

September 15, 2009

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

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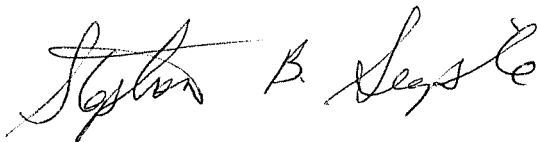
PUBLIC SERVICE
COMMISSION

**Re: Columbia Gas of Kentucky, Inc.
General Rates Case No. 2009 - 00141**

Dear Mr. DeRouen:

On September 14, 2009, Columbia Gas of Kentucky, Inc. ("Columbia") filed the Direct Testimony of Herbert A. Miller, Jr. in support of the Stipulation and Recommendation in this docket. It has come to our attention that due to an inadvertent clerical error pages 3 and 8 of that testimony were omitted from the copies of the filing. The original, filed yesterday, was complete and appears on the Commission's website. Attached hereto are ten (10) copies of pages 3 and 8 of that testimony, which should be inserted into the copies filed on September 14, 2009. I apologize for any inconvenience this may have caused.

Very truly yours,



Stephen B. Seiple
Assistant General Counsel

Enclosures

cc: Parties of Record
Hon. Richard S. Taylor

1 risk and cost. By reaching this compromise, each party has determined that the proposed
2 Stipulation outcome is preferable to other, less favorable outcomes and avoids the costs
3 to Columbia's customers that could result as an outcome of litigating the issues in this
4 case. Through negotiation, each party was able to prioritize its goals in this proceeding
5 and ensure that those priorities are reflected in the Stipulation.

6
7 Q: But how does a compromise produce a fair, just and reasonable change in revenues?

8 A: Each of the parties to this proceeding represents a unique constituency. By vigorously
9 pursuing the positions of the respective constituencies in negotiations, each party has en-
10 sured that the priorities of its constituency have been recognized and protected in the
11 Stipulation. It is the vigorous representation of all constituencies in negotiations, with
12 each party freely and voluntarily agreeing to the concessions it has made in order to en-
13 sure its priorities are reflected in the Stipulation, which provides for a fair, just and rea-
14 sonable change in rates. In other words, this Stipulation is a fair, just and reasonable set-
15 tlement because each constituency has been vigorously represented in the negotiations
16 and, through representation or direct involvement, has freely agreed to the Stipulation.

17
18 Q: What evidence is there for the Commission that each constituency was vigorously repre-
19 sented in the negotiations that led to this settlement?

20 A: The Stipulation outcome itself reveals the sincerity of the negotiations on all sides. The
21 record in this proceeding clearly states the positions of the parties. The Commission need
22 only review the positions taken by the parties in this case and compare those positions to
23 the Stipulation to determine if each constituency was vigorously represented in negotia-

1 A: Yes. Columbia published such public notice in newspapers throughout its service area.
2 Affidavits demonstrating the publications have been docketed with the Commission.

3

4 Q: Are there any other matters you wish to address at this time?

5 A: Yes. In closing, please note that all of the parties have expended considerable effort to
6 reach the terms that form the basis of the Stipulation. The parties agree that this Stipula-
7 tion is reasonable, produces rates that are fair, and is in the best interest of all concerned.
8 Together, we submit the Stipulation for the consideration of the Commission and urge
9 that the terms be approved in its entirety.

10

11 Q: Does this conclude your Direct Testimony in Support of the Stipulation?

12 A: Yes, it does.