

September 16, 2009

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

**RECEIVED**

**SEP 16 2009**

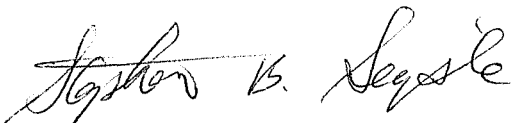
**PUBLIC SERVICE  
COMMISSION**

**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 a Stipulation and Recommendation in this docket. Attached to that Stipulation and Recommendation as Attachment A are the tariff sheets being revised to effectuate the terms of the settlement. It has come to our attention that Sheet number 2 was inadvertently omitted from Attachment A. Enclosed is the original and ten (10) copies of Sheet 2, which should be inserted into Attachment A. It has also come to our attention that two sheets included with the original Attachment A need to be revised. These two sheets are Sheet numbers 51e and 58. Also enclosed are the original and ten (10) copies of Substitute Sheets 51e and 58, which should be substituted for the original sheet numbers 51e and 58. 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

**COLUMBIA GAS OF KENTUCKY, INC.**

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President

**ENERGY EFFICIENCY AND CONSERVATION RIDER  
ENERGY EFFICIENCY/CONSERVATION PROGRAM COST RECOVERY  
(Continued)**

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**EECPLS = EECR REVENUE FROM LOST SALES (continued)**

The estimated reduction in customer usage (in Mcf) as a result of the approved programs shall be multiplied by the delivery charge per Mcf for purposes of determining the lost revenue to be recovered hereunder.

The aggregate lost revenues attributable to the program participant shall be divided by the estimated number of customers for the upcoming twelve-month period to determine the applicable EECPLS surcharge.

Recovery of revenues from lost sales calculated for a twelve-month period shall be included in the EECPLS as long as a volumetric delivery charge is included in applicable standard rate, Rate Schedule GSR or Rate Schedule GSO, or until the next general rate case of the company.

Revenues collected hereunder are based on engineering estimates of energy savings, actual program participation and estimated number of customers for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates, actual program participation and numbers of customers are accounted for shall be reconciled in future billings under the EECR Balance Adjustment (EECPBA) component.

**EECPI = EECR INCENTIVE**

For all Energy Efficiency/Conservation Programs, the EECR incentive amount shall be computed by multiplying the net resource savings estimated from the approved programs times fifteen (15) percent. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided commodity costs over the expected life of the program.

The EECR incentive amount shall be divided by the expected number of customers for the upcoming twelve-month period to determine the EECPI. EECR incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**EECPBA = EECR BALANCE ADJUSTMENT**

The EECPBA shall be calculated on a twelve-month basis and is used to reconcile the difference between the amount or revenues actually billed through the EECPCR, EECPLS, EECPI and previous application of the EECPBA and the revenues which should have been billed.

The program has an October year-end with rates to be effective with meter readings beginning on and after Company's February Unit 1 billing cycle.

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**COLUMBIA GAS OF KENTUCKY, INC.**

**RIDER AMRP  
ACCELERATED MAIN REPLACEMENT PROGRAM RIDER**

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**APPLICABILITY**

Applicable to all customers receiving service under the Company's Rate Schedules GS, IS, IUS, SVGTS, DS and SAS.

**CALCULATION OF ACCELERATED MAIN REPLACEMENT RIDER REVENUE REQUIREMENT**

The AMRP Rider Revenue Requirement includes the following:

- a. AMRP-related Plant In-Service not included in base gas rates minus the associated AMRP-related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to AMRP construction;
- c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- d. Depreciation expense on the AMRP = related Plant In-Service less retirement and removals; and;
- e. Reduction for savings in Account No. 887 – Maintenance of Mains.

**ACCELERATED MAIN REPLACEMENT PROGRAM FACTORS**

All customers receiving service under Rate Schedules GSR, GSO, IS, IUS, SVGTS, DS, GDS and SAS shall be assessed a monthly charge in addition to the Customer Charge component of their applicable rate schedule that will enable the Company to complete the accelerated main replacement program.

Rider AMRP will be updated annually, in order to reflect the impact on the Company's revenue requirements of net plant additions as offset by operations and maintenance expense reductions during the most recent twelve months ended December. Such adjustment to the Rider will become effective with meter readings on and after the first billing cycle of June, and will reflect the allocation of the required revenue increase based on the revenue distribution approved by the Commission.

The charges for the respective gas service schedules for the revenue month beginning June 2010 per billing period are:

Rate GSR, Rate SVGTS - Residential Service	\$0.00
Rate GSO, Rate GDS, Rate SVGTS - Commercial or Industrial Service	\$0.00
Rate IUS, Rate IUJS	\$0.00
Rate IS, Rate DS <sup>1/</sup> , Rate SAS	\$0.00

<sup>1/</sup> - Excluding customers subject to Flex Provisions of Rate Schedule DS

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