

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

December 22, 2011

Dear Mr. Derouen:

Pursuant to the Commission's Order of July 6, 2011 in Case No. 2011-00234, Columbia Gas of Kentucky, Inc. hereby notifies the Commission that the Lexington-Fayette Urban County Government ("LFUCG") has exercised its option to extend the expiration of the franchise for a period of time not to exceed an additional six (6) months. Two copies of the extension notification from LFUCG are enclosed.

If you have any questions, please call me at (859) 288-0242 or email jmcoop@nisource.com. Thank you.

Sincerely,



Judy M. Cooper

Enclosures

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DEC 27 2011

PUBLIC SERVICE
COMMISSION



Lexington-Fayette Urban County Government
CHIEF ADMINISTRATIVE OFFICE

Jim Gray
Mayor

Richard P. Moloney
CAO

December 20, 2011

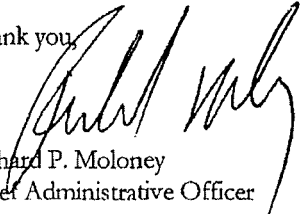
Mr. Herbert A. Miller, Jr.
President
Columbia Gas of Kentucky, Inc.
P.O. Box 14241
Lexington, KY 40512-4241

Dear Mr. Miller,

This letter shall serve as formal notification that the Lexington-Fayette Urban County Government is exercising its option to extend your franchise agreement for a period of time not to exceed an additional six (6) months pursuant to the terms of the franchise agreement and Ordinance No. 73-2011. This extension is being exercised in order to allow for continued negotiations toward a long-term franchise agreement and the completion of the ongoing franchise audits.

Please contact David Barberie in the Department of Law should you have any questions regarding this matter.

Thank you,


Richard P. Moloney
Chief Administrative Officer

cc: David Barberie, Department of Law
Geoff Reed, Senior Advisor to Mayor
James Bush, Division of Environmental Policy
Sally Hamilton, Department of General Services
Jane Driskell, Department of Finance
Stacy Maynard, Council Administrator