)
46 DERIVATIVE INSTRU-LIAB- CURRENT (245)	124,424	159,906	(35,482)
47 TOTAL CURRENT AND ACCRUED LIAB (L32 THRU L44)	<u>66,302,767</u>	<u>52,892,817</u>	<u>13,409,950</u>
48 DEFERRED CREDITS			
49 CUSTOMER ADVANCES FOR CONSTRUCTION (252)	1,538,979	1,153,022	385,957
50 ACCUM DEFERRED INVEST TAX CREDITS (255)	832,526	919,457	(86,931)
51 DEF GAINS FROM DISPOS OF UTILITY PLANT (256)	-	-	-
52 OTHER DEFERRED CREDITS (253)	2,213,407	8,373,910	(6,160,503)
53 OTHER REGULATORY LIABILITIES (254)	6,171,190	2,942,753	3,228,437
54 UNAMORT GAIN ON REACQUIRED DEBT (257)	-	-	-
55 ACCUMULATED DEFERRED INCOME TAXES(281-283)	28,887,765	23,370,570	5,517,195
56 TOTAL DEFERRED CREDITS (LINES 47 THRU 52)	<u>39,643,867</u>	<u>36,759,712</u>	<u>2,884,155</u>
57 TOTAL LIAB AND OTHER CREDITS (L14,22,30,45,54)	<u>279,041,641</u>	<u>243,240,811</u>	<u>35,800,830</u>

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT MARCH 31, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
1 UTILITY OPERATING INCOME				
2 OPERATING REVENUES (400)	25,423,029	10,362,485	181,132,093	28,112,976
3 OPERATING EXPENSES:				
4 OPERATING EXPENSES (401)	21,951,085	10,267,998	152,364,338	22,502,067
5 MAINTENANCE EXPENSES (402)	221,872	86,301	2,657,344	301,731
6 DEPRECIATION EXPENSE (403)	425,869	12,692	5,027,658	146,459
7 AMORT AND DEPL OF UTIL PLANT (404-405)	35,622	1,089	422,666	(53,809)
8 AMORT OF UTIL PLANT ACQ ADJ (406)	-	-	-	-
9 AMORT OF PROPERTY LOSSES, UNRECOVE RED PLANT AND REGULATORY STUDY COSTS (407)	-	-	-	-
10 AMORT OF CONVERSION EXPENSES (407)	-	-	-	-
11 REGULATORY DEBITS (407.3)	-	-	-	-
12 (LESS) REGULATORY CREDITS (407.4)	-	-	-	-
13 TAXES OTHER THAN INCOME TAXES (408.1)	195,994	(39,103)	2,363,939	31,667
14 INCOME TAXES - FEDERAL (409.1)	(1,697,056)	(1,010,733)	677,662	(4,205,418)
15 - OTHER (409.1)	(158,777)	17,374	(138,525)	83,425
16 PROV FOR DEFERRED INC TAXES (410.1)	2,763,163	1,016,505	7,339,256	341,862
17 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.1)	1,358	28,370	(2,313,975)	6,037,437
18 INVESTMENT TAX CREDIT ADJ - NET (411.4)	(7,224)	83	(86,938)	764
19 (LESS) GAINS FROM DISP. OF UTILITY PLANT (411.6)	-	-	-	-
20 LOSSES FROM DISPOS OF UTIL PLANT (411.7)	-	-	-	-
21 (LESS) GAINS FROM DISPOSITION OF ALLOWANCES (411.8)	-	-	-	-
22 LOSSES FROM DISPOSITION OF ALLOWANCES (411.9)	-	-	-	-
23 TOTAL UTILITY OPERATING EXPENSES	23,731,906	10,380,576	168,313,425	25,186,185
24 NET UTILITY OPERATING INCOME	1,691,123	(18,091)	12,818,668	2,926,791
26 OTHER INCOME AND DEDUCTIONS				
27 OTHER INCOME:				
28 NONUTILITY OPERATING INCOME				
29 REVENUES FROM MERCHANDISING, JOBBING AND CONTRACT WORK (415)	-	-	-	-
30 (LESS) COSTS AND EXP. OF MERCHANDISING, JOB & CONTRACT WORK (416)	-	-	-	-
31 REVENUES FROM NONUTILITY OPERATIONS (417)	126,041	(58,094)	662,004	(321,331)
32 (LESS) EXPENSES OF NONUTILITY OPERATOPMS (417.1)	-	-	-	-
33 NONOPERATING RENTAL INCOME (418)	44	3,859	(47,133)	(11,223)
34 EQUITY IN EARNINGS OF SUBSID COS (418.1)	-	-	-	-
35 INTEREST AND DIVIDEND INCOME (419)	150,462	(86,878)	1,420,013	256,716
36 ALLOW FOR OTHER FUNDS USED DURING CONSTR (419.1)	-	-	-	-
37 MISCELLANEOUS NONOPERATING INCOME (421)	114,947	(3,949)	2,234,892	(308,246)
38 GAIN ON DISPOSITION OF PROPERTY (421.1)	-	-	95,186	87,859
39 TOTAL OTHER INCOME (CENTER TOTAL OF LINES 29 THRU 38)	391,406	(152,780)	4,459,228	(273,779)
40 OTHER INCOME DEDUCTIONS:				
41 LOSS ON DISPOSITION OF PROPERTY (421.2)	-	-	-	(602)
42 MISCELLANEOUS AMORTIZATION (425)	-	-	-	-
43 MISC INCOME DEDUCTIONS (426.1-426.5)	44,539	19,007	347,429	19,258
44 TOTAL OTHER INCOME DEDUCTIONS (TOTAL OF LINES 41 THRU 43)	44,539	19,007	347,429	18,656

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT MARCH 31, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
45 TAXES APPLIC TO OTHER INCOME AND DEDUCTIONS:	-	-	-	-
46 TAXES OTHER THAN INCOME TAXES (408.2)	-	-	-	-
47 INCOME TAXES - FEDERAL (409.2)	136,201	(65,391)	1,629,492	389,307
48 - OTHER (409.2)	-	-	-	-
49 PROVISION FOR DEFERRED INC TAXES (410.2)	-	-	-	(476,872)
50 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.2)	1,179	1,179	51,141	51,141
51 INVESTMENT TAX CREDIT ADJ - NET (411.5)	-	-	-	-
52 INVESTMENT TAX CREDITS (420)	-	-	-	-
53 TOTAL TAXES ON OTHER INCOME AND DED. (TOTAL OF 46 THRU 52)	<u>135,022</u>	<u>(66,570)</u>	<u>1,578,351</u>	<u>(138,706)</u>
54 NET OTHER INCOME AND DEDUCTIONS (ENTER TOTAL OF LINES 39, 44, 53)	<u>211,845</u>	<u>(105,217)</u>	<u>2,533,448</u>	<u>(153,729)</u>
55 INTEREST CHARGES				
56 INTEREST ON LONG-TERM DEBT (427)	-	-	-	-
57 AMORT OF DEBT DISC AND EXP (428)	-	-	-	-
58 AMORT OF LOSS ON REACQUIRED DEBT (428.1)	-	-	-	-
59 (LESS) AMORT. OF PREMIUM ON DEBT-CREDIT (429)	-	-	-	-
60 (LESS) AMORT. OF GAIN ON REACQ. DEBT-CR. (429.1)	-	-	-	-
61 INTEREST ON DEBT TO ASSOC. CO. (430)	278,849	(1)	3,297,988	558,386
62 OTHER INTEREST EXPENSE (431)	17,473	4,584	212,560	(105,040)
63 (LESS) ALLOW. FOR BORROWED FUNDS USED DURING CONST.-CR (432)	<u>(5,106)</u>	<u>2,052</u>	<u>(53,984)</u>	<u>196,768</u>
64 NET INTEREST CHARGES (ENTER TOTAL OF LINES 25, 54, 64)	<u>291,216</u>	<u>6,635</u>	<u>3,456,564</u>	<u>650,114</u>
65 INCOME BEFORE EXTRAORDINARY ITEMS	<u>1,611,752</u>	<u>(129,943)</u>	<u>11,895,552</u>	<u>2,122,948</u>
66 EXTRAORDINARY ITEMS				
67 EXTRAORDINARY INCOME (434)	-	-	-	-
68 (LESS) EXTRAORDINARY DEDUCTIONS (435)	-	-	-	-
69 NET EXTRAORDINARY ITEMS (ENTER TOTAL OF LINE 67 LESS LINE 68)	-	-	-	-
70 INCOME TAXES - FEDERAL AND OTHER (409.3 & 410.3)	-	-	-	-
71 EXTRAORDINARY ITEMS AFTER TAXES	-	-	-	-
72 NET INCOME (ENTER TOTAL OF LINES 65 AND 71)	<u>1,611,752</u>	<u>(129,943)</u>	<u>11,895,552</u>	<u>2,122,948</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT APRIL 30, 2008

TITLE OF ACCOUNT	APRIL CURRENT YEAR =====	APRIL PRIOR YEAR =====	INCREASE OR DECREASE =====
1 UTILITY PLANT			
2 UTILITY PLANT (101-106,114)	262,917,871	255,266,368	7,651,503
3 CONSTRUCTION WORK IN PROGRESS (107)	<u>3,468,836</u>	<u>2,859,103</u>	<u>609,733</u>
4 TOTAL UTILITY PLANT (LINES 2 AND 3)	266,386,707	258,125,471	8,261,236
5 (LESS) ACCUM PROV FOR DEPR, AMORT, DEPL (108,111,115)	<u>(116,850,385)</u>	<u>(114,120,561)</u>	<u>(2,729,824)</u>
6 NET UTILITY PLANT, LESS NUCLEAR FUEL (LINE 4 LESS 5)	<u>149,536,322</u>	<u>144,004,910</u>	<u>5,531,412</u>
7 NUCLEAR FUEL (120.0-120.4,120.6)	-	-	-
8 (LESS) ACCUM PROV FOR AMORT OF NUC FUEL ASSEMB (120.5)	-	-	-
9 NET NUCLEAR FUEL (LINE 7 LESS 8)	-	-	-
10 NET UTILITY PLANT (LINES 6 AND 9)	<u>149,536,322</u>	<u>144,004,910</u>	<u>5,531,412</u>
11 UTILITY PLANT ADJUSTMENTS (116)	-	-	-
12 GAS STORED UNDERGROUND (117)	-	-	-
13 OTHER PROPERTY AND INVESTMENTS			
14 NONUTILITY PROPERTY (121)	-	-	-
15 (LESS) ACCUM PROV FOR DEPR AND AMORT (122)	-	-	-
16 INVESTMENTS IN ASSOCIATED COMPANIES (123)	-	-	-
17 INVESTMENTS IN SUBSIDIARY COMPANIES (123.1)	251,143	204,664	46,479
18 (FOR COST OF ACCT 123.1, SEE FOOTNOTE PAGE 224, LINE 42)			
19 NONCURRENT PORTION OF ALLOWANCES	-	-	-
20 OTHER INVESTMENTS (124)	-	-	-
21 SPECIAL FUNDS (125-128)	-	-	-
22 TOTAL OTHER PROPERTY AND INVEST (LINES 14 -17, 19-21)	<u>251,143</u>	<u>204,664</u>	<u>46,479</u>
23 CURRENT AND ACCRUED ASSETS			
24 CASH (131)	618,916	888,070	(269,154)
25 SPECIAL DEPOSITS (132-134)	-	-	-
26 WORKING FUNDS (135)	8	8	-
27 TEMPORARY CASH INVESTMENTS (136)	280,257	5,364,032	(5,083,775)
28 NOTES RECEIVABLE (141)	22	22	-
29 CUSTOMER ACCOUNTS RECEIVABLE (142)	17,930,945	9,838,453	8,092,492
30 OTHER ACCOUNTS RECEIVABLE (143)	8,044,720	7,617,753	426,967
31 (LESS) ACCUM PROV FOR UNCOLLECT ACCT - CREDIT (144)	<u>(652,515)</u>	<u>(1,283,851)</u>	<u>631,336</u>
32 NOTES REC FROM ASSOCIATED COMPANIES (145)	-	-	-
33 ACCOUNTS REC FROM ASSOC COMPANIES (146)	68,270,420	51,497,093	16,773,327
34 FUEL STOCK (151)	22	22	-
35 FUEL STOCK EXPENSE UNDISTRIBUTED (152)	-	-	-
36 RESIDUALS (ELEC) AND EXTRACTED PROD (GAS) (153)	-	-	-
37 PLANT MATERIALS AND OPERATING SUPPLIES (154)	42,660	38,853	3,807
38 MERCHANDISE (155)	-	-	-
39 OTHER MATERIALS AND SUPPLIES (156)	-	-	-
40 NUCLEAR MATERIALS HELD FOR SALE (157)	-	-	-
41 ALLOWANCES (158.1 AND 158.2)	-	-	-
42 NONCURRENT PORTION OF ALLOWANCES	-	-	-
43 STORES EXPENSE UNDISTRIBUTED (163)	<u>(30)</u>	<u>(30)</u>	<u>-</u>
44 GAS STORED UNDERGROUND-CURRENT (164.1)	3,002,564	8,091,432	(5,088,868)
45 LIQUEFIED NATURAL GAS HELD FOR PROCESSING (164.2-164.3)	2	2	-

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT APRIL 30, 2008

TITLE OF ACCOUNT	APRIL CURRENT YEAR =====	APRIL PRIOR YEAR =====	INCREASE OR DECREASE =====
46 PREPAYMENTS (165)	324,958	261,633	63,325
47 ADVANCES FOR GAS (166-167)	-	-	-
48 INTEREST AND DIVIDENDS RECEIVABLE (171)	4,302	31,711	(27,409)
49 RENTS RECEIVABLE (172)	-	-	-
50 ACCRUED UTILITY REVENUES (173)	5,828,857	4,031,301	1,797,556
51 MISCELLANEOUS CURRENT AND ACCRUED ASSETS (174)	<u>6,193,226</u>	<u>4,961,507</u>	<u>1,231,719</u>
52 TOTAL CURRENT AND ACCRUED ASSETS (LINES 24 THRU 51)	<u>109,889,334</u>	<u>91,338,011</u>	<u>18,551,323</u>
53 DEFERRED DEBITS			
54 UNAMORTIZED DEBT EXPENSE (181)	-	-	-
55 EXTRAORDINARY PROPERTY LOSSES (182.1)	-	-	-
56 UNRECOVERED PLANT AND REG STUDY COSTS (182.2)	-	-	-
57 OTHER REGULATORY ASSETS (182.3)	4,462,422	2,086,924	2,375,498
58 PRELIM SURVEY AND INVEST CHRGS - ELECTRIC (183)	-	-	-
59 PRELIM SURVEY AND INVEST CHRGS - GAS (183.1, 183.2)	306,910	256,332	50,578
60 CLEARING ACCOUNTS (184)	23,090	(5,540)	28,630
61 TEMPORARY FACILITIES (185)	-	-	-
62 MISCELLANEOUS DEFERRED DEBITS (186)	1,879,706	1,640,560	239,146
63 DEF LOSSES FROM DISPOS OF UTILITY PLANT (187)	-	-	-
64 RESEARCH, DEVEL AND DEMONSTR EXP (188)	20	20	-
65 UNAMORTIZED LOSS ON REACQUIRED DEBT (189)	-	-	-
66 ACCUMULATED DEFERRED INCOME TAXES (190)	6,618,410	6,900,245	(281,835)
67 UNRECOVERED PURCHASED GAS COSTS (191)	11,351,747	5,597,777	5,753,970
68 OTHER SPECIAL FUNDS	<u>2,967,145</u>	<u>927,151</u>	<u>2,039,994</u>
69 TOTAL DEFERRED DEBITS (LINES 54 THRU 68)	<u>27,609,450</u>	<u>17,403,469</u>	<u>10,205,981</u>
70 TOTAL ASSETS AND OTHER DEBITS (ENTER TOTAL OF LINES 10, 11, 12, 22, 52, AND 69)	<u>287,286,249</u> =====	<u>252,951,054</u> =====	<u>34,335,195</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT APRIL 30, 2008

	APRIL CURRENT YEAR =====	APRIL PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
1 PROPRIETARY CAPITAL			
2 COMMON STOCK ISSUED (201)	23,806,202	23,806,202	-
3 PREFERRED STOCK ISSUED (204)	-	-	-
4 CAPITAL STOCK SUBSCRIBED (202, 205)	-	-	-
5 STOCK LIABILITY FOR CONVERSION (203, 206)	-	-	-
6 PREMIUM ON CAPITAL STOCK (207)	-	-	-
7 OTHER PAID-IN CAPITAL (208 - 211)	5,182,754	4,833,887	348,867
8 INSTALLMENTS RECEIVED ON CAPITAL STOCK (212)	-	-	-
9 (LESS) DISCOUNT ON CAPITAL STOCK (213)	-	-	-
10 (LESS) CAPITAL STOCK EXPENSE (214)	-	-	-
11 OTHER COMPREHENSIVE INCOME (219)	1	(1,544,138)	1,544,139
12 RETAINED EARNINGS (215, 215.1, 216)	80,775,282	68,549,901	12,225,381
13 UNAPPROP UNDIST SUBSIDIARY EARNINGS (216.1)	-	-	-
14 (LESS) REACQUIRED CAPITAL STOCK (217)	-	-	-
15 TOTAL PROPRIETARY CAPITAL (LINES 2 THRU 13)	<u>109,764,239</u>	<u>95,645,852</u>	<u>14,118,387</u>
16 LONG-TERM DEBT			
17 BONDS (221)	-	-	-
18 (LESS) REACQUIRED BONDS (222)	-	-	-
19 ADVANCES FROM ASSOCIATED COMPANIES (223)	58,055,011	58,055,011	-
20 OTHER LONG-TERM DEBT (224)	-	-	-
21 UNAMORT PREMIUM ON LONG-TERM DEBT (225)	-	-	-
22 (LESS) UNAMORT DISCOUNT ON LONG-TERM DEBT (226)	-	-	-
23 TOTAL LONG-TERM DEBT (LINES 16 THRU 21)	<u>58,055,011</u>	<u>58,055,011</u>	<u>-</u>
24 OTHER NONCURRENT LIABILITIES			
25 OBLIG UNDER CAP LEASES-NONCURRENT (227)	85	86	(1)
26 ACCUM PROVISION FOR PROPERTY INSURANCE (228.1)	-	-	-
27 ACCUM PROV FOR INJURIES AND DAMAGES (228.2)	5,881,279	6,082,387	(201,108)
28 ACCUM PROV FOR PENSIONS AND BENEFITS (228.3)	-	-	-
29 ACCUM MISC OPERATING PROVISIONS (228.4)	-	-	-
30 ACCUM PROVISION FOR RATE REFUNDS (229)	-	-	-
31 TOTAL OTHER NONCURRENT LIAB (TOTAL L24 THRU L29)	<u>5,881,364</u>	<u>6,082,473</u>	<u>(201,109)</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT APRIL 30, 2008

	APRIL CURRENT YEAR =====	APRIL PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
32 CURRENT AND ACCRUED LIABILITIES	-	-	-
33 NOTES PAYABLE (231)	-	-	-
34 ACCOUNTS PAYABLE (232)	27,631,582	25,055,206	2,576,376
35 NOTES PAYABLE TO ASSOC COMPANIES (233)	4	4	-
36 ACCOUNTS PAYABLE TO ASSOC COMPANIES (234)	4,559,848	5,409,193	(849,345)
37 CUSTOMER DEPOSITS (235)	3,102,879	3,285,941	(183,062)
38 TAXES ACCRUED (236)	4,241,093	6,845,067	(2,603,974)
39 INTEREST ACCRUED (237)	83,412	34,450	48,962
40 DIVIDENDS DECLARED (238)	4	4	-
41 MATURED LONG-TERM DEBT (239)	-	-	-
42 MATURED INTEREST (240)	-	-	-
43 TAX COLLECTIONS PAYABLE (241)	1,299,334	892,949	406,385
44 MISC CURRENT AND ACCRUED LIAB (242)	33,780,201	21,577,168	12,203,033
45 OBLIG UNDER CAP LEASES - CURRENT (243)	(54)	6,967	(7,021)
46 DERIVATIVE INSTRU-LIAB- CURRENT (245)	109,613	195,869	(86,256)
47 TOTAL CURRENT AND ACCRUED LIAB (L32 THRU L44)	<u>74,807,916</u>	<u>63,302,818</u>	<u>11,505,098</u>
DEFERRED CREDITS			
48			
49 CUSTOMER ADVANCES FOR CONSTRUCTION (252)	1,534,455	1,154,486	379,969
50 ACCUM DEFERRED INVEST TAX CREDITS (255)	825,302	912,151	(86,849)
51 DEF GAINS FROM DISPOS OF UTILITY PLANT (256)	-	-	-
52 OTHER DEFERRED CREDITS (253)	2,208,660	2,403,230	(194,570)
53 OTHER REGULATORY LIABILITIES (254)	5,754,527	3,046,992	2,707,535
54 UNAMORT GAIN ON REACQUIRED DEBT (257)	-	-	-
55 ACCUMULATED DEFERRED INCOME TAXES(281-283)	28,454,775	22,348,041	6,106,734
56 TOTAL DEFERRED CREDITS (LINES 47 THRU 52)	<u>38,777,719</u>	<u>29,864,900</u>	<u>8,912,819</u>
57 TOTAL LIAB AND OTHER CREDITS (L14,22,30,45,54)	<u>287,286,249</u>	<u>252,951,054</u>	<u>34,335,195</u>

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT APRIL 30, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
1 UTILITY OPERATING INCOME				
2 OPERATING REVENUES (400)	<u>13,917,680</u>	<u>3,277,158</u>	<u>184,409,251</u>	<u>33,484,560</u>
3 OPERATING EXPENSES:				
4 OPERATING EXPENSES (401)	12,158,247	2,481,578	154,845,916	27,295,310
5 MAINTENANCE EXPENSES (402)	190,824	2,870	2,660,214	242,419
6 DEPRECIATION EXPENSE (403)	426,703	13,013	5,040,671	145,769
7 AMORT AND DEPL OF UTIL PLANT (404-405)	35,614	822	423,488	(46,292)
8 AMORT OF UTIL PLANT ACQ ADJ (406)	-	-	-	-
9 AMORT OF PROPERTY LOSSES, UNRECOVE RED PLANT AND REGULATORY STUDY COSTS (407)	-	-	-	-
10 AMORT OF CONVERSION EXPENSES (407)	-	-	-	-
11 REGULATORY DEBITS (407.3)	-	-	-	-
12 (LESS) REGULATORY CREDITS (407.4)	-	-	-	-
13 TAXES OTHER THAN INCOME TAXES (408.1)	209,320	6,460	2,370,399	36,059
14 INCOME TAXES - FEDERAL (409.1)	529,547	(290,010)	387,652	(3,609,369)
15 - OTHER (409.1)	122,742	23,498	(115,027)	343,539
16 PROV FOR DEFERRED INC TAXES (410.1)	(402,389)	583,849	7,923,105	2,086,360
17 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.1)	(22,121)	(1,930)	(2,315,905)	3,737,818
18 INVESTMENT TAX CREDIT ADJ - NET (411.4)	(7,224)	83	(86,855)	845
19 (LESS) GAINS FROM DISP. OF UTILITY PLANT (411.6)	-	-	-	-
20 LOSSES FROM DISPOS OF UTIL PLANT (411.7)	-	-	-	-
21 (LESS) GAINS FROM DISPOSITION OF ALLOWANCES (411.8)	-	-	-	-
22 LOSSES FROM DISPOSITION OF ALLOWANCES (411.9)	-	-	-	-
23 TOTAL UTILITY OPERATING EXPENSES	<u>13,241,263</u>	<u>2,820,233</u>	<u>171,133,658</u>	<u>30,232,458</u>
24 NET UTILITY OPERATING INCOME	<u>676,417</u>	<u>456,925</u>	<u>13,275,593</u>	<u>3,252,102</u>
26 OTHER INCOME AND DEDUCTIONS				
27 OTHER INCOME:				
28 NONUTILITY OPERATING INCOME				
29 REVENUES FROM MERCHANDISING, JOBBING AND CONTRACT WORK (415)	-	-	-	-
30 (LESS) COSTS AND EXP. OF MERCHANDISING, JOB & CONTRACT WORK (416)	-	-	-	-
31 REVENUES FROM NONUTILITY OPERATIONS (417)	75,428	(5,460)	656,544	(287,129)
32 (LESS) EXPENSES OF NONUTILITY OPERATOPMS (417.1)	-	-	-	-
33 NONOPERATING RENTAL INCOME (418)	(2,798)	961	(46,172)	(6,503)
34 EQUITY IN EARNINGS OF SUBSID COS (418.1)	-	-	-	-
35 INTEREST AND DIVIDEND INCOME (419)	152,089	(101,480)	1,318,533	(44,457)
36 ALLOW FOR OTHER FUNDS USED DURING CONSTR (419.1)	-	-	-	-
37 MISCELLANEOUS NONOPERATING INCOME (421)	93,132	(56,329)	2,178,563	(367,028)
38 GAIN ON DISPOSITION OF PROPERTY (421.1)	-	-	95,186	87,859
39 TOTAL OTHER INCOME (ENTER TOTAL OF LINES 29 THRU 38)	<u>323,447</u>	<u>(164,230)</u>	<u>4,294,998</u>	<u>(604,252)</u>
40 OTHER INCOME DEDUCTIONS:				
41 LOSS ON DISPOSITION OF PROPERTY (421.2)	-	-	-	(602)
42 MISCELLANEOUS AMORTIZATION (425)	-	-	-	-
43 MISC INCOME DEDUCTIONS (426.1-426.5)	17,026	(4,671)	342,758	43,719
44 TOTAL OTHER INCOME DEDUCTIONS (TOTAL OF LINES 41 THRU 43)	<u>17,026</u>	<u>(4,671)</u>	<u>342,758</u>	<u>43,117</u>



COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT APRIL 30, 2008

ACCOUNT	CURRENT MONTH		12 MONTHS ENDED	
	ACTUAL	INCREASE PREV. YEAR	ACTUAL	INCREASE PREV. YEAR
45 TAXES APPLIC TO OTHER INCOME AND DEDUCTIONS:	-	-	-	-
46 TAXES OTHER THAN INCOME TAXES (408.2)	-	-	-	-
47 INCOME TAXES - FEDERAL (409.2)	119,056	(61,735)	1,567,757	245,158
48 - OTHER (409.2)	-	-	-	-
49 PROVISION FOR DEFERRED INC TAXES (410.2)	-	-	-	(476,872)
50 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.2)	-	-	51,141	51,141
51 INVESTMENT TAX CREDIT ADJ - NET (411.5)	-	-	-	-
52 INVESTMENT TAX CREDITS (420)	-	-	-	-
53 TOTAL TAXES ON OTHER INCOME AND DED. (TOTAL OF 46 THRU 52)	<u>119,056</u>	<u>(61,735)</u>	<u>1,516,616</u>	<u>(282,855)</u>
54 NET OTHER INCOME AND DEDUCTIONS (ENTER TOTAL OF LINES 39, 44, 53)	<u>187,365</u>	<u>(97,824)</u>	<u>2,435,624</u>	<u>(364,514)</u>
55 INTEREST CHARGES				
56 INTEREST ON LONG-TERM DEBT (427)	-	-	-	-
57 AMORT OF DEBT DISC AND EXP (428)	-	-	-	-
58 AMORT OF LOSS ON REACQUIRED DEBT (428.1)	-	-	-	-
59 (LESS) AMORT. OF PREMIUM ON DEBT-CREDIT (429)	-	-	-	-
60 (LESS) AMORT. OF GAIN ON REACQ. DEBT-CR. (429.1)	-	-	-	-
61 INTEREST ON DEBT TO ASSOC. CO. (430)	269,854	(1)	3,297,987	479,283
62 OTHER INTEREST EXPENSE (431)	13,767	27,344	239,904	(35,514)
63 (LESS) ALLOW. FOR BORROWED FUNDS USED DURING CONST.-CR (432)	<u>(7,561)</u>	<u>1,929</u>	<u>(52,055)</u>	<u>195,366</u>
64 NET INTEREST CHARGES (ENTER TOTAL OF LINES 25, 54, 64)	<u>276,060</u>	<u>29,272</u>	<u>3,485,836</u>	<u>639,135</u>
65 INCOME BEFORE EXTRAORDINARY ITEMS	<u>587,722</u>	<u>329,829</u>	<u>12,225,381</u>	<u>2,248,453</u>
66 EXTRAORDINARY ITEMS				
67 EXTRAORDINARY INCOME (434)	-	-	-	-
68 (LESS) EXTRAORDINARY DEDUCTIONS (435)	-	-	-	-
69 NET EXTRAORDINARY ITEMS (ENTER TOTAL OF LINE 67 LESS LINE 68)	-	-	-	-
70 INCOME TAXES - FEDERAL AND OTHER (409.3 & 410.3)	-	-	-	-
71 EXTRAORDINARY ITEMS AFTER TAXES	-	-	-	-
72 NET INCOME (ENTER TOTAL OF LINES 65 AND 71)	<u>587,722</u>	<u>329,829</u>	<u>12,225,381</u>	<u>2,248,453</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT MAY 31, 2008

TITLE OF ACCOUNT	MAY CURRENT YEAR =====	MAY PRIOR YEAR =====	INCREASE OR DECREASE =====
1 UTILITY PLANT			
2 UTILITY PLANT (101-106,114)	262,943,937	255,750,475	7,193,462
3 CONSTRUCTION WORK IN PROGRESS (107)	<u>4,670,890</u>	<u>3,217,482</u>	<u>1,453,408</u>
4 TOTAL UTILITY PLANT (LINES 2 AND 3)	267,614,827	258,967,957	8,646,870
5 (LESS) ACCUM PROV FOR DEPR, AMORT, DEPL (108,111,115)	<u>(117,167,066)</u>	<u>(114,447,969)</u>	<u>(2,719,097)</u>
6 NET UTILITY PLANT, LESS NUCLEAR FUEL (LINE 4 LESS 5)	<u>150,447,761</u>	<u>144,519,988</u>	<u>5,927,773</u>
7 NUCLEAR FUEL (120.0-120.4,120.6)	-	-	-
8 (LESS) ACCUM PROV FOR AMORT OF NUC FUEL ASSEMB (120.5)	-	-	-
9 NET NUCLEAR FUEL (LINE 7 LESS 8)	-	-	-
10 NET UTILITY PLANT (LINES 6 AND 9)	<u>150,447,761</u>	<u>144,519,988</u>	<u>5,927,773</u>
11 UTILITY PLANT ADJUSTMENTS (116)	-	-	-
12 GAS STORED UNDERGROUND (117)	-	-	-
13 OTHER PROPERTY AND INVESTMENTS			
14 NONUTILITY PROPERTY (121)	-	-	-
15 (LESS) ACCUM PROV FOR DEPR AND AMORT (122)	-	-	-
16 INVESTMENTS IN ASSOCIATED COMPANIES (123)	-	-	-
17 INVESTMENTS IN SUBSIDIARY COMPANIES (123.1)	255,655	208,425	47,230
18 (FOR COST OF ACCT 123.1, SEE FOOTNOTE PAGE 224, LINE 42)			
19 NONCURRENT PORTION OF ALLOWANCES	-	-	-
20 OTHER INVESTMENTS (124)	-	-	-
21 SPECIAL FUNDS (125-128)	-	-	-
22 TOTAL OTHER PROPERTY AND INVEST (LINES 14 -17, 19-21)	<u>255,655</u>	<u>208,425</u>	<u>47,230</u>
23 CURRENT AND ACCRUED ASSETS			
24 CASH (131)	360,972	383,254	(22,282)
25 SPECIAL DEPOSITS (132-134)	-	-	-
26 WORKING FUNDS (135)	8	8	-
27 TEMPORARY CASH INVESTMENTS (136)	91,730	5,571,901	(5,480,171)
28 NOTES RECEIVABLE (141)	22	22	-
29 CUSTOMER ACCOUNTS RECEIVABLE (142)	13,648,949	6,270,853	7,378,096
30 OTHER ACCOUNTS RECEIVABLE (143)	8,454,715	8,833,952	(379,237)
31 (LESS) ACCUM PROV FOR UNCOLLECT ACCT - CREDIT (144)	<u>(494,965)</u>	<u>(1,100,257)</u>	<u>605,292</u>
32 NOTES REC FROM ASSOCIATED COMPANIES (145)	-	-	-
33 ACCOUNTS REC FROM ASSOC COMPANIES (146)	48,232,784	40,972,846	7,259,938
34 FUEL STOCK (151)	22	22	-
35 FUEL STOCK EXPENSE UNDISTRIBUTED (152)	-	-	-
36 RESIDUALS (ELEC) AND EXTRACTED PROD (GAS) (153)	-	-	-
37 PLANT MATERIALS AND OPERATING SUPPLIES (154)	42,512	39,635	2,877
38 MERCHANDISE (155)	-	-	-
39 OTHER MATERIALS AND SUPPLIES (156)	-	-	-
40 NUCLEAR MATERIALS HELD FOR SALE (157)	-	-	-
41 ALLOWANCES (158.1 AND 158.2)	-	-	-
42 NONCURRENT PORTION OF ALLOWANCES	-	-	-
43 STORES EXPENSE UNDISTRIBUTED (163)	<u>(30)</u>	<u>(30)</u>	<u>-</u>
44 GAS STORED UNDERGROUND-CURRENT (164.1)	8,040,200	23,078,202	(15,038,002)
45 LIQUEFIED NATURAL GAS HELD FOR PROCESSING (164.2-164.3)	2	2	-

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT MAY 31, 2008

TITLE OF ACCOUNT	MAY CURRENT YEAR =====	MAY PRIOR YEAR =====	INCREASE OR DECREASE =====
46 PREPAYMENTS (165)	205,714	172,744	32,970
47 ADVANCES FOR GAS (166-167)	-	-	-
48 INTEREST AND DIVIDENDS RECEIVABLE (171)	16,428	55,090	(38,662)
49 RENTS RECEIVABLE (172)	-	-	-
50 ACCRUED UTILITY REVENUES (173)	4,247,907	2,545,474	1,702,433
51 MISCELLANEOUS CURRENT AND ACCRUED ASSETS (174)	<u>7,809,205</u>	<u>4,877,706</u>	<u>2,931,499</u>
52 TOTAL CURRENT AND ACCRUED ASSETS (LINES 24 THRU 51)	<u>90,656,175</u>	<u>91,701,424</u>	<u>(1,045,249)</u>
53 DEFERRED DEBITS			
54 UNAMORTIZED DEBT EXPENSE (181)	-	-	-
55 EXTRAORDINARY PROPERTY LOSSES (182.1)	-	-	-
56 UNRECOVERED PLANT AND REG STUDY COSTS (182.2)	-	-	-
57 OTHER REGULATORY ASSETS (182.3)	4,455,640	2,023,585	2,432,055
58 PRELIM SURVEY AND INVEST CHRGS - ELECTRIC (183)	-	-	-
59 PRELIM SURVEY AND INVEST CHRGS - GAS (183.1, 183.2)	290,829	258,145	32,684
60 CLEARING ACCOUNTS (184)	23,505	(10,299)	33,804
61 TEMPORARY FACILITIES (185)	-	-	-
62 MISCELLANEOUS DEFERRED DEBITS (186)	1,820,851	1,575,892	244,959
63 DEF LOSSES FROM DISPOS OF UTILITY PLANT (187)	-	-	-
64 RESEARCH, DEVEL AND DEMONSTR EXP (188)	20	20	-
65 UNAMORTIZED LOSS ON REACQUIRED DEBT (189)	-	-	-
66 ACCUMULATED DEFERRED INCOME TAXES (190)	6,682,196	6,891,856	(209,660)
67 UNRECOVERED PURCHASED GAS COSTS (191)	17,841,905	1,827,837	16,014,068
68 OTHER SPECIAL FUNDS	<u>2,973,787</u>	<u>924,450</u>	<u>2,049,337</u>
69 TOTAL DEFERRED DEBITS (LINES 54 THRU 68)	<u>34,088,733</u>	<u>13,491,486</u>	<u>20,597,247</u>
70 TOTAL ASSETS AND OTHER DEBITS (ENTER TOTAL OF LINES 10, 11, 12, 22, 52, AND 69)	<u>275,448,324</u> =====	<u>249,921,323</u> =====	<u>25,527,001</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT MAY 31, 2008

	MAY CURRENT YEAR =====	MAY PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
1 PROPRIETARY CAPITAL			
2 COMMON STOCK ISSUED (201)	23,806,202	23,806,202	-
3 PREFERRED STOCK ISSUED (204)	-	-	-
4 CAPITAL STOCK SUBSCRIBED (202, 205)	-	-	-
5 STOCK LIABILITY FOR CONVERSION (203, 206)	-	-	-
6 PREMIUM ON CAPITAL STOCK (207)	-	-	-
7 OTHER PAID-IN CAPITAL (208 - 211)	5,182,740	4,833,887	348,853
8 INSTALLMENTS RECEIVED ON CAPITAL STOCK (212)	-	-	-
9 (LESS) DISCOUNT ON CAPITAL STOCK (213)	-	-	-
10 (LESS) CAPITAL STOCK EXPENSE (214)	-	-	-
11 OTHER COMPREHENSIVE INCOME (219)	1	(1,543,720)	1,543,721
12 RETAINED EARNINGS (215, 215.1, 216)	73,928,701	68,462,825	5,465,876
13 UNAPPROP UNDIST SUBSIDIARY EARNINGS (216.1)	-	-	-
14 (LESS) REACQUIRED CAPITAL STOCK (217)	-	-	-
15 TOTAL PROPRIETARY CAPITAL (LINES 2 THRU 13)	<u>102,917,644</u>	<u>95,559,194</u>	<u>7,358,450</u>
16 LONG-TERM DEBT			
17 BONDS (221)	-	-	-
18 (LESS) REACQUIRED BONDS (222)	-	-	-
19 ADVANCES FROM ASSOCIATED COMPANIES (223)	58,055,011	58,055,011	-
20 OTHER LONG-TERM DEBT (224)	-	-	-
21 UNAMORT PREMIUM ON LONG-TERM DEBT (225)	-	-	-
22 (LESS) UNAMORT DISCOUNT ON LONG-TERM DEBT (226)	-	-	-
23 TOTAL LONG-TERM DEBT (LINES 16 THRU 21)	<u>58,055,011</u>	<u>58,055,011</u>	<u>-</u>
24 OTHER NONCURRENT LIABILITIES			
25 OBLIG UNDER CAP LEASES-NONCURRENT (227)	85	86	(1)
26 ACCUM PROVISION FOR PROPERTY INSURANCE (228.1)	-	-	-
27 ACCUM PROV FOR INJURIES AND DAMAGES (228.2)	5,899,261	6,060,456	(161,195)
28 ACCUM PROV FOR PENSIONS AND BENEFITS (228.3)	-	-	-
29 ACCUM MISC OPERATING PROVISIONS (228.4)	-	-	-
30 ACCUM PROVISION FOR RATE REFUNDS (229)	-	-	-
31 TOTAL OTHER NONCURRENT LIAB (TOTAL L24 THRU L29)	<u>5,899,346</u>	<u>6,060,542</u>	<u>(161,196)</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT MAY 31, 2008

	MAY CURRENT YEAR =====	MAY PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
32	CURRENT AND ACCRUED LIABILITIES		
33	-	-	-
34	30,770,361	15,237,123	15,533,238
35	4	4	-
36	4,798,827	5,620,138	(821,311)
37	2,938,673	3,199,080	(260,407)
38	4,242,073	6,443,574	(2,201,501)
39	88,817	14,833	73,984
40	4	4	-
41	-	-	-
42	-	-	-
43	817,363	652,912	164,451
44	25,353,684	28,791,360	(3,437,676)
45	(54)	3,471	(3,525)
46	109,311	133,976	(24,665)
47	<u>69,119,063</u>	<u>60,096,475</u>	<u>9,022,588</u>
DEFERRED CREDITS			
48	DEFERRED CREDITS		
49	1,532,974	1,187,709	345,265
50	818,079	904,845	(86,766)
51	-	-	-
52	2,203,912	2,398,484	(194,572)
53	6,273,781	3,097,182	3,176,599
54	-	-	-
55	28,628,514	22,561,881	6,066,633
56	<u>39,457,260</u>	<u>30,150,101</u>	<u>9,307,159</u>
57	<u>275,448,324</u>	<u>249,921,323</u>	<u>25,527,001</u>

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT MAY 31, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
1 UTILITY OPERATING INCOME				
2 OPERATING REVENUES (400)	<u>10,406,315</u>	<u>1,567,227</u>	<u>185,976,478</u>	<u>33,655,857</u>
3 OPERATING EXPENSES:				
4 OPERATING EXPENSES (401)	9,320,399	788,944	155,634,860	26,283,626
5 MAINTENANCE EXPENSES (402)	190,977	7,070	2,667,284	288,622
6 DEPRECIATION EXPENSE (403)	427,628	13,281	5,053,952	145,334
7 AMORT AND DEPL OF UTIL PLANT (404-405)	35,615	(5,186)	418,302	(50,791)
8 AMORT OF UTIL PLANT ACQ ADJ (406)	-	-	-	-
9 AMORT OF PROPERTY LOSSES, UNRECOVE RED PLANT AND REGULATORY STUDY COSTS (407)	-	-	-	-
10 AMORT OF CONVERSION EXPENSES (407)	-	-	-	-
11 REGULATORY DEBITS (407.3)	-	-	-	-
12 (LESS) REGULATORY CREDITS (407.4)	-	-	-	-
13 TAXES OTHER THAN INCOME TAXES (408.1)	206,394	(313)	2,370,086	102,880
14 INCOME TAXES - FEDERAL (409.1)	(122,908)	303,205	690,857	(2,760,455)
15 - OTHER (409.1)	(3,007)	123,845	8,818	592,096
16 PROV FOR DEFERRED INC TAXES (410.1)	196,438	(34,618)	7,888,487	1,954,098
17 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.1)	(95,109)	(80,710)	(2,396,615)	3,226,961
18 INVESTMENT TAX CREDIT ADJ - NET (411.4)	(7,224)	83	(86,772)	926
19 (LESS) GAINS FROM DISP. OF UTILITY PLANT (411.6)	-	-	-	-
20 LOSSES FROM DISPOS OF UTIL PLANT (411.7)	-	-	-	-
21 (LESS) GAINS FROM DISPOSITION OF ALLOWANCES (411.8)	-	-	-	-
22 LOSSES FROM DISPOSITION OF ALLOWANCES (411.9)	-	-	-	-
23 TOTAL UTILITY OPERATING EXPENSES	<u>10,149,203</u>	<u>1,115,601</u>	<u>172,249,259</u>	<u>29,783,297</u>
24 NET UTILITY OPERATING INCOME	<u>257,112</u>	<u>451,626</u>	<u>13,727,219</u>	<u>3,872,560</u>
26 OTHER INCOME AND DEDUCTIONS				
27 OTHER INCOME:				
28 NONUTILITY OPERATING INCOME				
29 REVENUES FROM MERCHANDISING, JOBBING AND CONTRACT WORK (415)	-	-	-	-
30 (LESS) COSTS AND EXP. OF MERCHANDISING, JOB & CONTRACT WORK (416)	-	-	-	-
31 REVENUES FROM NONUTILITY OPERATIONS (417)	27,686	(3,748)	652,796	(299,119)
32 (LESS) EXPENSES OF NONUTILITY OPERATOPMS (417.1)	-	-	-	-
33 NONOPERATING RENTAL INCOME (418)	(4,527)	(766)	(46,938)	(3,508)
34 EQUITY IN EARNINGS OF SUBSID COS (418.1)	-	-	-	-
35 INTEREST AND DIVIDEND INCOME (419)	192,028	(78,187)	1,240,346	(313,948)
36 ALLOW FOR OTHER FUNDS USED DURING CONSTR (419.1)	-	-	-	-
37 MISCELLANEOUS NONOPERATING INCOME (421)	81,549	(202,392)	1,976,171	(619,322)
38 GAIN ON DISPOSITION OF PROPERTY (421.1)	-	99	95,285	88,057
39 TOTAL OTHER INCOME (CENTER TOTAL OF LINES 29 THRU 38)	<u>305,790</u>	<u>(283,462)</u>	<u>4,011,536</u>	<u>(1,140,824)</u>
40 OTHER INCOME DEDUCTIONS:				
41 LOSS ON DISPOSITION OF PROPERTY (421.2)	-	-	-	(602)
42 MISCELLANEOUS AMORTIZATION (425)	-	-	-	-
43 MISC INCOME DEDUCTIONS (426.1-426.5)	18,596	13,188	355,946	69,253
44 TOTAL OTHER INCOME DEDUCTIONS (TOTAL OF LINES 41 THRU 43)	<u>18,596</u>	<u>13,188</u>	<u>355,946</u>	<u>68,651</u>

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT MAY 31, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
45 TAXES APPLIC TO OTHER INCOME AND DEDUCTIONS:	-	-	-	-
46 TAXES OTHER THAN INCOME TAXES (408.2)	-	-	-	-
47 INCOME TAXES - FEDERAL (409.2)	110,660	(115,696)	1,452,061	29,756
48 - OTHER (409.2)	-	-	-	-
49 PROVISION FOR DEFERRED INC TAXES (410.2)	-	-	-	(476,872)
50 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.2)	-	-	51,141	51,141
51 INVESTMENT TAX CREDIT ADJ - NET (411.5)	-	-	-	-
52 INVESTMENT TAX CREDITS (420)	-	-	-	-
53 TOTAL TAXES ON OTHER INCOME AND DED. (TOTAL OF 46 THRU 52)	<u>110,660</u>	<u>(115,696)</u>	<u>1,400,920</u>	<u>(498,257)</u>
54 NET OTHER INCOME AND DEDUCTIONS (ENTER TOTAL OF LINES 39, 44, 53)	<u>176,534</u>	<u>(180,954)</u>	<u>2,254,670</u>	<u>(711,218)</u>
55 INTEREST CHARGES				
56 INTEREST ON LONG-TERM DEBT (427)	-	-	-	-
57 AMORT OF DEBT DISC AND EXP (428)	-	-	-	-
58 AMORT OF LOSS ON REACQUIRED DEBT (428.1)	-	-	-	-
59 (LESS) AMORT. OF PREMIUM ON DEBT-CREDIT (429)	-	-	-	-
60 (LESS) AMORT. OF GAIN ON REACQ. DEBT-CR. (429.1)	-	-	-	-
61 INTEREST ON DEBT TO ASSOC. CO. (430)	278,850	-	3,297,987	397,546
62 OTHER INTEREST EXPENSE (431)	13,757	27,678	267,582	34,807
63 (LESS) ALLOW. FOR BORROWED FUNDS USED DURING CONST.-CR (432)	<u>(12,379)</u>	<u>2,500</u>	<u>(49,555)</u>	<u>200,231</u>
64 NET INTEREST CHARGES (ENTER TOTAL OF LINES 25, 54, 64)	<u>280,228</u>	<u>30,178</u>	<u>3,516,014</u>	<u>632,584</u>
65 INCOME BEFORE EXTRAORDINARY ITEMS	<u>153,418</u>	<u>240,494</u>	<u>12,465,875</u>	<u>2,528,758</u>
66 EXTRAORDINARY ITEMS				
67 EXTRAORDINARY INCOME (434)	-	-	-	-
68 (LESS) EXTRAORDINARY DEDUCTIONS (435)	-	-	-	-
69 NET EXTRAORDINARY ITEMS (ENTER TOTAL OF LINE 67 LESS LINE 68)	-	-	-	-
70 INCOME TAXES - FEDERAL AND OTHER (409.3 & 410.3)	-	-	-	-
71 EXTRAORDINARY ITEMS AFTER TAXES	-	-	-	-
72 NET INCOME (ENTER TOTAL OF LINES 65 AND 71)	<u>153,418</u>	<u>240,494</u>	<u>12,465,875</u>	<u>2,528,758</u>

COLUMBIA GAS OF KENTUCKY, INC.  
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
AT JUNE 30, 2008

TITLE OF ACCOUNT	JUNE CURRENT YEAR =====	JUNE PRIOR YEAR =====	INCREASE OR DECREASE =====
1 UTILITY PLANT			
2 UTILITY PLANT (101-106,114)	263,431,301	256,756,108	6,675,193
3 CONSTRUCTION WORK IN PROGRESS (107)	<u>5,561,894</u>	<u>2,638,597</u>	<u>2,923,297</u>
4 TOTAL UTILITY PLANT (LINES 2 AND 3)	268,993,195	259,394,705	9,598,490
5 (LESS) ACCUM PROV FOR DEPR, AMORT, DEPL (108,111,115)	<u>(117,392,919)</u>	<u>(114,698,063)</u>	<u>(2,694,856)</u>
6 NET UTILITY PLANT, LESS NUCLEAR FUEL (LINE 4 LESS 5)	<u>151,600,276</u>	<u>144,696,642</u>	<u>6,903,634</u>
7 NUCLEAR FUEL (120.0-120.4,120.6)	-	-	-
8 (LESS) ACCUM PROV FOR AMORT OF NUC FUEL ASSEMB (120.5)	-	-	-
9 NET NUCLEAR FUEL (LINE 7 LESS 8)	-	-	-
10 NET UTILITY PLANT (LINES 6 AND 9)	<u>151,600,276</u>	<u>144,696,642</u>	<u>6,903,634</u>
11 UTILITY PLANT ADJUSTMENTS (116)	-	-	-
12 GAS STORED UNDERGROUND (117)	-	-	-
13 OTHER PROPERTY AND INVESTMENTS			
14 NONUTILITY PROPERTY (121)	-	-	-
15 (LESS) ACCUM PROV FOR DEPR AND AMORT (122)	-	-	-
16 INVESTMENTS IN ASSOCIATED COMPANIES (123)	-	-	-
17 INVESTMENTS IN SUBSIDIARY COMPANIES (123.1)	260,556	212,168	48,388
18 (FOR COST OF ACCT 123.1, SEE FOOTNOTE PAGE 224, LINE 42)			
19 NONCURRENT PORTION OF ALLOWANCES	-	-	-
20 OTHER INVESTMENTS (124)	-	-	-
21 SPECIAL FUNDS (125-128)	-	-	-
22 TOTAL OTHER PROPERTY AND INVEST (LINES 14 -17, 19-21)	<u>260,556</u>	<u>212,168</u>	<u>48,388</u>
23 CURRENT AND ACCRUED ASSETS			
24 CASH (131)	608,104	60,391	547,713
25 SPECIAL DEPOSITS (132-134)	-	-	-
26 WORKING FUNDS (135)	8	8	-
27 TEMPORARY CASH INVESTMENTS (136)	150,187	637,701	(487,514)
28 NOTES RECEIVABLE (141)	22	22	-
29 CUSTOMER ACCOUNTS RECEIVABLE (142)	10,019,294	4,401,927	5,617,367
30 OTHER ACCOUNTS RECEIVABLE (143)	4,204,420	5,040,837	(836,417)
31 (LESS) ACCUM PROV FOR UNCOLLECT ACCT - CREDIT (144)	<u>(298,992)</u>	<u>(1,004,298)</u>	<u>705,306</u>
32 NOTES REC FROM ASSOCIATED COMPANIES (145)	-	-	-
33 ACCOUNTS REC FROM ASSOC COMPANIES (146)	30,096,985	37,981,762	(7,884,777)
34 FUEL STOCK (151)	22	22	-
35 FUEL STOCK EXPENSE UNDISTRIBUTED (152)	-	-	-
36 RESIDUALS (ELEC) AND EXTRACTED PROD (GAS) (153)	-	-	-
37 PLANT MATERIALS AND OPERATING SUPPLIES (154)	43,288	38,902	4,386
38 MERCHANDISE (155)	-	-	-
39 OTHER MATERIALS AND SUPPLIES (156)	-	-	-
40 NUCLEAR MATERIALS HELD FOR SALE (157)	-	-	-
41 ALLOWANCES (158.1 AND 158.2)	-	-	-
42 NONCURRENT PORTION OF ALLOWANCES	-	-	-
43 STORES EXPENSE UNDISTRIBUTED (163)	<u>(30)</u>	<u>(30)</u>	<u>-</u>
44 GAS STORED UNDERGROUND-CURRENT (164.1)	16,549,395	37,171,246	(20,621,851)
45 LIQUEFIED NATURAL GAS HELD FOR PROCESSING (164.2-164.3)	2	2	-



COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT JUNE 30, 2008

TITLE OF ACCOUNT	JUNE CURRENT YEAR =====	JUNE PRIOR YEAR =====	INCREASE OR DECREASE =====
46 PREPAYMENTS (165)	111,713	83,855	27,858
47 ADVANCES FOR GAS (166-167)	-	-	-
48 INTEREST AND DIVIDENDS RECEIVABLE (171)	6,109	54,078	(47,969)
49 RENTS RECEIVABLE (172)	-	-	-
50 ACCRUED UTILITY REVENUES (173)	3,291,469	2,603,927	687,542
51 MISCELLANEOUS CURRENT AND ACCRUED ASSETS (174)	<u>6,902,326</u>	<u>3,751,137</u>	<u>3,151,189</u>
52 TOTAL CURRENT AND ACCRUED ASSETS (LINES 24 THRU 51)	<u>71,684,322</u>	<u>90,821,489</u>	<u>(19,137,167)</u>
53 DEFERRED DEBITS			
54 UNAMORTIZED DEBT EXPENSE (181)	-	-	-
55 EXTRAORDINARY PROPERTY LOSSES (182.1)	-	-	-
56 UNRECOVERED PLANT AND REG STUDY COSTS (182.2)	-	-	-
57 OTHER REGULATORY ASSETS (182.3)	5,636,354	3,098,685	2,537,669
58 PRELIM SURVEY AND INVEST CHRGS - ELECTRIC (183)	-	-	-
59 PRELIM SURVEY AND INVEST CHRGS - GAS (183.1, 183.2)	300,116	277,232	22,884
60 CLEARING ACCOUNTS (184)	13,423	(38,631)	52,054
61 TEMPORARY FACILITIES (185)	-	-	-
62 MISCELLANEOUS DEFERRED DEBITS (186)	1,841,093	1,643,111	197,982
63 DEF LOSSES FROM DISPOS OF UTILITY PLANT (187)	-	-	-
64 RESEARCH, DEVEL AND DEMONSTR EXP (188)	20	20	-
65 UNAMORTIZED LOSS ON REACQUIRED DEBT (189)	-	-	-
66 ACCUMULATED DEFERRED INCOME TAXES (190)	6,697,574	6,883,841	(186,267)
67 UNRECOVERED PURCHASED GAS COSTS (191)	23,084,664	1,758,545	21,326,119
68 OTHER SPECIAL FUNDS	<u>2,980,429</u>	<u>921,750</u>	<u>2,058,679</u>
69 TOTAL DEFERRED DEBITS (LINES 54 THRU 68)	<u>40,553,673</u>	<u>14,544,553</u>	<u>26,009,120</u>
70 TOTAL ASSETS AND OTHER DEBITS (ENTER TOTAL OF LINES 10, 11, 12, 22, 52, AND 69)	<u>264,098,827</u> =====	<u>250,274,852</u> =====	<u>13,823,975</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT JUNE 30, 2008

	JUNE CURRENT YEAR =====	JUNE PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
1 PROPRIETARY CAPITAL			
2 COMMON STOCK ISSUED (201)	23,806,202	23,806,202	-
3 PREFERRED STOCK ISSUED (204)	-	-	-
4 CAPITAL STOCK SUBSCRIBED (202, 205)	-	-	-
5 STOCK LIABILITY FOR CONVERSION (203, 206)	-	-	-
6 PREMIUM ON CAPITAL STOCK (207)	-	-	-
7 OTHER PAID-IN CAPITAL (208 - 211)	5,182,740	4,833,887	348,853
8 INSTALLMENTS RECEIVED ON CAPITAL STOCK (212)	-	-	-
9 (LESS) DISCOUNT ON CAPITAL STOCK (213)	-	-	-
10 (LESS) CAPITAL STOCK EXPENSE (214)	-	-	-
11 OTHER COMPREHENSIVE INCOME (219)	1	(1,543,303)	1,543,304
12 RETAINED EARNINGS (215, 215.1, 216)	73,454,799	67,969,045	5,485,754
13 UNAPPROP UNDIST SUBSIDIARY EARNINGS (216.1)	-	-	-
14 (LESS) REACQUIRED CAPITAL STOCK (217)	-	-	-
15 TOTAL PROPRIETARY CAPITAL (LINES 2 THRU 13)	<u>102,443,742</u>	<u>95,065,831</u>	<u>7,377,911</u>
16 LONG-TERM DEBT			
17 BONDS (221)	-	-	-
18 (LESS) REACQUIRED BONDS (222)	-	-	-
19 ADVANCES FROM ASSOCIATED COMPANIES (223)	58,055,011	58,055,011	-
20 OTHER LONG-TERM DEBT (224)	-	-	-
21 UNAMORT PREMIUM ON LONG-TERM DEBT (225)	-	-	-
22 (LESS) UNAMORT DISCOUNT ON LONG-TERM DEBT (226)	-	-	-
23 TOTAL LONG-TERM DEBT (LINES 16 THRU 21)	<u>58,055,011</u>	<u>58,055,011</u>	<u>-</u>
24 OTHER NONCURRENT LIABILITIES			
25 OBLIG UNDER CAP LEASES-NONCURRENT (227)	85	86	(1)
26 ACCUM PROVISION FOR PROPERTY INSURANCE (228.1)	-	-	-
27 ACCUM PROV FOR INJURIES AND DAMAGES (228.2)	5,917,521	6,006,453	(88,932)
28 ACCUM PROV FOR PENSIONS AND BENEFITS (228.3)	-	-	-
29 ACCUM MISC OPERATING PROVISIONS (228.4)	-	-	-
30 ACCUM PROVISION FOR RATE REFUNDS (229)	-	-	-
31 TOTAL OTHER NONCURRENT LIAB (TOTAL L24 THRU L29)	<u>5,917,606</u>	<u>6,006,539</u>	<u>(88,933)</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT JUNE 30, 2008

	JUNE CURRENT YEAR =====	JUNE PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
32 CURRENT AND ACCRUED LIABILITIES			
33 NOTES PAYABLE (231)	-	-	-
34 ACCOUNTS PAYABLE (232)	28,774,004	24,624,794	4,149,210
35 NOTES PAYABLE TO ASSOC COMPANIES (233)	4	4	-
36 ACCOUNTS PAYABLE TO ASSOC COMPANIES (234)	3,282,294	3,914,107	(631,813)
37 CUSTOMER DEPOSITS (235)	2,756,164	3,070,700	(314,536)
38 TAXES ACCRUED (236)	2,827,622	5,705,754	(2,878,132)
39 INTEREST ACCRUED (237)	87,014	20,473	66,541
40 DIVIDENDS DECLARED (238)	4	4	-
41 MATURED LONG-TERM DEBT (239)	-	-	-
42 MATURED INTEREST (240)	-	-	-
43 TAX COLLECTIONS PAYABLE (241)	709,154	457,095	252,059
44 MISC CURRENT AND ACCRUED LIAB (242)	16,762,112	21,897,818	(5,135,706)
45 OBLIG UNDER CAP LEASES - CURRENT (243)	(54)	(54)	-
46 DERIVATIVE INSTRU-LIAB- CURRENT (245)	109,585	465,260	(355,675)
47 TOTAL CURRENT AND ACCRUED LIAB (L32 THRU L44)	<u>55,307,903</u>	<u>60,155,955</u>	<u>(4,848,052)</u>
48 DEFERRED CREDITS			
49 CUSTOMER ADVANCES FOR CONSTRUCTION (252)	1,530,357	1,203,536	326,821
50 ACCUM DEFERRED INVEST TAX CREDITS (255)	810,856	897,538	(86,682)
51 DEF GAINS FROM DISPOS OF UTILITY PLANT (256)	-	-	-
52 OTHER DEFERRED CREDITS (253)	2,199,164	2,393,738	(194,574)
53 OTHER REGULATORY LIABILITIES (254)	8,380,653	3,796,094	4,584,559
54 UNAMORT GAIN ON REACQUIRED DEBT (257)	-	-	-
55 ACCUMULATED DEFERRED INCOME TAXES(281-283)	29,453,535	22,700,610	6,752,925
56 TOTAL DEFERRED CREDITS (LINES 47 THRU 52)	<u>42,374,565</u>	<u>30,991,516</u>	<u>11,383,049</u>
57 TOTAL LIAB AND OTHER CREDITS (L14,22,30,45,54)	<u>264,098,827</u>	<u>250,274,852</u>	<u>13,823,975</u>

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT JUNE 30, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
1 UTILITY OPERATING INCOME				
2 OPERATING REVENUES (400)	6,015,527	587,101	186,563,579	32,999,614
3 OPERATING EXPENSES:				
4 OPERATING EXPENSES (401)	5,775,937	350,697	155,985,557	25,578,197
5 MAINTENANCE EXPENSES (402)	278,890	12,718	2,680,002	272,624
6 DEPRECIATION EXPENSE (403)	428,215	12,681	5,066,633	144,752
7 AMORT AND DEPL OF UTIL PLANT (404-405)	35,615	867	419,169	(43,184)
8 AMORT OF UTIL PLANT ACQ ADJ (406)	-	-	-	-
9 AMORT OF PROPERTY LOSSES, UNRECOVERED PLANT AND REGULATORY STUDY COSTS (407)	-	-	-	-
10 AMORT OF CONVERSION EXPENSES (407)	-	-	-	-
11 REGULATORY DEBITS (407.3)	-	-	-	-
12 (LESS) REGULATORY CREDITS (407.4)	-	-	-	-
13 TAXES OTHER THAN INCOME TAXES (408.1)	203,139	(2,886)	2,367,200	98,536
14 INCOME TAXES - FEDERAL (409.1)	(1,015,538)	(427,860)	262,997	(2,830,989)
15 - OTHER (409.1)	(171,408)	(294,754)	(285,936)	97,860
16 PROV FOR DEFERRED INC TAXES (410.1)	841,154	690,315	8,578,802	2,588,084
17 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.1)	(37,894)	(28,518)	(2,425,133)	2,920,015
18 INVESTMENT TAX CREDIT ADJ - NET (411.4)	(7,224)	84	(86,688)	1,009
19 (LESS) GAINS FROM DISP. OF UTILITY PLANT (411.6)	-	-	-	-
20 LOSSES FROM DISPOS OF UTIL PLANT (411.7)	-	-	-	-
21 (LESS) GAINS FROM DISPOSITION OF ALLOWANCES (411.8)	-	-	-	-
22 LOSSES FROM DISPOSITION OF ALLOWANCES (411.9)	-	-	-	-
23 TOTAL UTILITY OPERATING EXPENSES	<u>6,330,886</u>	<u>313,344</u>	<u>172,562,603</u>	<u>28,826,904</u>
24 NET UTILITY OPERATING INCOME	<u>(315,359)</u>	<u>273,757</u>	<u>14,000,976</u>	<u>4,172,710</u>
26 OTHER INCOME AND DEDUCTIONS				
27 OTHER INCOME:				
28 NONUTILITY OPERATING INCOME				
29 REVENUES FROM MERCHANDISING, JOBBING AND CONTRACT WORK (415)	-	-	-	-
30 (LESS) COSTS AND EXP. OF MERCHANDISING, JOB & CONTRACT WORK (416)	-	-	-	-
31 REVENUES FROM NONUTILITY OPERATIONS (417)	8,012	4,250	657,046	(324,312)
32 (LESS) EXPENSES OF NONUTILITY OPERATIONS (417.1)	-	-	-	-
33 NONOPERATING RENTAL INCOME (418)	(4,902)	(1,159)	(48,097)	(4,994)
34 EQUITY IN EARNINGS OF SUBSID COS (418.1)	-	-	-	-
35 INTEREST AND DIVIDEND INCOME (419)	125,449	(124,475)	1,115,871	(588,134)
36 ALLOW FOR OTHER FUNDS USED DURING CONSTR (419.1)	-	-	-	-
37 MISCELLANEOUS NONOPERATING INCOME (421)	86,989	(179,352)	1,796,819	(868,217)
38 GAIN ON DISPOSITION OF PROPERTY (421.1)	-	(95,285)	-	(102,513)
39 TOTAL OTHER INCOME (ENTER TOTAL OF LINES 29 THRU 38)	<u>225,352</u>	<u>(393,703)</u>	<u>3,617,833</u>	<u>(1,878,182)</u>
40 OTHER INCOME DEDUCTIONS:				
41 LOSS ON DISPOSITION OF PROPERTY (421.2)	-	-	-	-
42 MISCELLANEOUS AMORTIZATION (425)	-	-	-	-
43 MISC INCOME DEDUCTIONS (426.1-426.5)	35,763	18,448	374,394	132,931
44 TOTAL OTHER INCOME DEDUCTIONS (TOTAL OF LINES 41 THRU 43)	<u>35,763</u>	<u>18,448</u>	<u>374,394</u>	<u>132,931</u>

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT JUNE 30, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
45 TAXES APPLIC TO OTHER INCOME AND DEDUCTIONS:	-	-	-	-
46 TAXES OTHER THAN INCOME TAXES (408.2)	-	-	-	-
47 INCOME TAXES - FEDERAL (409.2)	72,341	(160,738)	1,291,323	(279,645)
48 - OTHER (409.2)	-	-	-	-
49 PROVISION FOR DEFERRED INC TAXES (410.2)	-	-	-	(476,872)
50 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.2)	1,027	1,027	52,168	52,168
51 INVESTMENT TAX CREDIT ADJ - NET (411.5)	-	-	-	-
52 INVESTMENT TAX CREDITS (420)	-	-	-	-
53 TOTAL TAXES ON OTHER INCOME AND DED. (TOTAL OF 46 THRU 52)	<u>71,314</u>	<u>(161,765)</u>	<u>1,239,155</u>	<u>(808,685)</u>
54 NET OTHER INCOME AND DEDUCTIONS (ENTER TOTAL OF LINES 39, 44, 53)	<u>118,275</u>	<u>(250,386)</u>	<u>2,004,284</u>	<u>(1,202,428)</u>
55 INTEREST CHARGES				
56 INTEREST ON LONG-TERM DEBT (427)	-	-	-	-
57 AMORT OF DEBT DISC AND EXP (428)	-	-	-	-
58 AMORT OF LOSS ON REACQUIRED DEBT (428.1)	-	-	-	-
59 (LESS) AMORT. OF PREMIUM ON DEBT-CREDIT (429)	-	-	-	-
60 (LESS) AMORT. OF GAIN ON REACQ. DEBT-CR. (429.1)	-	-	-	-
61 INTEREST ON DEBT TO ASSOC. CO. (430)	269,855	-	3,297,987	318,445
62 OTHER INTEREST EXPENSE (431)	15,023	1,615	269,197	51,428
63 (LESS) ALLOW. FOR BORROWED FUNDS USED DURING CONST.-CR (432)	<u>(8,060)</u>	<u>1,878</u>	<u>(47,677)</u>	<u>141,480</u>
64 NET INTEREST CHARGES (ENTER TOTAL OF LINES 25, 54, 64)	<u>276,818</u>	<u>3,493</u>	<u>3,519,507</u>	<u>511,353</u>
65 INCOME BEFORE EXTRAORDINARY ITEMS	<u>(473,902)</u>	<u>19,878</u>	<u>12,485,753</u>	<u>2,458,929</u>
66 EXTRAORDINARY ITEMS				
67 EXTRAORDINARY INCOME (434)	-	-	-	-
68 (LESS) EXTRAORDINARY DEDUCTIONS (435)	-	-	-	-
69 NET EXTRAORDINARY ITEMS (ENTER TOTAL OF LINE 67 LESS LINE 68)	-	-	-	-
70 INCOME TAXES - FEDERAL AND OTHER (409.3 & 410.3)	-	-	-	-
71 EXTRAORDINARY ITEMS AFTER TAXES	-	-	-	-
72 NET INCOME (ENTER TOTAL OF LINES 65 AND 71)	<u>(473,902)</u>	<u>19,878</u>	<u>12,485,753</u>	<u>2,458,929</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT JULY 31, 2008

TITLE OF ACCOUNT	JULY CURRENT YEAR =====	JULY PRIOR YEAR =====	INCREASE OR DECREASE =====
1 UTILITY PLANT			
2 UTILITY PLANT (101-106.114)	264,787,928	256,963,379	7,824,549
3 CONSTRUCTION WORK IN PROGRESS (107)	<u>5,326,529</u>	<u>3,346,977</u>	<u>1,979,552</u>
4 TOTAL UTILITY PLANT (LINES 2 AND 3)	270,114,457	260,310,356	9,804,101
5 (LESS) ACCUM PROV FOR DEPR, AMORT, DEPL (108,111,115)	<u>(117,753,780)</u>	<u>(115,069,883)</u>	<u>(2,683,897)</u>
6 NET UTILITY PLANT, LESS NUCLEAR FUEL (LINE 4 LESS 5)	<u>152,360,677</u>	<u>145,240,473</u>	<u>7,120,204</u>
7 NUCLEAR FUEL (120.0-120.4,120.6)	-	-	-
8 (LESS) ACCUM PROV FOR AMORT OF NUC FUEL ASSEMB (120.5)	-	-	-
9 NET NUCLEAR FUEL (LINE 7 LESS 8)	-	-	-
10 NET UTILITY PLANT (LINES 6 AND 9)	<u>152,360,677</u>	<u>145,240,473</u>	<u>7,120,204</u>
11 UTILITY PLANT ADJUSTMENTS (116)	-	-	-
12 GAS STORED UNDERGROUND (117)	-	-	-
13 OTHER PROPERTY AND INVESTMENTS			
14 NONUTILITY PROPERTY (121)	-	-	-
15 (LESS) ACCUM PROV FOR DEPR AND AMORT (122)	-	-	-
16 INVESTMENTS IN ASSOCIATED COMPANIES (123)	-	-	-
17 INVESTMENTS IN SUBSIDIARY COMPANIES (123.1)	262,210	215,920	46,290
18 (FOR COST OF ACCT 123.1. SEE FOOTNOTE PAGE 224, LINE 42)	-	-	-
19 NONCURRENT PORTION OF ALLOWANCES	-	-	-
20 OTHER INVESTMENTS (124)	-	-	-
21 SPECIAL FUNDS (125-128)	-	-	-
22 TOTAL OTHER PROPERTY AND INVEST (LINES 14 -17, 19-21)	<u>262,210</u>	<u>215,920</u>	<u>46,290</u>
23 CURRENT AND ACCRUED ASSETS			
24 CASH (131)	506,107	294,765	211,342
25 SPECIAL DEPOSITS (132-134)	-	-	-
26 WORKING FUNDS (135)	8	8	-
27 TEMPORARY CASH INVESTMENTS (136)	23,411	615,130	(591,719)
28 NOTES RECEIVABLE (141)	22	22	-
29 CUSTOMER ACCOUNTS RECEIVABLE (142)	6,224,676	3,252,895	2,971,781
30 OTHER ACCOUNTS RECEIVABLE (143)	3,263,373	3,705,454	(442,081)
31 (LESS) ACCUM PROV FOR UNCOLLECT ACCT - CREDIT (144)	<u>(251,219)</u>	<u>(550,412)</u>	<u>299,193</u>
32 NOTES REC FROM ASSOCIATED COMPANIES (145)	-	-	-
33 ACCOUNTS REC FROM ASSOC COMPANIES (146)	9,768,316	18,539,838	(8,771,522)
34 FUEL STOCK (151)	22	22	-
35 FUEL STOCK EXPENSE UNDISTRIBUTED (152)	-	-	-
36 RESIDUALS (ELEC) AND EXTRACTED PROD (GAS) (153)	-	-	-
37 PLANT MATERIALS AND OPERATING SUPPLIES (154)	55,405	39,511	15,894
38 MERCHANDISE (155)	-	-	-
39 OTHER MATERIALS AND SUPPLIES (156)	-	-	-
40 NUCLEAR MATERIALS HELD FOR SALE (157)	-	-	-
41 ALLOWANCES (158.1 AND 158.2)	-	-	-
42 NONCURRENT PORTION OF ALLOWANCES	-	-	-
43 STORES EXPENSE UNDISTRIBUTED (163)	<u>(30)</u>	<u>(30)</u>	<u>-</u>
44 GAS STORED UNDERGROUND-CURRENT (164.1)	41,617,840	51,297,767	(9,679,927)
45 LIQUEFIED NATURAL GAS HELD FOR PROCESSING (164.2-164.3)	2	2	-

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT JULY 31, 2008

TITLE OF ACCOUNT	JULY CURRENT YEAR =====	JULY PRIOR YEAR =====	INCREASE OR DECREASE =====
46 PREPAYMENTS (165)	760,181	635,622	124,559
47 ADVANCES FOR GAS (166-167)	-	-	-
48 INTEREST AND DIVIDENDS RECEIVABLE (171)	22	6,861	(6,839)
49 RENTS RECEIVABLE (172)	-	-	-
50 ACCRUED UTILITY REVENUES (173)	3,136,857	2,554,990	581,867
51 MISCELLANEOUS CURRENT AND ACCRUED ASSETS (174)	<u>2,043,100</u>	<u>1,732,942</u>	<u>310,158</u>
52 TOTAL CURRENT AND ACCRUED ASSETS (LINES 24 THRU 51)	<u>67,148,093</u>	<u>82,125,387</u>	<u>(14,977,294)</u>
53 DEFERRED DEBITS			
54 UNAMORTIZED DEBT EXPENSE (181)	-	-	-
55 EXTRAORDINARY PROPERTY LOSSES (182.1)	-	-	-
56 UNRECOVERED PLANT AND REG STUDY COSTS (182.2)	-	-	-
57 OTHER REGULATORY ASSETS (182.3)	4,230,350	2,444,667	1,785,683
58 PRELIM SURVEY AND INVEST CHRGS - ELECTRIC (183)	-	-	-
59 PRELIM SURVEY AND INVEST CHRGS - GAS (183.1, 183.2)	306,397	287,219	19,178
60 CLEARING ACCOUNTS (184)	39,162	(37,525)	76,687
61 TEMPORARY FACILITIES (185)	-	-	-
62 MISCELLANEOUS DEFERRED DEBITS (186)	1,826,288	1,644,782	181,506
63 DEF LOSSES FROM DISPOS OF UTILITY PLANT (187)	-	-	-
64 RESEARCH, DEVEL AND DEMONSTR EXP (188)	20	20	-
65 UNAMORTIZED LOSS ON REACQUIRED DEBT (189)	-	-	-
66 ACCUMULATED DEFERRED INCOME TAXES (190)	6,673,733	6,878,556	(204,823)
67 UNRECOVERED PURCHASED GAS COSTS (191)	27,821,678	1,271,488	26,550,190
68 OTHER SPECIAL FUNDS	<u>2,987,072</u>	<u>919,050</u>	<u>2,068,022</u>
69 TOTAL DEFERRED DEBITS (LINES 54 THRU 68)	<u>43,884,700</u>	<u>13,408,257</u>	<u>30,476,443</u>
70 TOTAL ASSETS AND OTHER DEBITS (CENTER TOTAL OF LINES 10, 11, 12, 22, 52, AND 69)	<u>263,655,680</u> =====	<u>240,990,037</u> =====	<u>22,665,643</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT JULY 31, 2008

TITLE OF ACCOUNT	JULY CURRENT YEAR =====	JULY PRIOR YEAR =====	INCREASE OR DECREASE =====
1 PROPRIETARY CAPITAL			
2 COMMON STOCK ISSUED (201)	23,806,202	23,806,202	-
3 PREFERRED STOCK ISSUED (204)	-	-	-
4 CAPITAL STOCK SUBSCRIBED (202, 205)	-	-	-
5 STOCK LIABILITY FOR CONVERSION (203, 206)	-	-	-
6 PREMIUM ON CAPITAL STOCK (207)	-	-	-
7 OTHER PAID-IN CAPITAL (208 - 211)	5,182,740	4,833,887	348,853
8 INSTALLMENTS RECEIVED ON CAPITAL STOCK (212)	-	-	-
9 (LESS) DISCOUNT ON CAPITAL STOCK (213)	-	-	-
10 (LESS) CAPITAL STOCK EXPENSE (214)	-	-	-
11 OTHER COMPREHENSIVE INCOME (219)	1	(1,542,884)	1,542,885
12 RETAINED EARNINGS (215, 215.1, 216)	73,120,782	67,726,597	5,394,185
13 UNAPPROP UNDIST SUBSIDIARY EARNINGS (216.1)	-	-	-
14 (LESS) REACQUIRED CAPITAL STOCK (217)	-	-	-
15 TOTAL PROPRIETARY CAPITAL (LINES 2 THRU 13)	<u>102,109,725</u>	<u>94,823,802</u>	<u>7,285,923</u>
16 LONG-TERM DEBT			
17 BONDS (221)	-	-	-
18 (LESS) REACQUIRED BONDS (222)	-	-	-
19 ADVANCES FROM ASSOCIATED COMPANIES (223)	58,055,011	58,055,011	-
20 OTHER LONG-TERM DEBT (224)	-	-	-
21 UNAMORT PREMIUM ON LONG-TERM DEBT (225)	-	-	-
22 (LESS) UNAMORT DISCOUNT ON LONG-TERM DEBT (226)	-	-	-
23 TOTAL LONG-TERM DEBT (LINES 16 THRU 21)	<u>58,055,011</u>	<u>58,055,011</u>	<u>-</u>
24 OTHER NONCURRENT LIABILITIES			
25 OBLIG UNDER CAP LEASES-NONCURRENT (227)	85	86	(1)
26 ACCUM PROVISION FOR PROPERTY INSURANCE (228.1)	-	-	-
27 ACCUM PROV FOR INJURIES AND DAMAGES (228.2)	5,902,329	5,986,075	(83,746)
28 ACCUM PROV FOR PENSIONS AND BENEFITS (228.3)	-	-	-
29 ACCUM MISC OPERATING PROVISIONS (228.4)	-	-	-
30 ACCUM PROVISION FOR RATE REFUNDS (229)	-	-	-
31 TOTAL OTHER NONCURRENT LIAB (TOTAL L24 THRU L29)	<u>5,902,414</u>	<u>5,986,161</u>	<u>(83,747)</u>



COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT JULY 31, 2008

TITLE OF ACCOUNT	JULY CURRENT YEAR =====	JULY PRIOR YEAR =====	INCREASE OR DECREASE =====
32 CURRENT AND ACCRUED LIABILITIES			
33 NOTES PAYABLE (231)	-	-	-
34 ACCOUNTS PAYABLE (232)	34,314,243	18,865,108	15,449,135
35 NOTES PAYABLE TO ASSOC COMPANIES (233)	4	4	-
36 ACCOUNTS PAYABLE TO ASSOC COMPANIES (234)	4,006,745	4,584,864	(578,119)
37 CUSTOMER DEPOSITS (235)	2,661,246	2,991,422	(330,176)
38 TAXES ACCRUED (236)	1,159,120	5,320,368	(4,161,248)
39 INTEREST ACCRUED (237)	91,438	26,831	64,607
40 DIVIDENDS DECLARED (238)	4	4	-
41 MATURED LONG-TERM DEBT (239)	-	-	-
42 MATURED INTEREST (240)	-	-	-
43 TAX COLLECTIONS PAYABLE (241)	610,123	439,930	170,193
44 MISC CURRENT AND ACCRUED LIAB (242)	14,414,094	19,046,346	(4,632,252)
45 OBLIG UNDER CAP LEASES - CURRENT (243)	(54)	(54)	-
46 DERIVATIVE INSTRU-LIAB- CURRENT (245)	<u>90,102</u>	<u>518,330</u>	<u>(428,228)</u>
47 TOTAL CURRENT AND ACCRUED LIAB (L32 THRU L44)	<u>57,347,065</u>	<u>51,793,153</u>	<u>5,553,912</u>
48 DEFERRED CREDITS			
49 CUSTOMER ADVANCES FOR CONSTRUCTION (252)	1,533,996	1,241,748	292,248
50 ACCUM DEFERRED INVEST TAX CREDITS (255)	803,632	890,314	(86,682)
51 DEF GAINS FROM DISPOS OF UTILITY PLANT (256)	-	-	-
52 OTHER DEFERRED CREDITS (253)	2,194,418	2,388,992	(194,574)
53 OTHER REGULATORY LIABILITIES (254)	4,806,702	2,980,519	1,826,183
54 UNAMORT GAIN ON REACQUIRED DEBT (257)	-	-	-
55 ACCUMULATED DEFERRED INCOME TAXES(281-283)	<u>30,902,717</u>	<u>22,830,337</u>	<u>8,072,380</u>
56 TOTAL DEFERRED CREDITS (LINES 47 THRU 52)	<u>40,241,465</u>	<u>30,331,910</u>	<u>9,909,555</u>
57 TOTAL LIAB AND OTHER CREDITS (L14,22,30,45,54)	<u>263,655,680</u> =====	<u>240,990,037</u> =====	<u>22,665,643</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT JULY 31, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
1 UTILITY OPERATING INCOME				
2 OPERATING REVENUES (400)	6,120,625	926,053	187,489,632	34,064,466
3 OPERATING EXPENSES:				
4 OPERATING EXPENSES (401)	5,776,339	903,308	156,888,865	26,518,584
5 MAINTENANCE EXPENSES (402)	101,098	(47,547)	2,632,455	270,550
6 DEPRECIATION EXPENSE (403)	429,630	13,163	5,079,796	145,539
7 AMORT AND DEPL OF UTIL PLANT (404-405)	37,622	4,797	423,966	(29,724)
8 AMORT OF UTIL PLANT ACQ ADJ (406)	-	-	-	-
9 AMORT OF PROPERTY LOSSES, UNRECOVERED PLANT, AND REGULATORY STUDY COSTS (407)	-	-	-	-
10 AMORT OF CONVERSION EXPENSES (407)	-	-	-	-
11 REGULATORY DEBITS (407.3)	-	-	-	-
12 (LESS) REGULATORY CREDITS (407.4)	-	-	-	-
13 TAXES OTHER THAN INCOME TAXES (408.1)	205,818	(9,979)	2,357,221	69,947
14 INCOME TAXES - FEDERAL (409.1)	(1,485,005)	(1,110,808)	(847,811)	(3,540,234)
15 - OTHER (409.1)	(257,780)	(187,900)	(473,836)	(40,746)
16 PROV FOR DEFERRED INC TAXES (410.1)	1,464,433	1,325,842	9,904,644	3,779,658
17 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.1)	1,342	10,118	(2,415,015)	2,666,644
18 INVESTMENT TAX CREDIT ADJ - NET (411.4)	(7,224)	-	(86,688)	924
19 (LESS) GAINS FROM DISP. OF UTILITY PLANT (411.6)	-	-	-	-
20 LOSSES FROM DISPOS OF UTIL PLANT (411.7)	-	-	-	-
21 (LESS) GAINS FROM DISPOSITION OF ALLOWANCES (411.8)	-	-	-	-
22 LOSSES FROM DISPOSITION OF ALLOWANCES (411.9)	-	-	-	-
23 TOTAL UTILITY OPERATING EXPENSES	<u>6,266,273</u>	<u>900,994</u>	<u>173,463,597</u>	<u>29,841,142</u>
24 NET UTILITY OPERATING INCOME	<u>(145,648)</u>	<u>25,059</u>	<u>14,026,035</u>	<u>4,223,324</u>
26 OTHER INCOME AND DEDUCTIONS				
27 OTHER INCOME:				
28 NONUTILITY OPERATING INCOME				
29 REVENUES FROM MERCHANDISING, JOBBING AND CONTRACT WORK (415)	-	-	-	-
30 (LESS) COSTS AND EXP. OF MERCHANDISING, JOB & CONTRACT WORK (416)	-	-	-	-
31 REVENUES FROM NONUTILITY OPERATIONS (417)	3,741	2,147	659,193	(309,768)
32 (LESS) EXPENSES OF NONUTILITY OPERATIONS (417.1)	-	-	-	-
33 NONOPERATING RENTAL INCOME (418)	(1,655)	2,098	(45,999)	(3,940)
34 EQUITY IN EARNINGS OF SUBSID COS (418.1)	-	-	-	-
35 INTEREST AND DIVIDEND INCOME (419)	68,078	(109,839)	1,006,032	(782,864)
36 ALLOW FOR OTHER FUNDS USED DURING CONSTR (419.1)	-	-	-	-
37 MISCELLANEOUS NONOPERATING INCOME (421)	88,012	(135,400)	1,661,419	(1,022,451)
38 GAIN ON DISPOSITION OF PROPERTY (421.1)	-	-	-	(102,513)
39 TOTAL OTHER INCOME (CENTER TOTAL OF LINES 29 THRU 38)	<u>161,486</u>	<u>(245,190)</u>	<u>3,372,643</u>	<u>(2,213,656)</u>
40 OTHER INCOME DEDUCTIONS:				
41 LOSS ON DISPOSITION OF PROPERTY (421.2)	-	-	-	-
42 MISCELLANEOUS AMORTIZATION (425)	-	-	-	-
43 MISC INCOME DEDUCTIONS (426.1-426.5)	17,276	4,768	379,162	142,896
44 TOTAL OTHER INCOME DEDUCTIONS (TOTAL OF LINES 41 THRU 43)	<u>17,276</u>	<u>4,768</u>	<u>379,162</u>	<u>142,896</u>

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT JULY 31, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
45 TAXES APPLIC TO OTHER INCOME AND DEDUCTIONS:	-	-	-	-
46 TAXES OTHER THAN INCOME TAXES (408.2)	-	-	-	-
47 INCOME TAXES - FEDERAL (409.2)	55,925	(96,374)	1,194,949	(413,250)
48 - OTHER (409.2)	-	-	-	-
49 PROVISION FOR DEFERRED INC TAXES (410.2)	-	-	-	(476,872)
50 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.2)	-	-	52,168	52,168
51 INVESTMENT TAX CREDIT ADJ - NET (411.5)	-	-	-	-
52 INVESTMENT TAX CREDITS (420)	-	-	-	-
53 TOTAL TAXES ON OTHER INCOME AND DED. (TOTAL OF 46 THRU 52)	<u>55,925</u>	<u>(96,374)</u>	<u>1,142,781</u>	<u>(942,290)</u>
54 NET OTHER INCOME AND DEDUCTIONS (ENTER TOTAL OF LINES 39, 44, 53)	<u>88,285</u>	<u>(153,584)</u>	<u>1,850,700</u>	<u>(1,414,262)</u>
55 INTEREST CHARGES				
56 INTEREST ON LONG-TERM DEBT (427)	-	-	-	-
57 AMORT OF DEBT DISC AND EXP (428)	-	-	-	-
58 AMORT OF LOSS ON REACQUIRED DEBT (428.1)	-	-	-	-
59 (LESS) AMORT. OF PREMIUM ON DEBT-CREDIT (429)	-	-	-	-
60 (LESS) AMORT. OF GAIN ON REACQ. DEBT-CR. (429.1)	-	-	-	-
61 INTEREST ON DEBT TO ASSOC. CO. (430)	278,851	1	3,297,988	236,708
62 OTHER INTEREST EXPENSE (431)	11,984	(1,326)	267,871	65,490
63 (LESS) ALLOW. FOR BORROWED FUNDS USED DURING CONST.-CR (432)	<u>(14,181)</u>	<u>(35,631)</u>	<u>(83,308)</u>	<u>60,488</u>
64 NET INTEREST CHARGES (ENTER TOTAL OF LINES 25, 54, 64)	<u>276,654</u>	<u>(36,956)</u>	<u>3,482,551</u>	<u>362,686</u>
65 INCOME BEFORE EXTRAORDINARY ITEMS	<u>(334,017)</u>	<u>(91,569)</u>	<u>12,394,184</u>	<u>2,446,376</u>
66 EXTRAORDINARY ITEMS				
67 EXTRAORDINARY INCOME (434)	-	-	-	-
68 (LESS) EXTRAORDINARY DEDUCTIONS (435)	-	-	-	-
69 NET EXTRAORDINARY ITEMS (ENTER TOTAL OF LINE 67 LESS LINE 68)	-	-	-	-
70 INCOME TAXES - FEDERAL AND OTHER (409.3 & 410.3)	-	-	-	-
71 EXTRAORDINARY ITEMS AFTER TAXES	-	-	-	-
72 NET INCOME (ENTER TOTAL OF LINES 65 AND 71)	<u>(334,017)</u>	<u>(91,569)</u>	<u>12,394,184</u>	<u>2,446,376</u>

COLUMBIA GAS OF KENTUCKY, INC.  
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
AT AUGUST 31, 2008

TITLE OF ACCOUNT	AUGUST CURRENT YEAR =====	AUGUST PRIOR YEAR =====	INCREASE OR DECREASE =====
1 UTILITY PLANT			
2 UTILITY PLANT (101-106,114)	265,176,010	257,287,080	7,888,930
3 CONSTRUCTION WORK IN PROGRESS (107)	<u>6,039,481</u>	<u>3,814,955</u>	<u>2,224,526</u>
4 TOTAL UTILITY PLANT (LINES 2 AND 3)	271,215,491	261,102,035	10,113,456
5 (LESS) ACCUM PROV FOR DEPR, AMORT, DEPL (108,111,115)	<u>(117,822,059)</u>	<u>(115,186,139)</u>	<u>(2,635,920)</u>
6 NET UTILITY PLANT, LESS NUCLEAR FUEL (LINE 4 LESS 5)	<u>153,393,432</u>	<u>145,915,896</u>	<u>7,477,536</u>
7 NUCLEAR FUEL (120.0-120.4,120.6)	-	-	-
8 (LESS) ACCUM PROV FOR AMORT OF NUC FUEL ASSEMB (120.5)	-	-	-
9 NET NUCLEAR FUEL (LINE 7 LESS 8)	-	-	-
10 NET UTILITY PLANT (LINES 6 AND 9)	<u>153,393,432</u>	<u>145,915,896</u>	<u>7,477,536</u>
11 UTILITY PLANT ADJUSTMENTS (116)	-	-	-
12 GAS STORED UNDERGROUND (117)	-	-	-
13 OTHER PROPERTY AND INVESTMENTS			
14 NONUTILITY PROPERTY (121)	-	-	-
15 (LESS) ACCUM PROV FOR DEPR AND AMORT (122)	-	-	-
16 INVESTMENTS IN ASSOCIATED COMPANIES (123)	-	-	-
17 INVESTMENTS IN SUBSIDIARY COMPANIES (123.1)	266,819	219,490	47,329
18 (FOR COST OF ACCT 123.1. SEE FOOTNOTE PAGE 224, LINE 42)			
19 NONCURRENT PORTION OF ALLOWANCES	-	-	-
20 OTHER INVESTMENTS (124)	-	-	-
21 SPECIAL FUNDS (125-128)	-	-	-
22 TOTAL OTHER PROPERTY AND INVEST (LINES 14 -17, 19-21)	<u>266,819</u>	<u>219,490</u>	<u>47,329</u>
23 CURRENT AND ACCRUED ASSETS			
24 CASH (131)	304,736	155,194	149,542
25 SPECIAL DEPOSITS (132-134)	-	-	-
26 WORKING FUNDS (135)	8	8	-
27 TEMPORARY CASH INVESTMENTS (136)	614,612	3,185,653	(2,571,041)
28 NOTES RECEIVABLE (141)	22	22	-
29 CUSTOMER ACCOUNTS RECEIVABLE (142)	5,436,222	3,498,497	1,937,725
30 OTHER ACCOUNTS RECEIVABLE (143)	1,678,207	1,030,451	647,756
31 (LESS) ACCUM PROV FOR UNCOLLECT ACCT - CREDIT (144)	<u>(355,022)</u>	<u>(460,393)</u>	<u>105,371</u>
32 NOTES REC FROM ASSOCIATED COMPANIES (145)	-	-	-
33 ACCOUNTS REC FROM ASSOC COMPANIES (146)	2,510,012	3,026,241	(516,229)
34 FUEL STOCK (151)	22	22	-
35 FUEL STOCK EXPENSE UNDISTRIBUTED (152)	-	-	-
36 RESIDUALS (ELEC) AND EXTRACTED PROD (GAS) (153)	-	-	-
37 PLANT MATERIALS AND OPERATING SUPPLIES (154)	56,018	47,626	8,392
38 MERCHANDISE (155)	-	-	-
39 OTHER MATERIALS AND SUPPLIES (156)	-	-	-
40 NUCLEAR MATERIALS HELD FOR SALE (157)	-	-	-
41 ALLOWANCES (158.1 AND 158.2)	-	-	-
42 NONCURRENT PORTION OF ALLOWANCES	-	-	-
43 STORES EXPENSE UNDISTRIBUTED (163)	<u>(30)</u>	<u>(30)</u>	<u>-</u>
44 GAS STORED UNDERGROUND-CURRENT (164.1)	59,578,222	57,372,557	2,205,665
45 LIQUEFIED NATURAL GAS HELD FOR PROCESSING (164.2-164.3)	2	2	-

COLUMBIA GAS OF KENTUCKY, INC.  
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
AT AUGUST 31, 2008

TITLE OF ACCOUNT	AUGUST CURRENT YEAR =====	AUGUST PRIOR YEAR =====	INCREASE OR DECREASE =====
46 PREPAYMENTS (165)	749,932	793,983	(44,051)
47 ADVANCES FOR GAS (166-167)	-	-	-
48 INTEREST AND DIVIDENDS RECEIVABLE (171)	(18)	244	(262)
49 RENTS RECEIVABLE (172)	-	-	-
50 ACCRUED UTILITY REVENUES (173)	3,297,421	2,691,364	606,057
51 MISCELLANEOUS CURRENT AND ACCRUED ASSETS (174)	<u>1,066,213</u>	<u>851,009</u>	<u>215,204</u>
52 TOTAL CURRENT AND ACCRUED ASSETS (LINES 24 THRU 51)	<u>74,936,579</u>	<u>72,192,450</u>	<u>2,744,129</u>
53 DEFERRED DEBITS			
54 UNAMORTIZED DEBT EXPENSE (181)	-	-	-
55 EXTRAORDINARY PROPERTY LOSSES (182.1)	-	-	-
56 UNRECOVERED PLANT AND REG STUDY COSTS (182.2)	-	-	-
57 OTHER REGULATORY ASSETS (182.3)	4,665,074	8,287,128	(3,622,054)
58 PRELIM SURVEY AND INVEST CHRGS - ELECTRIC (183)	-	-	-
59 PRELIM SURVEY AND INVEST CHRGS - GAS (183.1, 183.2)	330,254	299,737	30,517
60 CLEARING ACCOUNTS (184)	(36,426)	(91,549)	55,123
61 TEMPORARY FACILITIES (185)	-	-	-
62 MISCELLANEOUS DEFERRED DEBITS (186)	1,818,797	1,629,227	189,570
63 DEF LOSSES FROM DISPOS OF UTILITY PLANT (187)	-	-	-
64 RESEARCH, DEVEL AND DEMONSTR EXP (188)	20	20	-
65 UNAMORTIZED LOSS ON REACQUIRED DEBT (189)	-	-	-
66 ACCUMULATED DEFERRED INCOME TAXES (190)	6,631,559	6,438,441	193,118
67 UNRECOVERED PURCHASED GAS COSTS (191)	26,495,553	(264,302)	26,759,855
68 OTHER SPECIAL FUNDS	<u>2,993,715</u>	<u>916,349</u>	<u>2,077,366</u>
69 TOTAL DEFERRED DEBITS (LINES 54 THRU 68)	<u>42,898,546</u>	<u>17,215,051</u>	<u>25,683,495</u>
70 TOTAL ASSETS AND OTHER DEBITS (CENTER TOTAL OF LINES 10, 11, 12, 22, 52, AND 69)	<u>271,495,376</u> =====	<u>235,542,887</u> =====	<u>35,952,489</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT AUGUST 31, 2008

	AUGUST CURRENT YEAR =====	AUGUST PRIOR YEAR =====	INCREASE OR DECREASE =====
1 TITLE OF ACCOUNT			
2 PROPRIETARY CAPITAL			
3 COMMON STOCK ISSUED (201)	23,806,202	23,806,202	-
4 PREFERRED STOCK ISSUED (204)	-	-	-
5 CAPITAL STOCK SUBSCRIBED (202, 205)	-	-	-
6 STOCK LIABILITY FOR CONVERSION (203, 206)	-	-	-
7 PREMIUM ON CAPITAL STOCK (207)	-	-	-
8 OTHER PAID-IN CAPITAL (208 - 211)	5,182,740	4,833,887	348,853
9 INSTALLMENTS RECEIVED ON CAPITAL STOCK (212)	-	-	-
10 (LESS) DISCOUNT ON CAPITAL STOCK (213)	-	-	-
11 (LESS) CAPITAL STOCK EXPENSE (214)	-	-	-
12 OTHER COMPREHENSIVE INCOME (219)	1	1	-
13 RETAINED EARNINGS (215, 215.1, 216)	72,784,160	69,131,081	3,653,079
14 UNAPPROP UNDIST SUBSIDIARY EARNINGS (216.1)	-	-	-
15 (LESS) REACQUIRED CAPITAL STOCK (217)	-	-	-
15 TOTAL PROPRIETARY CAPITAL (LINES 2 THRU 13)	<u>101,773,103</u>	<u>97,771,171</u>	<u>4,001,932</u>
16 LONG-TERM DEBT			
17 BONDS (221)	-	-	-
18 (LESS) REACQUIRED BONDS (222)	-	-	-
19 ADVANCES FROM ASSOCIATED COMPANIES (223)	58,055,011	58,055,011	-
20 OTHER LONG-TERM DEBT (224)	-	-	-
21 UNAMORT PREMIUM ON LONG-TERM DEBT (225)	-	-	-
22 (LESS) UNAMORT DISCOUNT ON LONG-TERM DEBT (226)	-	-	-
23 TOTAL LONG-TERM DEBT (LINES 16 THRU 21)	<u>58,055,011</u>	<u>58,055,011</u>	<u>-</u>
24 OTHER NONCURRENT LIABILITIES			
25 OBLIG UNDER CAP LEASES-NONCURRENT (227)	85	85	-
26 ACCUM PROVISION FOR PROPERTY INSURANCE (228.1)	-	-	-
27 ACCUM PROV FOR INJURIES AND DAMAGES (228.2)	5,887,523	5,965,698	(78,175)
28 ACCUM PROV FOR PENSIONS AND BENEFITS (228.3)	-	-	-
29 ACCUM MISC OPERATING PROVISIONS (228.4)	-	-	-
30 ACCUM PROVISION FOR RATE REFUNDS (229)	-	-	-
31 TOTAL OTHER NONCURRENT LIAB (TOTAL L24 THRU L29)	<u>5,887,608</u>	<u>5,965,783</u>	<u>(78,175)</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT AUGUST 31, 2008

TITLE OF ACCOUNT	AUGUST CURRENT YEAR =====	AUGUST PRIOR YEAR =====	INCREASE OR DECREASE =====
32 CURRENT AND ACCRUED LIABILITIES			
33 NOTES PAYABLE (231)	-	-	-
34 ACCOUNTS PAYABLE (232)	18,233,305	5,994,697	12,238,608
35 NOTES PAYABLE TO ASSOC COMPANIES (233)	4	4	-
36 ACCOUNTS PAYABLE TO ASSOC COMPANIES (234)	24,655,617	4,443,683	20,211,934
37 CUSTOMER DEPOSITS (235)	2,635,661	2,979,164	(343,503)
38 TAXES ACCRUED (236)	(570,978)	6,594,064	(7,165,042)
39 INTEREST ACCRUED (237)	97,093	89,206	7,887
40 DIVIDENDS DECLARED (238)	4	4	-
41 MATURED LONG-TERM DEBT (239)	-	-	-
42 MATURED INTEREST (240)	-	-	-
43 TAX COLLECTIONS PAYABLE (241)	536,582	400,307	136,275
44 MISC CURRENT AND ACCRUED LIAB (242)	19,166,332	21,728,667	(2,562,335)
45 OBLIG UNDER CAP LEASES - CURRENT (243)	(54)	(54)	-
46 DERIVATIVE INSTRU-LIAB- CURRENT (245)	<u>140,251</u>	<u>794,890</u>	<u>(654,639)</u>
47 TOTAL CURRENT AND ACCRUED LIAB (L32 THRU L44)	<u>64,893,817</u>	<u>43,024,632</u>	<u>21,869,185</u>
48 DEFERRED CREDITS			
49 CUSTOMER ADVANCES FOR CONSTRUCTION (252)	1,533,047	1,266,926	266,121
50 ACCUM DEFERRED INVEST TAX CREDITS (255)	796,408	883,090	(86,682)
51 DEF GAINS FROM DISPOS OF UTILITY PLANT (256)	-	-	-
52 OTHER DEFERRED CREDITS (253)	2,189,671	2,384,245	(194,574)
53 OTHER REGULATORY LIABILITIES (254)	4,080,770	3,041,832	1,038,938
54 UNAMORT GAIN ON REACQUIRED DEBT (257)	-	-	-
55 ACCUMULATED DEFERRED INCOME TAXES(281-283)	<u>32,285,941</u>	<u>23,150,197</u>	<u>9,135,744</u>
56 TOTAL DEFERRED CREDITS (LINES 47 THRU 52)	<u>40,885,837</u>	<u>30,726,290</u>	<u>10,159,547</u>
57 TOTAL LIAB AND OTHER CREDITS (L14,22,30,45,54)	<u>271,495,376</u> =====	<u>235,542,887</u> =====	<u>35,952,489</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT AUGUST 31, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
1 UTILITY OPERATING INCOME				
2 OPERATING REVENUES (400)	<u>5,739,623</u>	<u>1,728,832</u>	<u>189,218,464</u>	<u>35,819,314</u>
3 OPERATING EXPENSES:				
4 OPERATING EXPENSES (401)	5,614,992	4,915,962	161,804,827	34,723,085
5 MAINTENANCE EXPENSES (402)	293,060	22,649	2,655,104	255,847
6 DEPRECIATION EXPENSE (403)	431,017	14,079	5,093,875	147,906
7 AMORT AND DEPL OF UTIL PLANT (404-405)	32,214	(4,107)	419,859	(28,664)
8 AMORT OF UTIL PLANT ACQ ADJ (406)	-	-	-	-
9 AMORT OF PROPERTY LOSSES, UNRECOVE RED PLANT AND REGULATORY STUDY COSTS (407)	-	-	-	-
10 AMORT OF CONVERSION EXPENSES (407)	-	-	-	-
11 REGULATORY DEBITS (407.3)	-	-	-	-
12 (LESS) REGULATORY CREDITS (407.4)	-	-	-	-
13 TAXES OTHER THAN INCOME TAXES (408.1)	220,828	(2,356)	2,354,865	43,184
14 INCOME TAXES - FEDERAL (409.1)	(1,588,089)	(2,144,549)	(2,992,360)	(6,417,790)
15 - OTHER (409.1)	(276,831)	(376,681)	(850,517)	(581,692)
16 PROV FOR DEFERRED INC TAXES (410.1)	1,398,181	1,257,398	11,162,042	4,979,983
17 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.1)	20,026	28,780	(2,386,235)	2,435,290
18 INVESTMENT TAX CREDIT ADJ - NET (411.4)	(7,224)	-	(86,688)	839
19 (LESS) GAINS FROM DISP. OF UTILITY PLANT (411.6)	-	-	-	-
20 LOSSES FROM DISPOS OF UTIL PLANT (411.7)	-	-	-	-
21 (LESS) GAINS FROM DISPOSITION OF ALLOWANCES (411.8)	-	-	-	-
22 LOSSES FROM DISPOSITION OF ALLOWANCES (411.9)	-	-	-	-
23 TOTAL UTILITY OPERATING EXPENSES	<u>6,138,174</u>	<u>3,711,175</u>	<u>177,174,772</u>	<u>35,557,988</u>
24 NET UTILITY OPERATING INCOME	<u>(398,551)</u>	<u>(1,982,343)</u>	<u>12,043,692</u>	<u>261,326</u>
26 OTHER INCOME AND DEDUCTIONS				
27 OTHER INCOME:				
28 NONUTILITY OPERATING INCOME				
29 REVENUES FROM MERCHANDISING, JOBBING AND CONTRACT WORK (415)	-	-	-	-
30 (LESS) COSTS AND EXP. OF MERCHANDISING, JOB & CONTRACT WORK (416)	-	-	-	-
31 REVENUES FROM NONUTILITY OPERATIONS (417)	3,791	875	660,068	(321,060)
32 (LESS) EXPENSES OF NONUTILITY OPERATIONS (417.1)	-	-	-	-
33 NONOPERATING RENTAL INCOME (418)	(4,610)	(1,039)	(47,038)	(6,320)
34 EQUITY IN EARNINGS OF SUBSID COS (418.1)	-	-	-	-
35 INTEREST AND DIVIDEND INCOME (419)	19,529	(67,258)	938,774	(830,881)
36 ALLOW FOR OTHER FUNDS USED DURING CONSTR (419.1)	-	-	-	-
37 MISCELLANEOUS NONOPERATING INCOME (421)	602,005	423,654	2,085,073	(566,472)
38 GAIN ON DISPOSITION OF PROPERTY (421.1)	-	-	-	(102,513)
39 TOTAL OTHER INCOME (ENTER TOTAL OF LINES 29 THRU 38)	<u>629,935</u>	<u>358,310</u>	<u>3,730,953</u>	<u>(1,814,606)</u>
40 OTHER INCOME DEDUCTIONS:				
41 LOSS ON DISPOSITION OF PROPERTY (421.2)	-	-	-	-
42 MISCELLANEOUS AMORTIZATION (425)	-	-	-	-
43 MISC INCOME DEDUCTIONS (426.1-426.5)	55,436	39,124	418,286	158,936
44 TOTAL OTHER INCOME DEDUCTIONS (TOTAL OF LINES 41 THRU 43)	<u>55,436</u>	<u>39,124</u>	<u>418,286</u>	<u>158,936</u>



COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT AUGUST 31, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
45 TAXES APPLIC TO OTHER INCOME AND DEDUCTIONS:	-	-	-	-
46 TAXES OTHER THAN INCOME TAXES (408.2)	-	-	-	-
47 INCOME TAXES - FEDERAL (409.2)	222,150	123,794	1,318,743	(263,096)
48 - OTHER (409.2)	-	-	-	-
49 PROVISION FOR DEFERRED INC TAXES (410.2)	-	-	-	(476,872)
50 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.2)	-	-	52,168	52,168
51 INVESTMENT TAX CREDIT ADJ - NET (411.5)	-	-	-	-
52 INVESTMENT TAX CREDITS (420)	-	-	-	-
53 TOTAL TAXES ON OTHER INCOME AND DED. (TOTAL OF 46 THRU 52)	<u>222,150</u>	<u>123,794</u>	<u>1,266,575</u>	<u>(792,136)</u>
54 NET OTHER INCOME AND DEDUCTIONS (ENTER TOTAL OF LINES 39, 44, 53)	<u>352,349</u>	<u>195,392</u>	<u>2,046,092</u>	<u>(1,181,406)</u>
55 INTEREST CHARGES				
56 INTEREST ON LONG-TERM DEBT (427)	-	-	-	-
57 AMORT OF DEBT DISC AND EXP (428)	-	-	-	-
58 AMORT OF LOSS ON REACQUIRED DEBT (428.1)	-	-	-	-
59 (LESS) AMORT. OF PREMIUM ON DEBT-CREDIT (429)	-	-	-	-
60 (LESS) AMORT. OF GAIN ON REACQ. DEBT-CR. (429.1)	-	-	-	-
61 INTEREST ON DEBT TO ASSOC. CO. (430)	290,680	11,830	3,309,818	166,800
62 OTHER INTEREST EXPENSE (431)	11,652	(56,445)	211,426	(29,922)
63 (LESS) ALLOW. FOR BORROWED FUNDS USED DURING CONST.-CR (432)	<u>(11,912)</u>	<u>(1,230)</u>	<u>(84,538)</u>	<u>47,122</u>
64 NET INTEREST CHARGES (ENTER TOTAL OF LINES 25, 54, 64)	<u>290,420</u>	<u>(45,845)</u>	<u>3,436,706</u>	<u>184,000</u>
65 INCOME BEFORE EXTRAORDINARY ITEMS	<u>(336,622)</u>	<u>(1,741,106)</u>	<u>10,653,078</u>	<u>(1,104,080)</u>
66 EXTRAORDINARY ITEMS				
67 EXTRAORDINARY INCOME (434)	-	-	-	-
68 (LESS) EXTRAORDINARY DEDUCTIONS (435)	-	-	-	-
69 NET EXTRAORDINARY ITEMS (ENTER TOTAL OF LINE 67 LESS LINE 68)	-	-	-	-
70 INCOME TAXES - FEDERAL AND OTHER (409.3 & 410.3)	-	-	-	-
71 EXTRAORDINARY ITEMS AFTER TAXES	-	-	-	-
72 NET INCOME (ENTER TOTAL OF LINES 65 AND 71)	<u>(336,622)</u>	<u>(1,741,106)</u>	<u>10,653,078</u>	<u>(1,104,080)</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT SEPTEMBER 30, 2008

TITLE OF ACCOUNT	SEPTEMBER CURRENT YEAR =====	SEPTEMBER PRIOR YEAR =====	INCREASE OR DECREASE =====
1 UTILITY PLANT			
2 UTILITY PLANT (101-106,114)	265,739,058	257,959,596	7,779,462
3 CONSTRUCTION WORK IN PROGRESS (107)	<u>6,139,904</u>	<u>3,757,664</u>	<u>2,382,240</u>
4 TOTAL UTILITY PLANT (LINES 2 AND 3)	271,878,962	261,717,260	10,161,702
5 (LESS) ACCUM PROV FOR DEPR, AMORT, DEPL (108,111,115)	<u>(117,891,598)</u>	<u>(115,208,559)</u>	<u>(2,683,039)</u>
6 NET UTILITY PLANT, LESS NUCLEAR FUEL (LINE 4 LESS 5)	<u>153,987,364</u>	<u>146,508,701</u>	<u>7,478,663</u>
7 NUCLEAR FUEL (120.0-120.4,120.6)	-	-	-
8 (LESS) ACCUM PROV FOR AMORT OF NUC FUEL ASSEMB (120.5)	-	-	-
9 NET NUCLEAR FUEL (LINE 7 LESS 8)	-	-	-
10 NET UTILITY PLANT (LINES 6 AND 9)	<u>153,987,364</u>	<u>146,508,701</u>	<u>7,478,663</u>
11 UTILITY PLANT ADJUSTMENTS (116)	-	-	-
12 GAS STORED UNDERGROUND (117)	-	-	-
13 OTHER PROPERTY AND INVESTMENTS			
14 NONUTILITY PROPERTY (121)	-	-	-
15 (LESS) ACCUM PROV FOR DEPR AND AMORT (122)	-	-	-
16 INVESTMENTS IN ASSOCIATED COMPANIES (123)	-	-	-
17 INVESTMENTS IN SUBSIDIARY COMPANIES (123.1)	270,690	223,251	47,439
18 (FOR COST OF ACCT 123.1, SEE FOOTNOTE PAGE 224, LINE 42)	-	-	-
19 NONCURRENT PORTION OF ALLOWANCES	-	-	-
20 OTHER INVESTMENTS (124)	-	-	-
21 SPECIAL FUNDS (125-128)	-	-	-
22 TOTAL OTHER PROPERTY AND INVEST (LINES 14 -17, 19-21)	<u>270,690</u>	<u>223,251</u>	<u>47,439</u>
23 CURRENT AND ACCRUED ASSETS			
24 CASH (131)	691,628	232,334	459,294
25 SPECIAL DEPOSITS (132-134)	-	-	-
26 WORKING FUNDS (135)	8	8	-
27 TEMPORARY CASH INVESTMENTS (136)	1,775,703	1,153,734	621,969
28 NOTES RECEIVABLE (141)	22	22	-
29 CUSTOMER ACCOUNTS RECEIVABLE (142)	6,089,021	4,660,069	1,428,952
30 OTHER ACCOUNTS RECEIVABLE (143)	(244,951)	187,455	(432,406)
31 (LESS) ACCUM PROV FOR UNCOLLECT ACCT - CREDIT (144)	(145,269)	(181,571)	36,302
32 NOTES REC FROM ASSOCIATED COMPANIES (145)	-	-	-
33 ACCOUNTS REC FROM ASSOC COMPANIES (146)	214,312	2,734,889	(2,520,577)
34 FUEL STOCK (151)	22	22	-
35 FUEL STOCK EXPENSE UNDISTRIBUTED (152)	-	-	-
36 RESIDUALS (ELEC) AND EXTRACTED PROD (GAS) (153)	-	-	-
37 PLANT MATERIALS AND OPERATING SUPPLIES (154)	57,186	61,757	(4,571)
38 MERCHANDISE (155)	-	-	-
39 OTHER MATERIALS AND SUPPLIES (156)	-	-	-
40 NUCLEAR MATERIALS HELD FOR SALE (157)	-	-	-
41 ALLOWANCES (158.1 AND 158.2)	-	-	-
42 NONCURRENT PORTION OF ALLOWANCES	-	-	-
43 STORES EXPENSE UNDISTRIBUTED (163)	(30)	(30)	-
44 GAS STORED UNDERGROUND-CURRENT (164.1)	71,353,475	67,684,356	3,669,119
45 LIQUEFIED NATURAL GAS HELD FOR PROCESSING (164.2-164.3)	2	2	-

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT SEPTEMBER 30, 2008

TITLE OF ACCOUNT	SEPTEMBER CURRENT YEAR =====	SEPTEMBER PRIOR YEAR =====	INCREASE OR DECREASE =====
46 PREPAYMENTS (165)	658,948	683,885	(24,937)
47 ADVANCES FOR GAS (166-167)	-	-	-
48 INTEREST AND DIVIDENDS RECEIVABLE (171)	(80)	499	(579)
49 RENTS RECEIVABLE (172)	-	-	-
50 ACCRUED UTILITY REVENUES (173)	3,355,910	3,679,418	(323,508)
51 MISCELLANEOUS CURRENT AND ACCRUED ASSETS (174)	<u>762,060</u>	<u>621,332</u>	<u>140,728</u>
52 TOTAL CURRENT AND ACCRUED ASSETS (LINES 24 THRU 51)	<u>84,567,967</u>	<u>81,518,181</u>	<u>3,049,786</u>
53 DEFERRED DEBITS			
54 UNAMORTIZED DEBT EXPENSE (181)	-	-	-
55 EXTRAORDINARY PROPERTY LOSSES (182.1)	-	-	-
56 UNRECOVERED PLANT AND REG STUDY COSTS (182.2)	-	-	-
57 OTHER REGULATORY ASSETS (182.3)	6,350,999	8,883,025	(2,532,026)
58 PRELIM SURVEY AND INVEST CHRGS - ELECTRIC (183)	-	-	-
59 PRELIM SURVEY AND INVEST CHRGS - GAS (183.1, 183.2)	333,767	250,917	82,850
60 CLEARING ACCOUNTS (184)	(29,764)	(59,490)	29,726
61 TEMPORARY FACILITIES (185)	-	-	-
62 MISCELLANEOUS DEFERRED DEBITS (186)	1,806,481	1,673,990	132,491
63 DEF LOSSES FROM DISPOS OF UTILITY PLANT (187)	-	-	-
64 RESEARCH, DEVEL AND DEMONSTR EXP (188)	20	20	-
65 UNAMORTIZED LOSS ON REACQUIRED DEBT (189)	-	-	-
66 ACCUMULATED DEFERRED INCOME TAXES (190)	6,479,887	6,377,446	102,441
67 UNRECOVERED PURCHASED GAS COSTS (191)	27,243,810	(2,996,454)	30,240,264
68 OTHER SPECIAL FUNDS	<u>3,000,357</u>	<u>913,648</u>	<u>2,086,709</u>
69 TOTAL DEFERRED DEBITS (LINES 54 THRU 68)	<u>45,185,557</u>	<u>15,043,102</u>	<u>30,142,455</u>
70 TOTAL ASSETS AND OTHER DEBITS (ENTER TOTAL OF LINES 10, 11, 12, 22, 52, AND 69)	<u>284,011,578</u> =====	<u>243,293,235</u> =====	<u>40,718,343</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT SEPTEMBER 30, 2008

	SEPTEMBER CURRENT YEAR =====	SEPTEMBER PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
1 PROPRIETARY CAPITAL			
2 COMMON STOCK ISSUED (201)	23,806,202	23,806,202	-
3 PREFERRED STOCK ISSUED (204)	-	-	-
4 CAPITAL STOCK SUBSCRIBED (202, 205)	-	-	-
5 STOCK LIABILITY FOR CONVERSION (203, 206)	-	-	-
6 PREMIUM ON CAPITAL STOCK (207)	-	-	-
7 OTHER PAID-IN CAPITAL (208 - 211)	5,182,740	4,833,887	348,853
8 INSTALLMENTS RECEIVED ON CAPITAL STOCK (212)	-	-	-
9 (LESS) DISCOUNT ON CAPITAL STOCK (213)	-	-	-
10 (LESS) CAPITAL STOCK EXPENSE (214)	-	-	-
11 OTHER COMPREHENSIVE INCOME (219)	1	1	-
12 RETAINED EARNINGS (215, 215.1, 216)	72,875,283	69,192,838	3,682,445
13 UNAPPROP UNDIST SUBSIDIARY EARNINGS (216.1)	-	-	-
14 (LESS) REACQUIRED CAPITAL STOCK (217)	-	-	-
15 TOTAL PROPRIETARY CAPITAL (LINES 2 THRU 13)	<u>101,864,226</u>	<u>97,832,928</u>	<u>4,031,298</u>
16 LONG-TERM DEBT			
17 BONDS (221)	-	-	-
18 (LESS) REACQUIRED BONDS (222)	-	-	-
19 ADVANCES FROM ASSOCIATED COMPANIES (223)	58,055,011	58,055,011	-
20 OTHER LONG-TERM DEBT (224)	-	-	-
21 UNAMORT PREMIUM ON LONG-TERM DEBT (225)	-	-	-
22 (LESS) UNAMORT DISCOUNT ON LONG-TERM DEBT (226)	-	-	-
23 TOTAL LONG-TERM DEBT (LINES 16 THRU 21)	<u>58,055,011</u>	<u>58,055,011</u>	<u>-</u>
24 OTHER NONCURRENT LIABILITIES			
25 OBLIG UNDER CAP LEASES-NONCURRENT (227)	85	85	-
26 ACCUM PROVISION FOR PROPERTY INSURANCE (228.1)	-	-	-
27 ACCUM PROV FOR INJURIES AND DAMAGES (228.2)	5,869,369	5,897,463	(28,094)
28 ACCUM PROV FOR PENSIONS AND BENEFITS (228.3)	-	-	-
29 ACCUM MISC OPERATING PROVISIONS (228.4)	-	-	-
30 ACCUM PROVISION FOR RATE REFUNDS (229)	-	-	-
31 TOTAL OTHER NONCURRENT LIAB (TOTAL L24 THRU L29)	<u>5,869,454</u>	<u>5,897,548</u>	<u>(28,094)</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT SEPTEMBER 30, 2008

TITLE OF ACCOUNT	SEPTEMBER CURRENT YEAR =====	SEPTEMBER PRIOR YEAR =====	INCREASE OR DECREASE =====
32 CURRENT AND ACCRUED LIABILITIES			
33 NOTES PAYABLE (231)	-	-	-
34 ACCOUNTS PAYABLE (232)	12,943,010	9,832,105	3,110,905
35 NOTES PAYABLE TO ASSOC COMPANIES (233)	4	4	-
36 ACCOUNTS PAYABLE TO ASSOC COMPANIES (234)	33,247,908	4,568,802	28,679,106
37 CUSTOMER DEPOSITS (235)	2,612,759	2,961,417	(348,658)
38 TAXES ACCRUED (236)	3,819,150	5,822,493	(2,003,343)
39 INTEREST ACCRUED (237)	90,384	101,115	(10,731)
40 DIVIDENDS DECLARED (238)	4	4	-
41 MATURED LONG-TERM DEBT (239)	-	-	-
42 MATURED INTEREST (240)	-	-	-
43 TAX COLLECTIONS PAYABLE (241)	562,902	438,741	124,161
44 MISC CURRENT AND ACCRUED LIAB (242)	23,630,484	25,587,572	(1,957,088)
45 OBLIG UNDER CAP LEASES - CURRENT (243)	(54)	(54)	-
46 DERIVATIVE INSTRU-LIAB- CURRENT (245)	<u>615,656</u>	<u>598,331</u>	<u>17,325</u>
47 TOTAL CURRENT AND ACCRUED LIAB (L32 THRU L44)	<u>77,522,207</u>	<u>49,910,530</u>	<u>27,611,677</u>
48 DEFERRED CREDITS			
49 CUSTOMER ADVANCES FOR CONSTRUCTION (252)	1,664,588	1,293,966	370,622
50 ACCUM DEFERRED INVEST TAX CREDITS (255)	789,185	875,867	(86,682)
51 DEF GAINS FROM DISPOS OF UTILITY PLANT (256)	-	-	-
52 OTHER DEFERRED CREDITS (253)	2,184,925	2,379,499	(194,574)
53 OTHER REGULATORY LIABILITIES (254)	5,064,392	3,970,961	1,093,431
54 UNAMORT GAIN ON REACQUIRED DEBT (257)	-	-	-
55 ACCUMULATED DEFERRED INCOME TAXES(281-283)	<u>30,997,590</u>	<u>23,076,925</u>	<u>7,920,665</u>
56 TOTAL DEFERRED CREDITS (LINES 47 THRU 52)	<u>40,700,680</u>	<u>31,597,218</u>	<u>9,103,462</u>
57 TOTAL LIAB AND OTHER CREDITS (L14,22,30,45,54)	<u>284,011,578</u>	<u>243,293,235</u>	<u>40,718,343</u>

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT SEPTEMBER 30, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
1 UTILITY OPERATING INCOME				
2 OPERATING REVENUES (400)	5,825,252	477,045	189,695,509	34,775,271
3 OPERATING EXPENSES:				
4 OPERATING EXPENSES (401)	4,689,610	322,116	162,126,943	34,136,454
5 MAINTENANCE EXPENSES (402)	150,432	(36,513)	2,618,591	267,793
6 DEPRECIATION EXPENSE (403)	431,732	13,960	5,107,835	149,717
7 AMORT AND DEPL OF UTIL PLANT (404-405)	32,884	(4,827)	415,032	(28,980)
8 AMORT OF UTIL PLANT ACQ ADJ (406)	-	-	-	-
9 AMORT OF PROPERTY LOSSES, UNRECOVE RED PLANT AND REGULATORY STUDY COSTS (407)	-	-	-	-
10 AMORT OF CONVERSION EXPENSES (407)	-	-	-	-
11 REGULATORY DEBITS (407.3)	-	-	-	-
12 (LESS) REGULATORY CREDITS (407.4)	-	-	-	-
13 TAXES OTHER THAN INCOME TAXES (408.1)	204,335	154,453	2,509,318	156,439
14 INCOME TAXES - FEDERAL (409.1)	945,468	881,390	(2,110,970)	(5,626,443)
15 - OTHER (409.1)	185,422	182,519	(667,998)	(438,576)
16 PROV FOR DEFERRED INC TAXES (410.1)	(1,131,861)	(1,052,414)	10,109,628	4,142,956
17 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.1)	(16,599)	(56,785)	(2,443,020)	2,058,912
18 INVESTMENT TAX CREDIT ADJ - NET (411.4)	(7,223)	1	(86,687)	755
19 (LESS) GAINS FROM DISP. OF UTILITY PLANT (411.6)	-	-	-	-
20 LOSSES FROM DISPOS OF UTIL PLANT (411.7)	-	-	-	-
21 (LESS) GAINS FROM DISPOSITION OF ALLOWANCES (411.8)	-	-	-	-
22 LOSSES FROM DISPOSITION OF ALLOWANCES (411.9)	-	-	-	-
23 TOTAL UTILITY OPERATING EXPENSES	5,484,200	403,900	177,578,672	34,819,027
24 NET UTILITY OPERATING INCOME	341,052	73,145	12,116,837	(43,756)
26 OTHER INCOME AND DEDUCTIONS				
27 OTHER INCOME:				
28 NONUTILITY OPERATING INCOME				
29 REVENUES FROM MERCHANDISING, JOBBING AND CONTRACT WORK (415)	-	-	-	-
30 (LESS) COSTS AND EXP. OF MERCHANDISING, JOB & CONTRACT WORK (416)	-	-	-	-
31 REVENUES FROM NONUTILITY OPERATIONS (417)	6,408	5,359	665,427	(300,841)
32 (LESS) EXPENSES OF NONUTILITY OPERATIONS (417.1)	-	-	-	-
33 NONOPERATING RENTAL INCOME (418)	(3,872)	(110)	(47,148)	(8,659)
34 EQUITY IN EARNINGS OF SUBSID COS (418.1)	-	-	-	-
35 INTEREST AND DIVIDEND INCOME (419)	646	(28,441)	910,333	(829,689)
36 ALLOW FOR OTHER FUNDS USED DURING CONSTR (419.1)	-	-	-	-
37 MISCELLANEOUS NONOPERATING INCOME (421)	150,614	48,105	2,133,178	(309,646)
38 GAIN ON DISPOSITION OF PROPERTY (421.1)	-	-	-	(103,624)
39 TOTAL OTHER INCOME (CENTER TOTAL OF LINES 29 THRU 38)	161,540	25,133	3,756,086	(1,535,141)
40 OTHER INCOME DEDUCTIONS:				
41 LOSS ON DISPOSITION OF PROPERTY (421.2)	-	-	-	-
42 MISCELLANEOUS AMORTIZATION (425)	-	-	-	-
43 MISC INCOME DEDUCTIONS (426.1-426.5)	6,014	(11,102)	407,184	203,987
44 TOTAL OTHER INCOME DEDUCTIONS (TOTAL OF LINES 41 THRU 43)	6,014	(11,102)	407,184	203,987

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT SEPTEMBER 30, 2008

ACCOUNT	CURRENT MONTH =====		12 MONTHS ENDED =====	
	ACTUAL =====	INCREASE PREV. YEAR =====	ACTUAL =====	INCREASE PREV. YEAR =====
45 TAXES APPLIC TO OTHER INCOME AND DEDUCTIONS:	-	-	-	-
46 TAXES OTHER THAN INCOME TAXES (408.2)	-	-	-	-
47 INCOME TAXES - FEDERAL (409.2)	59,475	14,083	1,332,826	(170,754)
48 - OTHER (409.2)	-	-	-	-
49 PROVISION FOR DEFERRED INC TAXES (410.2)	2,266	2,266	2,266	(474,606)
50 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.2)	(2,205)	(4,151)	48,017	46,071
51 INVESTMENT TAX CREDIT ADJ - NET (411.5)	-	-	-	-
52 INVESTMENT TAX CREDITS (420)	-	-	-	-
53 TOTAL TAXES ON OTHER INCOME AND DED. (TOTAL OF 46 THRU 52)	<u>63,946</u>	<u>20,500</u>	<u>1,287,075</u>	<u>(691,431)</u>
54 NET OTHER INCOME AND DEDUCTIONS (ENTER TOTAL OF LINES 39, 44, 53)	<u>91,580</u>	<u>15,735</u>	<u>2,061,827</u>	<u>(1,047,697)</u>
55 INTEREST CHARGES	-	-	-	-
56 INTEREST ON LONG-TERM DEBT (427)	-	-	-	-
57 AMORT OF DEBT DISC AND EXP (428)	-	-	-	-
58 AMORT OF LOSS ON REACQUIRED DEBT (428.1)	-	-	-	-
59 (LESS) AMORT. OF PREMIUM ON DEBT-CREDIT (429)	-	-	-	-
60 (LESS) AMORT. OF GAIN ON REACQ. DEBT-CR. (429.1)	-	-	-	-
61 INTEREST ON DEBT TO ASSOC. CO. (430)	321,888	52,033	3,361,851	140,850
62 OTHER INTEREST EXPENSE (431)	(395)	(20,699)	190,727	(42,088)
63 (LESS) ALLOW. FOR BORROWED FUNDS USED DURING CONST.-CR (432)	<u>20,016</u>	<u>28,180</u>	<u>(56,358)</u>	<u>66,119</u>
64 NET INTEREST CHARGES (ENTER TOTAL OF LINES 25, 54, 64)	<u>341,509</u>	<u>59,514</u>	<u>3,496,220</u>	<u>164,881</u>
65 INCOME BEFORE EXTRAORDINARY ITEMS	<u>91,123</u>	<u>29,366</u>	<u>10,682,444</u>	<u>(1,256,334)</u>
66 EXTRAORDINARY ITEMS	-	-	-	-
67 EXTRAORDINARY INCOME (434)	-	-	-	-
68 (LESS) EXTRAORDINARY DEDUCTIONS (435)	-	-	-	-
69 NET EXTRAORDINARY ITEMS (ENTER TOTAL OF LINE 67 LESS LINE 68)	-	-	-	-
70 INCOME TAXES - FEDERAL AND OTHER (409.3 & 410.3)	-	-	-	-
71 EXTRAORDINARY ITEMS AFTER TAXES	-	-	-	-
72 NET INCOME (ENTER TOTAL OF LINES 65 AND 71)	<u>91,123</u>	<u>29,366</u>	<u>10,682,444</u>	<u>(1,256,334)</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT OCTOBER 31, 2008

TITLE OF ACCOUNT	OCTOBER CURRENT YEAR =====	OCTOBER PRIOR YEAR =====	INCREASE OR DECREASE =====
1 UTILITY PLANT			
2 UTILITY PLANT (101-106,114)	266,628,102	258,682,977	7,945,125
3 CONSTRUCTION WORK IN PROGRESS (107)	<u>6,307,425</u>	<u>3,619,461</u>	<u>2,687,964</u>
4 TOTAL UTILITY PLANT (LINES 2 AND 3)	272,935,527	262,302,438	10,633,089
5 (LESS) ACCUM PROV FOR DEPR, AMORT, DEPL (108,111,115)	<u>(118,158,319)</u>	<u>(115,496,874)</u>	<u>(2,661,445)</u>
6 NET UTILITY PLANT, LESS NUCLEAR FUEL (LINE 4 LESS 5)	<u>154,777,208</u>	<u>146,805,564</u>	<u>7,971,644</u>
7 NUCLEAR FUEL (120.0-120.4,120.6)	-	-	-
8 (LESS) ACCUM PROV FOR AMORT OF NUC FUEL ASSEMB (120.5)	-	-	-
9 NET NUCLEAR FUEL (LINE 7 LESS 8)	-	-	-
10 NET UTILITY PLANT (LINES 6 AND 9)	<u>154,777,208</u>	<u>146,805,564</u>	<u>7,971,644</u>
11 UTILITY PLANT ADJUSTMENTS (116)	-	-	-
12 GAS STORED UNDERGROUND (117)	-	-	-
13 OTHER PROPERTY AND INVESTMENTS			
14 NONUTILITY PROPERTY (121)	-	-	-
15 (LESS) ACCUM PROV FOR DEPR AND AMORT (122)	-	-	-
16 INVESTMENTS IN ASSOCIATED COMPANIES (123)	-	-	-
17 INVESTMENTS IN SUBSIDIARY COMPANIES (123.1)	275,669	228,292	47,377
18 (FOR COST OF ACCT 123.1, SEE FOOTNOTE PAGE 224, LINE 42)			
19 NONCURRENT PORTION OF ALLOWANCES	-	-	-
20 OTHER INVESTMENTS (124)	-	-	-
21 SPECIAL FUNDS (125-128)	-	-	-
22 TOTAL OTHER PROPERTY AND INVEST (LINES 14 -17, 19-21)	<u>275,669</u>	<u>228,292</u>	<u>47,377</u>
23 CURRENT AND ACCRUED ASSETS			
24 CASH (131)	361,760	456,923	(95,163)
25 SPECIAL DEPOSITS (132-134)	-	-	-
26 WORKING FUNDS (135)	8	8	-
27 TEMPORARY CASH INVESTMENTS (136)	2,782,499	821,988	1,960,511
28 NOTES RECEIVABLE (141)	22	22	-
29 CUSTOMER ACCOUNTS RECEIVABLE (142)	7,833,477	5,600,811	2,232,666
30 OTHER ACCOUNTS RECEIVABLE (143)	(1,987,993)	(1,415,287)	(572,706)
31 (LESS) ACCUM PROV FOR UNCOLLECT ACCT - CREDIT (144)	(500,062)	(199,981)	(300,081)
32 NOTES REC FROM ASSOCIATED COMPANIES (145)	-	-	-
33 ACCOUNTS REC FROM ASSOC COMPANIES (146)	144,857	137,425	7,432
34 FUEL STOCK (151)	22	22	-
35 FUEL STOCK EXPENSE UNDISTRIBUTED (152)	-	-	-
36 RESIDUALS (ELEC) AND EXTRACTED PROD (GAS) (153)	-	-	-
37 PLANT MATERIALS AND OPERATING SUPPLIES (154)	54,771	61,916	(7,145)
38 MERCHANDISE (155)	-	-	-
39 OTHER MATERIALS AND SUPPLIES (156)	-	-	-
40 NUCLEAR MATERIALS HELD FOR SALE (157)	-	-	-
41 ALLOWANCES (158.1 AND 158.2)	-	-	-
42 NONCURRENT PORTION OF ALLOWANCES	-	-	-
43 STORES EXPENSE UNDISTRIBUTED (163)	(30)	(30)	-
44 GAS STORED UNDERGROUND-CURRENT (164.1)	81,472,964	68,673,513	12,799,451
45 LIQUEFIED NATURAL GAS HELD FOR PROCESSING (164.2-164.3)	2	2	-



! COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT OCTOBER 31, 2008

TITLE OF ACCOUNT	OCTOBER CURRENT YEAR =====	OCTOBER PRIOR YEAR =====	INCREASE OR DECREASE =====
46 PREPAYMENTS (165)	567,971	589,485	(21,514)
47 ADVANCES FOR GAS (166-167)	-	-	-
48 INTEREST AND DIVIDENDS RECEIVABLE (171)	(80)	1,215	(1,295)
49 RENTS RECEIVABLE (172)	-	-	-
50 ACCRUED UTILITY REVENUES (173)	8,594,299	6,155,768	2,438,531
51 MISCELLANEOUS CURRENT AND ACCRUED ASSETS (174)	<u>1,365,458</u>	<u>517,706</u>	<u>847,752</u>
52 TOTAL CURRENT AND ACCRUED ASSETS (LINES 24 THRU 51)	<u>100,689,945</u>	<u>81,401,506</u>	<u>19,288,439</u>
53 DEFERRED DEBITS:			
54 UNAMORTIZED DEBT EXPENSE (181)	-	-	-
55 EXTRAORDINARY PROPERTY LOSSES (182.1)	-	-	-
56 UNRECOVERED PLANT AND REG STUDY COSTS (182.2)	-	-	-
57 OTHER REGULATORY ASSETS (182.3)	6,089,063	7,690,291	(1,601,228)
58 PRELIM SURVEY AND INVEST CHRGS - ELECTRIC (183)	-	-	-
59 PRELIM SURVEY AND INVEST CHRGS - GAS (183.1, 183.2)	330,984	231,225	99,759
60 CLEARING ACCOUNTS (184)	(129,437)	(91,010)	(38,427)
61 TEMPORARY FACILITIES (185)	-	-	-
62 MISCELLANEOUS DEFERRED DEBITS (186)	1,925,933	1,706,572	219,361
63 DEF LOSSES FROM DISPOS OF UTILITY PLANT (187)	-	-	-
64 RESEARCH, DEVEL AND DEMONSTR EXP (188)	20	20	-
65 UNAMORTIZED LOSS ON REACQUIRED DEBT (189)	-	-	-
66 ACCUMULATED DEFERRED INCOME TAXES (190)	7,011,072	6,356,114	654,958
67 UNRECOVERED PURCHASED GAS COSTS (191)	16,445,293	(1,524,345)	17,969,638
68 OTHER SPECIAL FUNDS	<u>3,007,000</u>	<u>910,947</u>	<u>2,096,053</u>
69 TOTAL DEFERRED DEBITS (LINES 54 THRU 68)	<u>34,679,928</u>	<u>15,279,814</u>	<u>19,400,114</u>
70 TOTAL ASSETS AND OTHER DEBITS (ENTER TOTAL OF LINES 10, 11, 12, 22, 52, AND 69)	<u>290,422,750</u> =====	<u>243,715,176</u> =====	<u>46,707,574</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT OCTOBER 31, 2008

	OCTOBER CURRENT YEAR =====	OCTOBER PRIOR YEAR =====	INCREASE OR DECREASE =====
1 TITLE OF ACCOUNT			
2 PROPRIETARY CAPITAL			
3 COMMON STOCK ISSUED (201)	23,806,202	23,806,202	-
4 PREFERRED STOCK ISSUED (204)	-	-	-
5 CAPITAL STOCK SUBSCRIBED (202, 205)	-	-	-
6 STOCK LIABILITY FOR CONVERSION (203, 206)	-	-	-
7 PREMIUM ON CAPITAL STOCK (207)	-	-	-
8 OTHER PAID-IN CAPITAL (208 - 211)	5,267,488	5,166,420	101,068
9 INSTALLMENTS RECEIVED ON CAPITAL STOCK (212)	-	-	-
10 (LESS) DISCOUNT ON CAPITAL STOCK (213)	-	-	-
11 (LESS) CAPITAL STOCK EXPENSE (214)	-	-	-
12 OTHER COMPREHENSIVE INCOME (219)	1	1	-
13 RETAINED EARNINGS (215, 215.1, 216)	72,869,608	69,388,486	3,481,122
14 UNAPPROP UNDIST SUBSIDIARY EARNINGS (216.1)	-	-	-
15 (LESS) REACQUIRED CAPITAL STOCK (217)	-	-	-
15 TOTAL PROPRIETARY CAPITAL (LINES 2 THRU 13)	<u>101,943,299</u>	<u>98,361,109</u>	<u>3,582,190</u>
16 LONG-TERM DEBT			
17 BONDS (221)	-	-	-
18 (LESS) REACQUIRED BONDS (222)	-	-	-
19 ADVANCES FROM ASSOCIATED COMPANIES (223)	58,055,011	58,055,011	-
20 OTHER LONG-TERM DEBT (224)	-	-	-
21 UNAMORT PREMIUM ON LONG-TERM DEBT (225)	-	-	-
22 (LESS) UNAMORT DISCOUNT ON LONG-TERM DEBT (226)	-	-	-
23 TOTAL LONG-TERM DEBT (LINES 16 THRU 21)	<u>58,055,011</u>	<u>58,055,011</u>	<u>-</u>
24 OTHER NONCURRENT LIABILITIES			
25 OBLIG UNDER CAP LEASES-NONCURRENT (227)	85	85	-
26 ACCUM PROVISION FOR PROPERTY INSURANCE (228.1)	-	-	-
27 ACCUM PROV FOR INJURIES AND DAMAGES (228.2)	5,854,756	5,877,086	(22,330)
28 ACCUM PROV FOR PENSIONS AND BENEFITS (228.3)	-	-	-
29 ACCUM MISC OPERATING PROVISIONS (228.4)	-	-	-
30 ACCUM PROVISION FOR RATE REFUNDS (229)	-	-	-
31 TOTAL OTHER NONCURRENT LIAB (TOTAL L24 THRU L29)	<u>5,854,841</u>	<u>5,877,171</u>	<u>(22,330)</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT OCTOBER 31, 2008

	OCTOBER CURRENT YEAR =====	OCTOBER PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
32 CURRENT AND ACCRUED LIABILITIES			
33 NOTES PAYABLE (231)	-	-	-
34 ACCOUNTS PAYABLE (232)	7,590,219	8,405,824	(815,605)
35 NOTES PAYABLE TO ASSOC COMPANIES (233)	4	4	-
36 ACCOUNTS PAYABLE TO ASSOC COMPANIES (234)	37,319,170	5,847,802	31,471,368
37 CUSTOMER DEPOSITS (235)	2,796,925	3,063,013	(266,088)
38 TAXES ACCRUED (236)	496,217	3,670,749	(3,174,532)
39 INTEREST ACCRUED (237)	81,671	95,025	(13,354)
40 DIVIDENDS DECLARED (238)	4	4	-
41 MATURED LONG-TERM DEBT (239)	-	-	-
42 MATURED INTEREST (240)	-	-	-
43 TAX COLLECTIONS PAYABLE (241)	650,823	520,031	130,792
44 MISC CURRENT AND ACCRUED LIAB (242)	30,439,004	28,817,346	1,621,658
45 OBLIG UNDER CAP LEASES - CURRENT (243)	(54)	(54)	-
46 DERIVATIVE INSTRU-LIAB- CURRENT (245)	<u>1,400,166</u>	<u>197,411</u>	<u>1,202,755</u>
47 TOTAL CURRENT AND ACCRUED LIAB (L32 THRU L44)	<u>80,774,149</u>	<u>50,617,155</u>	<u>30,156,994</u>
48 DEFERRED CREDITS			
49 CUSTOMER ADVANCES FOR CONSTRUCTION (252)	1,663,998	1,507,919	156,079
50 ACCUM DEFERRED INVEST TAX CREDITS (255)	781,961	868,643	(86,682)
51 DEF GAINS FROM DISPOS OF UTILITY PLANT (256)	-	-	-
52 OTHER DEFERRED CREDITS (253)	2,180,178	2,374,753	(194,575)
53 OTHER REGULATORY LIABILITIES (254)	3,955,701	3,249,349	706,352
54 UNAMORT GAIN ON REACQUIRED DEBT (257)	-	-	-
55 ACCUMULATED DEFERRED INCOME TAXES(281-283)	<u>35,213,612</u>	<u>22,804,066</u>	<u>12,409,546</u>
56 TOTAL DEFERRED CREDITS (LINES 47 THRU 52)	<u>43,795,450</u>	<u>30,804,730</u>	<u>12,990,720</u>
57 TOTAL LIAB AND OTHER CREDITS (L14,22,30,45,54)	<u>290,422,750</u>	<u>243,715,176</u>	<u>46,707,574</u>

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT OCTOBER 31, 2008

ACCOUNT	CURRENT MONTH		12 MONTHS ENDED	
	ACTUAL	INCREASE PREV. YEAR	ACTUAL	INCREASE PREV. YEAR
	=====	=====	=====	=====
1 UTILITY OPERATING INCOME				
2 OPERATING REVENUES (400)	<u>12,084,549</u>	<u>4,546,716</u>	<u>194,242,225</u>	<u>40,948,308</u>
3 OPERATING EXPENSES:				
4 OPERATING EXPENSES (401)	10,837,267	4,312,621	166,439,564	39,700,524
5 MAINTENANCE EXPENSES (402)	328,693	123,872	2,742,463	351,927
6 DEPRECIATION EXPENSE (403)	432,591	13,680	5,121,515	150,333
7 AMORT AND DEPL OF UTIL PLANT (404-405)	37,428	1,105	416,137	(20,877)
8 AMORT OF UTIL PLANT ACQ ADJ (406)	-	-	-	-
9 AMORT OF PROPERTY LOSSES, UNRECOVE RED PLANT AND REGULATORY STUDY COSTS (407)	-	-	-	-
10 AMORT OF CONVERSION EXPENSES (407)	-	-	-	-
11 REGULATORY DEBITS (407.3)	-	-	-	-
12 (LESS) REGULATORY CREDITS (407.4)	-	-	-	-
13 TAXES OTHER THAN INCOME TAXES (408.1)	210,344	11,146	2,520,464	163,890
14 INCOME TAXES - FEDERAL (409.1)	(3,162,252)	(3,388,027)	(5,498,997)	(9,656,883)
15 - OTHER (409.1)	(520,767)	(246,618)	(914,616)	(1,003,389)
16 PROV FOR DEFERRED INC TAXES (410.1)	4,698,576	4,392,100	14,501,728	9,433,904
17 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.1)	(1,038,390)	(537,485)	(2,980,505)	1,611,659
18 INVESTMENT TAX CREDIT ADJ - NET (411.4)	(7,224)	-	(86,687)	670
19 (LESS) GAINS FROM DISP. OF UTILITY PLANT (411.6)	-	-	-	-
20 LOSSES FROM DISPOS OF UTIL PLANT (411.7)	-	-	-	-
21 (LESS) GAINS FROM DISPOSITION OF ALLOWANCES (411.8)	-	-	-	-
22 LOSSES FROM DISPOSITION OF ALLOWANCES (411.9)	-	-	-	-
23 TOTAL UTILITY OPERATING EXPENSES	<u>11,816,266</u>	<u>4,682,394</u>	<u>182,261,066</u>	<u>40,731,758</u>
24 NET UTILITY OPERATING INCOME	<u>268,283</u>	<u>(135,678)</u>	<u>11,981,159</u>	<u>216,550</u>
26 OTHER INCOME AND DEDUCTIONS				
27 OTHER INCOME:				
28 NONUTILITY OPERATING INCOME				
29 REVENUES FROM MERCHANDISING, JOBBING AND CONTRACT WORK (415)	-	-	-	-
30 (LESS) COSTS AND EXP. OF MERCHANDISING, JOB & CONTRACT WORK (416)	-	-	-	-
31 REVENUES FROM NONUTILITY OPERATIONS (417)	20,705	13,747	679,174	(252,082)
32 (LESS) EXPENSES OF NONUTILITY OPERATOPMS (417.1)	-	-	-	-
33 NONOPERATING RENTAL INCOME (418)	(4,128)	624	(46,524)	(5,639)
34 EQUITY IN EARNINGS OF SUBSID COS (418.1)	-	-	-	-
35 INTEREST AND DIVIDEND INCOME (419)	354	(23,797)	886,536	(871,174)
36 ALLOW FOR OTHER FUNDS USED DURING CONSTR (419.1)	-	-	-	-
37 MISCELLANEOUS NONOPERATING INCOME (421)	161,088	40,693	2,173,871	(191,375)
38 GAIN ON DISPOSITION OF PROPERTY (421.1)	-	-	-	(103,624)
39 TOTAL OTHER INCOME (ENTER TOTAL OF LINES 29 THRU 38)	<u>186,275</u>	<u>30,019</u>	<u>3,786,105</u>	<u>(1,412,616)</u>
40 OTHER INCOME DEDUCTIONS:				
41 LOSS ON DISPOSITION OF PROPERTY (421.2)	-	-	-	-
42 MISCELLANEOUS AMORTIZATION (425)	-	-	-	-
43 MISC INCOME DEDUCTIONS (426.1-426.5)	22,398	2,975	410,159	206,198
44 TOTAL OTHER INCOME DEDUCTIONS (TOTAL OF LINES 41 THRU 43)	<u>22,398</u>	<u>2,975</u>	<u>410,159</u>	<u>206,198</u>

COLUMBIA GAS OF KENTUCKY, INC.  
STATEMENT OF INCOME  
AT OCTOBER 31, 2008

ACCOUNT	CURRENT MONTH		12 MONTHS ENDED	
	ACTUAL	INCREASE PREV. YEAR	ACTUAL	INCREASE PREV. YEAR
45 TAXES APPLIC TO OTHER INCOME AND DEDUCTIONS:	-	-	-	-
46 TAXES OTHER THAN INCOME TAXES (408.2)	-	-	-	-
47 INCOME TAXES - FEDERAL (409.2)	44,462	(51,911)	1,280,915	(705,388)
48 - OTHER (409.2)	-	-	-	-
49 PROVISION FOR DEFERRED INC TAXES (410.2)	18,134	18,134	20,400	20,400
50 (LESS) PROVISION FOR DEFERRED INCOME TAXES-CR. (411.2)	-	(44,599)	3,418	(43,127)
51 INVESTMENT TAX CREDIT ADJ - NET (411.5)	-	-	-	-
52 INVESTMENT TAX CREDITS (420)	-	-	-	-
53 TOTAL TAXES ON OTHER INCOME AND DED. (TOTAL OF 46 THRU 52)	<u>62,596</u>	<u>10,822</u>	<u>1,297,897</u>	<u>(641,861)</u>
54 NET OTHER INCOME AND DEDUCTIONS (ENTER TOTAL OF LINES 39, 44, 53)	<u>101,281</u>	<u>16,222</u>	<u>2,078,049</u>	<u>(976,953)</u>
55 INTEREST CHARGES				
56 INTEREST ON LONG-TERM DEBT (427)	-	-	-	-
57 AMORT OF DEBT DISC AND EXP (428)	-	-	-	-
58 AMORT OF LOSS ON REACQUIRED DEBT (428.1)	-	-	-	-
59 (LESS) AMORT. OF PREMIUM ON DEBT-CREDIT (429)	-	-	-	-
60 (LESS) AMORT. OF GAIN ON REACQ. DEBT-CR. (429.1)	-	-	-	-
61 INTEREST ON DEBT TO ASSOC. CO. (430)	370,875	91,692	3,453,543	161,151
62 OTHER INTEREST EXPENSE (431)	11,447	(1,399)	189,328	(27,043)
63 (LESS) ALLOW. FOR BORROWED FUNDS USED DURING CONST.-CR (432)	<u>(7,083)</u>	<u>(8,426)</u>	<u>(64,784)</u>	<u>42,865</u>
64 NET INTEREST CHARGES (ENTER TOTAL OF LINES 25, 54, 64)	<u>375,239</u>	<u>81,867</u>	<u>3,578,087</u>	<u>176,973</u>
65 INCOME BEFORE EXTRAORDINARY ITEMS	<u>(5,675)</u>	<u>(201,323)</u>	<u>10,481,121</u>	<u>(937,376)</u>
66 EXTRAORDINARY ITEMS				
67 EXTRAORDINARY INCOME (434)	-	-	-	-
68 (LESS) EXTRAORDINARY DEDUCTIONS (435)	-	-	-	-
59 NET EXTRAORDINARY ITEMS (ENTER TOTAL OF LINE 67 LESS LINE 68)	-	-	-	-
70 INCOME TAXES - FEDERAL AND OTHER (409.3 & 410.3)	-	-	-	-
71 EXTRAORDINARY ITEMS AFTER TAXES	-	-	-	-
72 NET INCOME (ENTER TOTAL OF LINES 65 AND 71)	<u>(5,675)</u>	<u>(201,323)</u>	<u>10,481,121</u>	<u>(937,376)</u>

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT NOVEMBER 30, 2008

TITLE OF ACCOUNT	NOVEMBER CURRENT YEAR =====	NOVEMBER PRIOR YEAR =====	INCREASE OR DECREASE =====
1 UTILITY PLANT			
2 UTILITY PLANT (101-106,114)	270,670,516	258,806,875	11,863,641
3 CONSTRUCTION WORK IN PROGRESS (107)	<u>3,049,404</u>	<u>4,146,236</u>	<u>(1,096,832)</u>
4 TOTAL UTILITY PLANT (LINES 2 AND 3)	273,719,920	262,953,111	10,766,809
5 (LESS) ACCUM PROV FOR DEPR, AMORT, DEPL (108,111,115)	<u>(118,464,839)</u>	<u>(115,565,809)</u>	<u>(2,899,030)</u>
6 NET UTILITY PLANT, LESS NUCLEAR FUEL (LINE 4 LESS 5)	<u>155,255,081</u>	<u>147,387,302</u>	<u>7,867,779</u>
7 NUCLEAR FUEL (120.0-120.4,120.6)	-	-	-
8 (LESS) ACCUM PROV FOR AMORT OF NUC FUEL ASSEMB (120.5)	-	-	-
9 NET NUCLEAR FUEL (LINE 7 LESS 8)	-	-	-
10 NET UTILITY PLANT (LINES 6 AND 9)	<u>155,255,081</u>	<u>147,387,302</u>	<u>7,867,779</u>
11 UTILITY PLANT ADJUSTMENTS (116)	-	-	-
12 GAS STORED UNDERGROUND (117)	-	-	-
13 OTHER PROPERTY AND INVESTMENTS			
14 NONUTILITY PROPERTY (121)	-	-	-
15 (LESS) ACCUM PROV FOR DEPR AND AMORT (122)	-	-	-
16 INVESTMENTS IN ASSOCIATED COMPANIES (123)	-	-	-
17 INVESTMENTS IN SUBSIDIARY COMPANIES (123.1)	278,709	232,080	46,629
18 (FOR COST OF ACCT 123.1, SEE FOOTNOTE PAGE 224, LINE 42)	-	-	-
19 NONCURRENT PORTION OF ALLOWANCES	-	-	-
20 OTHER INVESTMENTS (124)	-	-	-
21 SPECIAL FUNDS (125-128)	-	-	-
22 TOTAL OTHER PROPERTY AND INVEST (LINES 14 -17, 19-21)	<u>278,709</u>	<u>232,080</u>	<u>46,629</u>
23 CURRENT AND ACCRUED ASSETS			
24 CASH (131)	451	417,311	(416,860)
25 SPECIAL DEPOSITS (132-134)	-	-	-
26 WORKING FUNDS (135)	8	8	-
27 TEMPORARY CASH INVESTMENTS (136)	3,265,592	1,185,024	2,080,568
28 NOTES RECEIVABLE (141)	22	22	-
29 CUSTOMER ACCOUNTS RECEIVABLE (142)	11,968,656	9,037,796	2,930,860
30 OTHER ACCOUNTS RECEIVABLE (143)	(672,680)	(818,718)	146,038
31 (LESS) ACCUM PROV FOR UNCOLLECT ACCT - CREDIT (144)	(589,843)	(275,844)	(313,999)
32 NOTES REC FROM ASSOCIATED COMPANIES (145)	-	-	-
33 ACCOUNTS REC FROM ASSOC COMPANIES (146)	86,252	120,420	(34,168)
34 FUEL STOCK (151)	22	22	-
35 FUEL STOCK EXPENSE UNDISTRIBUTED (152)	-	-	-
36 RESIDUALS (ELEC) AND EXTRACTED PROD (GAS) (153)	-	-	-
37 PLANT MATERIALS AND OPERATING SUPPLIES (154)	43,825	58,138	(14,313)
38 MERCHANDISE (155)	-	-	-
39 OTHER MATERIALS AND SUPPLIES (156)	-	-	-
40 NUCLEAR MATERIALS HELD FOR SALE (157)	-	-	-
41 ALLOWANCES (158.1 AND 158.2)	-	-	-
42 NONCURRENT PORTION OF ALLOWANCES	-	-	-
43 STORES EXPENSE UNDISTRIBUTED (163)	(30)	(30)	-
44 GAS STORED UNDERGROUND-CURRENT (164.1)	71,114,942	61,500,153	9,614,789
45 LIQUEFIED NATURAL GAS HELD FOR PROCESSING (164.2-164.3)	2	2	-

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)  
 AT NOVEMBER 30, 2008

TITLE OF ACCOUNT	NOVEMBER CURRENT YEAR =====	NOVEMBER PRIOR YEAR =====	INCREASE OR DECREASE =====
46 PREPAYMENTS (165)	595,027	641,801	(46,774)
47 ADVANCES FOR GAS (166-167)	-	-	-
48 INTEREST AND DIVIDENDS RECEIVABLE (171)	(80)	72	(152)
49 RENTS RECEIVABLE (172)	-	-	-
50 ACCRUED UTILITY REVENUES (173)	17,165,738	11,179,776	5,985,962
51 MISCELLANEOUS CURRENT AND ACCRUED ASSETS (174)	<u>390,774</u>	<u>408,351</u>	<u>(17,577)</u>
52 TOTAL CURRENT AND ACCRUED ASSETS (LINES 24 THRU 51)	<u>103,368,678</u>	<u>83,454,304</u>	<u>19,914,374</u>
53 DEFERRED DEBITS			
54 UNAMORTIZED DEBT EXPENSE (181)	-	-	-
55 EXTRAORDINARY PROPERTY LOSSES (182.1)	-	-	-
56 UNRECOVERED PLANT AND REG STUDY COSTS (182.2)	-	-	-
57 OTHER REGULATORY ASSETS (182.3)	6,272,813	7,817,942	(1,545,129)
58 PRELIM SURVEY AND INVEST CHRGS - ELECTRIC (183)	-	-	-
59 PRELIM SURVEY AND INVEST CHRGS - GAS (183.1, 183.2)	301,517	253,551	47,966
60 CLEARING ACCOUNTS (184)	(88,956)	(52,545)	(36,411)
61 TEMPORARY FACILITIES (185)	-	-	-
62 MISCELLANEOUS DEFERRED DEBITS (186)	1,909,149	1,933,752	(24,603)
63 DEF LOSSES FROM DISPOS OF UTILITY PLANT (187)	-	-	-
64 RESEARCH, DEVEL AND DEMONSTR EXP (188)	20	20	-
65 UNAMORTIZED LOSS ON REACQUIRED DEBT (189)	-	-	-
66 ACCUMULATED DEFERRED INCOME TAXES (190)	7,099,619	6,612,330	487,289
67 UNRECOVERED PURCHASED GAS COSTS (191)	15,619,608	2,235,525	13,384,083
68 OTHER SPECIAL FUNDS	<u>3,013,642</u>	<u>908,247</u>	<u>2,105,395</u>
69 TOTAL DEFERRED DEBITS (LINES 54 THRU 68)	<u>34,127,412</u>	<u>19,708,822</u>	<u>14,418,590</u>
70 TOTAL ASSETS AND OTHER DEBITS (ENTER TOTAL OF LINES 10, 11, 12, 22, 52, AND 69)	<u>293,029,880</u> =====	<u>250,782,508</u> =====	<u>42,247,372</u> =====

COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT NOVEMBER 30, 2008

	NOVEMBER CURRENT YEAR =====	NOVEMBER PRIOR YEAR =====	INCREASE OR DECREASE =====
TITLE OF ACCOUNT			
1 PROPRIETARY CAPITAL			
2 COMMON STOCK ISSUED (201)	23,806,202	23,806,202	-
3 PREFERRED STOCK ISSUED (204)	-	-	-
4 CAPITAL STOCK SUBSCRIBED (202, 205)	-	-	-
5 STOCK LIABILITY FOR CONVERSION (203, 206)	-	-	-
6 PREMIUM ON CAPITAL STOCK (207)	-	-	-
7 OTHER PAID-IN CAPITAL (208 - 211)	5,267,488	5,182,741	84,747
8 INSTALLMENTS RECEIVED ON CAPITAL STOCK (212)	-	-	-
9 (LESS) DISCOUNT ON CAPITAL STOCK (213)	-	-	-
10 (LESS) CAPITAL STOCK EXPENSE (214)	-	-	-
11 OTHER COMPREHENSIVE INCOME (219)	1	1	-
12 RETAINED EARNINGS (215, 215.1, 216)	74,092,033	70,569,560	3,522,473
13 UNAPPROP UNDIST SUBSIDIARY EARNINGS (216.1)	-	-	-
14 (LESS) REACQUIRED CAPITAL STOCK (217)	-	-	-
15 TOTAL PROPRIETARY CAPITAL (LINES 2 THRU 13)	<u>103,165,724</u>	<u>99,558,504</u>	<u>3,607,220</u>
16 LONG-TERM DEBT			
17 BONDS (221)	-	-	-
18 (LESS) REACQUIRED BONDS (222)	-	-	-
19 ADVANCES FROM ASSOCIATED COMPANIES (223)	58,055,011	58,055,011	-
20 OTHER LONG-TERM DEBT (224)	-	-	-
21 UNAMORT PREMIUM ON LONG-TERM DEBT (225)	-	-	-
22 (LESS) UNAMORT DISCOUNT ON LONG-TERM DEBT (226)	-	-	-
23 TOTAL LONG-TERM DEBT (LINES 16 THRU 21)	<u>58,055,011</u>	<u>58,055,011</u>	<u>-</u>
24 OTHER NONCURRENT LIABILITIES			
25 OBLIG UNDER CAP LEASES-NONCURRENT (227)	85	85	-
26 ACCUM PROVISION FOR PROPERTY INSURANCE (228.1)	-	-	-
27 ACCUM PROV FOR INJURIES AND DAMAGES (228.2)	5,665,143	5,856,709	(191,566)
28 ACCUM PROV FOR PENSIONS AND BENEFITS (228.3)	-	-	-
29 ACCUM MISC OPERATING PROVISIONS (228.4)	-	-	-
30 ACCUM PROVISION FOR RATE REFUNDS (229)	-	-	-
31 TOTAL OTHER NONCURRENT LIAB (TOTAL L24 THRU L29)	<u>5,665,228</u>	<u>5,856,794</u>	<u>(191,566)</u>



COLUMBIA GAS OF KENTUCKY, INC.  
 COMPARATIVE BALANCE SHEET (LIABILITIES & OTHER CREDITS)  
 AT NOVEMBER 30, 2008

TITLE OF ACCOUNT	NOVEMBER CURRENT YEAR =====	NOVEMBER PRIOR YEAR =====	INCREASE OR DECREASE =====
32 CURRENT AND ACCRUED LIABILITIES			
33 NOTES PAYABLE (231)	-	-	-
34 ACCOUNTS PAYABLE (232)	9,411,658	4,092,135	5,319,523
35 NOTES PAYABLE TO ASSOC COMPANIES (233)	4	4	-
36 ACCOUNTS PAYABLE TO ASSOC COMPANIES (234)	35,231,079	8,214,936	27,016,143
37 CUSTOMER DEPOSITS (235)	2,906,410	3,186,550	(280,140)
38 TAXES ACCRUED (236)	2,355,602	4,228,729	(1,873,127)
39 INTEREST ACCRUED (237)	20,116	26,331	(6,215)
40 DIVIDENDS DECLARED (238)	4	4	-
41 MATURED LONG-TERM DEBT (239)	-	-	-
42 MATURED INTEREST (240)	-	-	-
43 TAX COLLECTIONS PAYABLE (241)	1,266,569	987,283	279,286
44 MISC CURRENT AND ACCRUED LIAB (242)	30,491,241	35,180,908	(4,689,667)
45 OBLIG UNDER CAP LEASES - CURRENT (243)	(54)	(54)	-
46 DERIVATIVE INSTRU-LIAB- CURRENT (245)	<u>1,716,675</u>	<u>668,121</u>	<u>1,048,554</u>
47 TOTAL CURRENT AND ACCRUED LIAB (L32 THRU L44)	<u>83,399,304</u>	<u>56,584,947</u>	<u>26,814,357</u>
48 DEFERRED CREDITS			
49 CUSTOMER ADVANCES FOR CONSTRUCTION (252)	1,673,685	1,511,283	162,402
50 ACCUM DEFERRED INVEST TAX CREDITS (255)	774,737	861,419	(86,682)
51 DEF GAINS FROM DISPOS OF UTILITY PLANT (256)	-	-	-
52 OTHER DEFERRED CREDITS (253)	2,175,432	2,370,006	(194,574)
53 OTHER REGULATORY LIABILITIES (254)	3,946,790	2,974,897	971,893
54 UNAMORT GAIN ON REACQUIRED DEBT (257)	-	-	-
55 ACCUMULATED DEFERRED INCOME TAXES(281-283)	<u>34,173,969</u>	<u>23,009,647</u>	<u>11,164,322</u>
56 TOTAL DEFERRED CREDITS (LINES 47 THRU 52)	<u>42,744,613</u>	<u>30,727,252</u>	<u>12,017,361</u>
57 TOTAL LIAB AND OTHER CREDITS (L14,22,30,45,54)	<u>293,029,880</u> =====	<u>250,782,508</u> =====	<u>42,247,372</u> =====