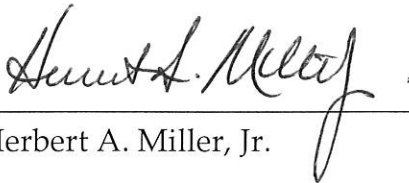


COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:)
)
APPLICATION OF COLUMBIA GAS) Case No. 2016-00162
OF KENTUCKY, INC. FOR AN)
ADJUSTMENT OF RATES)

CERTIFICATE AND AFFIDAVIT


The Affiant, Herbert A. Miller, Jr., being duly sworn, deposes and states that Columbia Gas of Kentucky, Inc. mailed the notice specified in 807 KAR 5:001, Section 17(2)(b)(2) to all 82 of its customers in Lewis County. The Affiant states that the notice attached hereto is the same notice mailed to the 82 Lewis County customers. Affiant further states that Columbia Gas of Kentucky, Inc. mailed the notices to all 82 Lewis County customers on May 26, 2016.


Herbert A. Miller, Jr.

COMMONWEALTH OF KENTUCKY

COUNTY OF FAYETTE

SUBSCRIBED AND SWORN to before me by Herbert A. Miller, Jr. on this the 7th day of June, 2016.


Notary Public

My Commission expires: _____
LEITHA PASH-LEWIS
NOTARY PUBLIC
Kentucky, State At Large
My Commission Expires 4/25/2017
I.D. # 488090

NOTICE

Notice is hereby given that Columbia Gas of Kentucky, Inc., ("Columbia") a Kentucky Corporation, expects to apply on May 27, 2016 to the Kentucky Public Service Commission ("Commission"), Frankfort, Kentucky, for approval of an adjustment of rates to become effective June 27, 2016, for service rendered on and after June 27, 2016. The present rates charged in all territory served by Columbia are as follows:

	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity ² \$	Total Billing Rate \$
RATE SCHEDULES GS and SVGTS¹				
Residential (GSR)				
Customer Charge per billing period	15.00			15.00
AMRP Rider per billing period	2.25			2.25
EECPRC per billing period	0.69			0.69
Delivery Charge per Mcf	2.2666	1.3114	0.9137	4.4917
EAP Rider per Mcf	0.0597			0.0597
NGR&D Rider per Mcf	0.0139			0.0139
Commercial or Industrial (GSO)				
Customer Charge per billing period	37.50			37.50
AMRP Rider per billing period	8.02			8.02
Delivery Charge per Mcf				
First 50 Mcf or less per billing period	2.2666	1.3114	0.9137	4.4917
Next 350 Mcf per billing period	1.7520	1.3114	0.9137	3.9771
Next 600 Mcf per billing period	1.6659	1.3114	0.9137	3.8910
Over 1,000 Mcf per billing period	1.5164	1.3114	0.9137	3.7415
NGR&D Rider per Mcf	0.0139			0.0139
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period	1,007.05			1,007.05
AMRP Rider per billing period	449.59			449.59
Delivery Charge per Mcf				
First 30,000 Mcf per billing period	0.5443		0.9137	1.4580
Over 30,000 Mcf per billing period	0.2890		0.9137	1.2027
NGR&D Rider per Mcf	0.0139			0.0139
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.8316		6.8316
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹				
Customer Charge per billing period	477.00			477.00
AMRP Rider per billing period	76.96			76.96
Delivery Charge per Mcf	0.8150	1.3114	0.9137	3.0401
NGR&D Rider per Mcf	0.0139			0.0139
RATE SCHEDULE SS - STANDBY SERVICE				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.8316		6.8316
Standby Service Commodity Charge per Mcf			0.9137	0.9137
RATE SCHEDULE DS - DELIVERY SERVICE				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period ²	1,007.05			1,007.05
AMRP Rider - DS only - per billing period ²	449.59			449.59
Customer Charge - Grandfathered Service only - per billing period	37.50			37.50
AMRP Rider - Grandfathered Service only - per billing period	8.02			8.02
Customer Charge - Intrastate Utility only - per billing period	477.00			477.00
AMRP Rider - Intrastate Utility only - per billing period	76.96			76.96
Delivery Charge per Mcf²				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
Delivery Charge - Grandfathered Service only				
First 50 Mcf or less per billing period	2.2666			2.2666
Next 350 Mcf per billing period	1.7520			1.7520
Next 600 Mcf per billing period	1.6659			1.6659
Over 1,000 Mcf per billing period	1.5164			1.5164
Delivery Charge - Intrastate Utility only				
All volumes per billing period	0.8150			0.8150
Banking and Balancing Service per Mcf		0.0209		0.0209
NGR&D Rider per Mcf	0.0139			0.0139
RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Charge per Mcf	0.0858			0.0858
NGR&D Rider per Mcf	0.0139			0.0139
Banking and Balancing Service per Mcf		0.0209		0.0209

The proposed rates to be charged in all territory served by Columbia Gas of Kentucky, Inc. are as follows:

	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity ² \$	Total Billing Rate \$
RATE SCHEDULES GS and SVGTS¹				
Residential (GSR)				
Customer Charge per billing period	19.75			19.75
AMRP Rider per billing period	0.00			0.00
EECPRC per billing period	0.69			0.69
Delivery Charge per Mcf	3.8668	1.3114	0.9237	6.1019
EAP Rider per Mcf	0.0597			0.0597
NGR&D Rider per Mcf	0.0139			0.0139
Commercial or Industrial (GSO)				
Customer Charge per billing period	51.00			51.00
AMRP Rider per billing period	0.00			0.00
Delivery Charge per Mcf				
First 50 Mcf or less per billing period	3.4714	1.3114	0.9237	5.7065
Next 350 Mcf per billing period	2.6833	1.3114	0.9237	4.9184
Next 600 Mcf per billing period	2.5514	1.3114	0.9237	4.7865
Over 1,000 Mcf per billing period	2.3223	1.3114	0.9237	4.5574
NGR&D Rider per Mcf	0.0139			0.0139
RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE				
Customer Charge per billing period	1,462.00			1,462.00
AMRP Rider per billing period	0.00			0.00
Delivery Charge per Mcf				
First 30,000 Mcf per billing period	0.9002		0.9237	1.8239
Over 30,000 Mcf per billing period	0.4781		0.9237	1.4018
NGR&D Rider per Mcf	0.0139			0.0139
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.8316		6.8316
RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹				
Customer Charge per billing period	649.00			649.00
AMRP Rider per billing period	0.00			0.00
Delivery Charge per Mcf	1.3295	1.3114	0.9237	3.5646
NGR&D Rider per Mcf	0.0139			0.0139
RATE SCHEDULE SS - STANDBY SERVICE				
Standby Service Demand Charge per Mcf				
Demand Charge times Standby Service Volumes (Mcf) in Customer Agreement		6.8316		6.8316
Standby Service Commodity Charge per Mcf			0.9237	0.9237
RATE SCHEDULE DS - DELIVERY SERVICE				
Customer Charge per billing period ²	1,462.00			1,462.00
AMRP Rider - DS only - per billing period ²	0.00			0.00
Customer Charge - Grandfathered Service only - per billing period	51.00			51.00
AMRP Rider - Grandfathered Service only - per billing period	0.00			0.00
Customer Charge - Intrastate Utility only - per billing period	649.00			649.00
AMRP Rider - Intrastate Utility only - per billing period	0.00			0.00
Delivery Charge per Mcf²				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
Delivery Charge - Grandfathered Service only				
First 50 Mcf or less per billing period	3.4714			3.4714
Next 350 Mcf per billing period	2.6833			2.6833
Next 600 Mcf per billing period	2.5514			2.5514
Over 1,000 Mcf per billing period	2.3223			2.3223
Delivery Charge - Intrastate Utility only				
All volumes per billing period	1.3295			1.3295
Banking and Balancing Service per Mcf		0.0209		0.0209
NGR&D Rider per Mcf	0.0139			0.0139
RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE				
Customer Charge per billing period	255.90			255.90
Delivery Charge per Mcf	0.0858			0.0858
NGR&D Rider per Mcf	0.0139			0.0139
Banking and Balancing Service per Mcf		0.0209		0.0209

Columbia Gas of Kentucky, Inc. Notice (continued from previous page)

IMPACT OF PROPOSED RATES

The foregoing proposed rates designed to recover Columbia's revenue deficiency reflect an increase of approximately 27.41% to Columbia. The estimated amount of increase per customer class is as follows:

Residential	\$16,386,249	27.90%
Commercial	\$6,535,005	24.66%
Industrial	\$2,346,965	37.81%
Wholesale	\$8,106	16.95%
Other Gas Department Revenue	\$132,048	11.00%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Residential – based on average usage of 5.5 Mcf	\$11.35	26.4%
Commercial – based on average usage of 26.2 Mcf	\$37.32	22.8%
Industrial – based on average usage of 690.1 Mcf	\$655.50	23.4%
Wholesale – based on average usage of 471.7 Mcf	\$342.44	17.1%

The rates contained in this notice are the rates proposed by Columbia; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. In addition to the adjustment of rates described above, Columbia is also seeking Public Service Commission approval of the following:

- Modification of the Accelerated Main Replacement Program Rider to permit inclusion of replacement of older plastic pipe susceptible to brittle-like cracking and incremental meter replacements, if any, pursuant to the requirements of Columbia's Statistical Meter Sampling Program in the calculation of the AMRP Rider revenue requirement.
- Revision of the "Returned Check Fee" to "Returned Payment Fee" to apply to any form of payment returned unpaid by a customer's financial institution.
- The ability to designate an alternate point of receipt from time to time for Delivery Service customers in order to support continued reliable service.
- The ability to move a Delivery Service customer to the applicable sales service rate primarily due to the customer's failure to deliver gas to Columbia for a period of at least five (5) consecutive days.
- Revisions and clarification of the Cash-Out and Imbalance index pricing for Delivery Service customers as shown below:
 - Present Cash-out on days when Customer's deliveries are less than its usage, the Company will sell gas to the Customer at the current month's average indexed price, as reported in PLATTS Gas Daily in the monthly report titled "Prices of Spot of Gas Delivered to Pipelines," under the column heading "Index" for "Columbia Gas Transmission Corp., Appalachia," adjusted for Columbia Gas Transmission Corporation's FTS Retainage and commodity charges, times 120%.
 - Proposed Cash-out on days when Customer's deliveries are less than its usage, the Company will sell gas to the Customer at the higher of: (1) 120% of the average of the Daily Index prices for each day of the applicable month as reported in PLATTS Gas Daily in the Daily price survey section under the heading "Appalachia" for "Columbia Gas, App." Midpoint, plus the 100% load factor TCO FTS costs (including demand, commodity and retainage); or (2) 120% of the highest commodity purchases by the Company during the calendar month, including the delivered cost of purchases at the city gate, if any, excluding any purchases under fixed price commodity contracts for which the price was determined more than thirty days before the beginning of the calendar month.
 - Present Cash-out on days when Customer's deliveries are greater than its usage, Company may, at its option, purchase the excess deliveries at the current month's average indexed price, as reported in PLATTS Gas Daily in the monthly report titled "Prices of Spot of Gas Delivered to Pipelines," under the column heading "Index" for "Columbia Gas Transmission Corp., Appalachia," adjusted for Columbia Gas Transmission Corporation's FTS Retainage and commodity charges, times 80%.

- Proposed Cash-out on days when Customer's deliveries are greater than its usage, Company may, at its option, purchase the excess deliveries at the lower of: (1) 80% of the average of the Daily Index prices for each day of the applicable month as reported in PLATTS Gas Daily, in the Daily price survey section under the heading "Appalachia" for "Columbia Gas, App." Midpoint; or (2) 80% of the lowest cost of purchases by the Company during the calendar month, including the delivered cost of purchases at the City Gate, if any, excluding any purchases under fixed price commodity contracts for which the price was determined more than thirty days before the beginning of the calendar month.
- Present charge under Imbalances for Company purchase of excess deliveries is the current month's average indexed price, as reported in PLATTS Gas Daily in the monthly report titled "Prices of Spot of Gas Delivered to Pipelines" under the column heading "Index" for "Columbia Gas Transmission Corp., Appalachia," adjusted for Columbia Gas Transmission Corporation's FTS Retainage and commodity charges, times 80%. In addition, if the Customer's exceeded bank tolerance causes the Company to incur a storage overrun penalty, Customer is subject its proportionate share of any pipeline penalty
- Proposed charge under Imbalances for Company purchase of excess deliveries is the lower of: (1) 80% of the average of the Daily Index prices for each day of the applicable month as reported in PLATTS Gas Daily publication, in the Daily price survey section under the heading "Appalachia" for "Columbia Gas, App." Midpoint; or (2) 80% of the lowest cost of purchases by the Company during the calendar month, including the delivered cost of purchases at the City Gate, if any, excluding any purchases under fixed price commodity contracts for which the price was determined more than thirty (30) days before the beginning of the calendar month. In addition, if the Customer's exceeded bank tolerance causes the Company to incur a pipeline penalty, Customer is subject to its proportionate share of any such penalty.
- Present charge under Imbalances for all deficiencies in deliveries is the current month's average indexed price, as reported in PLATTS Gas Daily in the monthly report titled "Prices of Spot of Gas Delivered to Pipelines," under the column heading "Index" for "Columbia Gas Transmission Corp., Appalachia," adjusted for Columbia Gas Transmission Corporation's FTS Retainage and commodity charges, times 120%.
- Proposed charge under Imbalances for all deficiencies in deliveries is the higher of: (1) 120% of the average of the Daily Index prices for each day of the applicable month as reported in the PLATTS Gas Daily publication, in the Daily price survey section under the heading "Appalachia" for "Columbia Gas, App." Midpoint, plus the 100% load factor TCO FTS costs (including demand, commodity and retainage); or (2) 120% of the highest commodity cost of purchases by the Company during the calendar month, including the delivered cost of purchases at the city gate, if any, excluding any purchases under fixed price commodity contracts for which the price was determined more than thirty days before the beginning of the calendar month.
- Clarification that Standby Service for Delivery Service customers should only be considered in under-delivery situations.

Any person may examine this application at Columbia's offices located at 2001 Mercer Road, Lexington, KY 40511 or on Columbia's web site at <http://www.columbiagasky.com>.

Any person may examine this application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, KY, Monday through Friday 8:00am to 4:30pm or through the Commission's web site at <http://psc.ky.gov>.

Written comments regarding the application may be submitted to the Commission by mail at Kentucky Public Service Commission, P. O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602 or through the Public Service Commission's web site shown above.

Any corporation, association, or person may submit a timely written request to intervene to the Public Service Commission at the address listed above. The written request must establish the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Commission may take final action on the application.

¹ Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.
² Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.
³ The Gas Cost Adjustment Commodity includes a Gas Cost Uncollectible Charge presently \$0.0160 per Mcf and proposed to be \$0.0260 per Mcf. The Gas Cost Adjustment total applicable to a customer currently served under Rate Schedule GS or IUS that was previously served under Rate Schedule SVGTS is presently \$4.3062 and is proposed to be \$4.3162 only for those months of the prior twelve months during which the customer was served under Rate Schedule SVGTS.