

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 Commod- ity 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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 Commod- ity 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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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.

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 Adjust- ment Commod- ity 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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 Adjust- ment Commod- ity 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
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Customer Charge per billing period	51.00			51.00
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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 - INTER-RUPTIBLE 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
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Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.8316		6.8316
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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
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RATE SCHEDULE SS - STANDBY SERVICE				
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Next 600 Mcf per billing period	2.5514			2.5514
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Delivery Charge - Intrastate Utility only				
All volumes per billing period	1.3295			1.3295
Banking and Balancing Service per Mcf		0.0209		0.0209
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RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE				
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NGR&D Rider per Mcf	0.0139			0.0139
Banking and Balancing Service per Mcf		0.0209		0.0209

to begin a chemical trial. The trial would be from May 15 to Sept. 30 and

ended and approved.

Discussed semi-annual bond pay- received in regards to a heating sys- provide a reason for the delay.

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 proportion-

ate 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.

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 \$	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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 \$	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 - INTER-RUPTIBLE 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 - IN-TRASTATE UTILITY SERVICE				
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.

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- 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.

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ate share of any pipeline penalty

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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.

NOTICE

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	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	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 SERVICE				
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 on next 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.

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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 Mcf ²				
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 ²	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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 Mcf ²				
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 on next 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:

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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%
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- 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.
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 - 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%.

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- Clarification that Standby Service for Delivery Service customers should only be considered in under-delivery situations.

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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.

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	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 Mcf ²				
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 SERVICE				
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 Mcf ²				
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 on next 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 proportion-

ate 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.

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 \$	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				
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

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 \$	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%
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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%
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- 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.
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 - 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 proportion-

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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.

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	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity ² \$	Total Billing Rate \$
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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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 - STAND-BY 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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 - STAND-BY 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.

Owingsville, KY

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:

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 \$	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

	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	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>.

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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.

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 \$	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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 \$	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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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

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.
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- 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.
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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.

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	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity ³ \$	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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 - STAND-BY 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 ³ \$	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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 - STAND-BY 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

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.

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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 - STAND-BY 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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 - STAND-BY 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

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%
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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%
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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.
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 - 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 proportion-

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- Clarification that Standby Service for Delivery Service customers should only be considered in under-delivery situations.

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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.

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	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	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 ¹ \$	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 SERVICE				
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

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 proportion-

ate 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.

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.

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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.

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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.

RATE SCHEDULES G-1 and SVGLTS ²			
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
FAP 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
Next 350 Mcf per billing period	1.7520	1.3114	0.9137
Next 600 Mcf per billing period	1.6659	1.3114	0.9137
Over 1,000 Mcf per billing period	1.5164	1.3114	0.9137
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
Over 30,000 Mcf per billing period	0.2890		0.9137
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
NGR&D Rider per Mcf	0.0139		0.0139
RATE SCHEDULE ISS - 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 Mcf ²			
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	0.0139	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

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
FAP 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
Next 350 Mcf per billing period	2.6833	1.3114	0.9237
Next 600 Mcf per billing period	2.5514	1.3114	0.9237
Over 1,000 Mcf per billing period	2.3223	1.3114	0.9237
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
Over 30,000 Mcf per billing period	0.4781		0.9237
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 SERVICE			
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
NGR&D Rider per Mcf	0.0139		0.0139
RATE SCHEDULE ISS - 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 Mcf ²			
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

The Chamber's Foundation for Education.

The Chamber utilizes the proceeds from the golf scramble each year to provide up to \$5000 in annual grants to local schools throughout the region. Any school in the Chamber's 8-county footprint is eligible to apply. In mid-August, the Chamber will open grant applications to eastern Kentucky schools.

The Foundation of Excellence in Education grants fund many worthy projects which simply would not be possible for some schools to provide. The grant applications are available to schools throughout the region and within the Southeast

projects and activities made possible through these grant sponsors. We are honored that so many of our members took the time to support and participate in the tournament," said Jacob S. Colley, Chamber President/CEO.

Southeast Kentucky Chamber of Commerce (SEKC) is committed to improving the local economy, regional unity, political advocacy, and economic development, ultimately, improving the quality of life for citizens of the entire region. With over 550 member businesses that employ 25,000+ employees in 8 counties, SEKC provides a support network for businesses in southeast Kentucky.

During the 9th Annual Links for Learning Golf Scramble, Chamber members sponsored 4-player teams to compete in the event.

Winners Included:

- 1st Place Team – The Golf Academy
- 2nd Place Team – U.S. Bank
- 3rd Place Team – One East Kentucky

Links for Learning had over 20 organizations and businesses supporting the event through hole sponsorships, teams, and players. The event received significant support

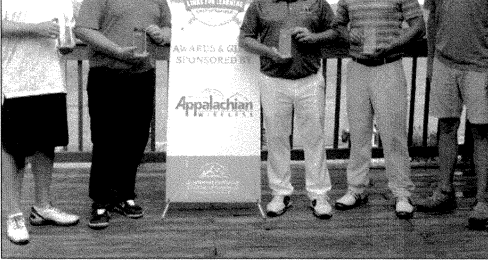


Photo submitted

THE GOLF ACADEMY posed with Jacob S. Colley, Chamber President/CEO to celebrate winning 1st place at the Chamber's 9th Annual Links for Learning Golf Scramble. (L to R): Jimmy Daniels, Henry Napier, David Scott, Robert Coleman and Jacob S. Colley

EKSC earns Partner in Education award from the Floyd County Chamber of Commerce



Photo submitted

BIG SANDY COMMUNITY AND TECHNICAL COLLEGE'S East Kentucky Science Center and Planetarium was awarded the Partner in Education award at the Floyd County Chamber of Commerce's awards ceremony on Tuesday, May 24 at the Wilkinson-Stumbo Convention Center. Shown are Paultetta Burke, Steve Russo and Susan Scott.

PRESTONSBURG – Big Sandy Community and Technical College's (EKSC) East Kentucky Science Center and Planetarium (EKSC) was awarded the Partner in Education award from the Floyd County Chamber of Commerce at its annual awards banquet on Tuesday, May 24 at the Wilkinson-Stumbo Convention Center at Jenny Wiley State Resort Park.

Operated by the college, the EKSC is located on the Prestonsburg campus and attracts more than 10,000 visitors annually and hosts more than 60 schools in the tri-state area.

"We take great pride in being an educational partner with our communities and the schools throughout our service area," said Steve Russo, director of the EKSC.

"This center is here to inspire and engage our visitors to be the next innovators, the next inventors or the next person that will change the world."

The EKSC, comprised of Russo and staff members Paultetta Blair, Heather Wheeler and Susan Scott, perform more than 100 outreach programs a year.

As eastern Kentucky's premier STEM (Science, Technology, Engineering and Mathematics) facility, the EKSC boasts world-class equipment including a Spitz Sci-Dome projector, one of only two dozen in the world, a 40-foot dome and the state's only GOTO Star Projector.

"I appreciate the chamber recognizing our work in the community," added Russo. "It's an honor to be a part of such a great community."

The late Dr. Bill Loftus was also honored at the ceremony with a special tribute.

Michelle Meek, chief business officer, serves on the board of directors for the Floyd County Chamber of Commerce.

To submit your event for the Area Briefs call (606) 789-5315 or email news@paintedherald.com

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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 changed 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 PI ATTS 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 PI ATTS 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 lower of: (1) 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, 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.

- 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 PI ATTS 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 PI ATTS 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 PI ATTS 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 PI ATTS 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 PI ATTS 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 website at <http://www.columbiagas.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 \$0.160 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 US that was previously served under Rate Schedule SVGIN 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 SVGIN.

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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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
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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				
Administrative Charge per billing period	55.90			55.90
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 proportion-

ate 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.

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 \$	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 \$	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 SERVICE				
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%.
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- 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.
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- Clarification that Standby Service for Delivery Service customers should only be considered in under-delivery situations.

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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.

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	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 SERVICE				
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.

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:

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 ³ \$	Total Billing Rate \$
RATE SCHEDULES GS and SVGIS¹				
Residential (GSR)				
Customer Charge per billing period	15.00			15.00
AMRP Rider per billing period	2.25			2.25
EBCPRC 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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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

	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity ³ \$	Total Billing Rate \$
RATE SCHEDULES GS and SVGIS¹				
Residential (GSR)				
Customer Charge per billing period	19.75			19.75
AMRP Rider per billing period	0.00			0.00
EBCPRC 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 - INTER-RUPTIBLE 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 - IN-TRASTATE UTILITY SERVICE				
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

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%
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Wholesale	\$8,106	16.95%
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The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

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- 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.
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 - 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.

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- Clarification that Standby Service for Delivery Service customers should only be considered in under-delivery situations.

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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.

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	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjust-ment Commodity ¹ \$	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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 Adjust-ment Commodity ¹ \$	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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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

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	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	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

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	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

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.

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 \$	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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 ¹ \$	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 - INTER-RUPTIBLE 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 - IN-TRASTATE UTILITY SERVICE				
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

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 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 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
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- 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.

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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.

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:

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 \$	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 Mcf ²				
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

	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity \$	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 Mcf ²				
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 \$4.3662 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.

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 \$	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 \$	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

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:

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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%
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- 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.
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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.

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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 SVGT¹				
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

	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity ² \$	Total Billing Rate \$
RATE SCHEDULES GS and SVGT¹				
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 SERVICE				
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.

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:

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 ³ \$	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

	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity ³ \$	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 SERVICE				
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%
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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.
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 - 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.

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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.

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 \$	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 \$	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.

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 ¹ \$	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 ¹ \$	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

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.

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 \$	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.

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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.

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 \$	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 SERVICE				
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 proportion-

ate 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.

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 \$	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 \$	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 SERVICE				
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

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.
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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.

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	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity ² \$	Total Billing Rate \$
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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

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 proportion-

ate 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.

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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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

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%
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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%
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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
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- 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.

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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.

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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 ³ \$	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 Mcf ²				
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 ³ \$	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 Mcf ²				
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

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.

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 SERVICE				
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%
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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%
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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
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- 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%.
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- Clarification that Standby Service for Delivery Service customers should only be considered in under-delivery situations.

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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.

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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 ¹	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.

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 ³ \$	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.

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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.

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 \$	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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 \$	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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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

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%.
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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.

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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

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.

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 Commod- ity 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	3.9711
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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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 Commod- ity 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 - INTER-RUPTIBLE 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 - IN-TRASTATE 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

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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%
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- 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.
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 - 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
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- 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%.
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- Clarification that Standby Service for Delivery Service customers should only be considered in under-delivery situations.

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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.

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	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjust- ment Commod- ity 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 Adjust- ment Commod- ity 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

MARKETS

17,789.67 Dow Jones +2.47 2099.33 S&P 500 +2.37 10,454.92 NYSE +13.92 4952.25 Nasdaq +4.20

COMMODITIES

1211.90 Gold -2.90 49.10 Crude oil -0.xx

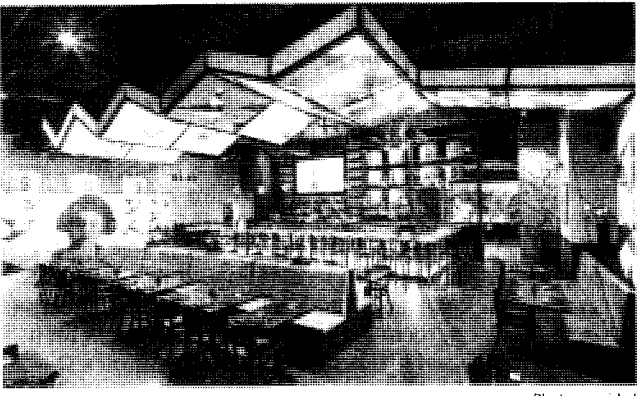
Blue Sushi Sake Grill coming to The Summit

BY JANET PATTON
jpatton@herald-leader.com

The Summit at Fritz Farm, the shopping and dining complex going up at Man o' War and Nicholasville Road, announced Wednesday that Blue Sushi Sake Grill will be joining the lineup of restaurants.

"Blue Sushi Sake Grill is one of the premier sushi concepts in the country, and adds another category to our eclectic group of restaurants at The Summit at Fritz Farm," Jeffrey A. Bayer, president and CEO of Bayer Properties, said in a statement.

Other restaurants coming to The Summit include Honeywood, the new concept restaurant by James



Blue Sushi Sake Grill, which has locations in Nebraska, Texas and Colorado, will be coming to Lexington in 2017.

Beard award-winning chef Ouita Michel, as well as Shake Shack and J. Alexander's. There is also a food hall, now to be called The Barn, with chef-driven establishments including

Crank & Boom and Athenian Grill. The \$156 million development is scheduled to open in late March 2017, with stores including Whole Foods Market, Arhaus, Pottery

Barn, Bonobos and Cos Bar. "Our Blue Sushi Sake Grill concept has been so well received across the country, and we like to expand in areas that appeal to us on a personal level," said Nick Hogan, CEO of Flagship Restaurant Group, owners of Blue Sushi Sake Grill. "When the opportunity presented itself to open Blue in the land of bourbon and Thoroughbreds, it was an easy decision for us."

Blue Sushi Sake Grill offers a sushi experience for purists and adventurers alike, with a large maki, sashimi and nigiri menu, Asian-inspired starters, entrées, soups, salads, desserts, and an extensive drink menu that includes premium cold sake.

The concept has eight restaurants in Nebraska, Colorado and Texas, with confirmed plans to open in Kansas, Illinois and Kentucky by 2017.

Janet Patton: 859-231-3264, @janetpattonhl

Four automakers selling new cars with Takata inflators

BY TOM KRISHER
Associated Press

DETROIT

Four automakers are selling new vehicles with Takata air bag inflators even though the devices are potentially defective and likely to be recalled within a few years, according to a Senate report.

Some Fiat Chrysler, Mitsubishi, Toyota and Volkswagen vehicles from the 2016 and 2017 model years are equipped with a type of inflator that is prone to rupture and presents a potential danger to drivers and passengers, Democrats on the Senate Commerce Committee said in the report issued Wednesday.

Takata has agreed to recall about 69 million air bag inflators in the U.S. by the end of 2019. The new

model years aren't yet covered by the recall, so the automakers can legally sell the cars. But at least one lawmaker thinks that decision is a risky one for car buyers.

"Consumers are buying new cars not realizing that they're going to be recalled," said Sen. Bill Nelson of Florida, the Commerce committee's top Democrat. Nelson wants the automakers to replace the inflators before the cars are sold so they don't have to be recalled.

The problematic inflators contain ammonium nitrate, which can deteriorate over time when exposed to moisture and high temperatures. The National Highway Traffic Safety Administration has said that its tests show it takes at least six years before the inflators pose a danger.

STOCKS				
NAME	TKR	LAST	CHG	%YTD
AK Steel	AKS	4.27	-0.1	+90.6
AT&T Inc	T	38.73	-4.2	+12.6
AlmostFam	AFAM	47.65	+8.4	+11.6
Amazon	AMZN	719.44	-3.35	+6.4
AEP	AEP	64.89	+1.6	+11.4
Ashland	ASH	112.79	18	+9.8
BB&T Cp	BBT	36.67	+3.0	-3.0
Brown/B	BF/B	97.39	-6.8	-1.9
CSX	CSX	26.22	-2.1	+1.0
ChurchID	CHDN	125.65	+1.4	-11.2
CocaCola	KO	44.70	+1.0	+4.1
CmtyTrBc	CTBI	36.25	+1.7	+3.7
DeltaNGas	DGAS	24.75	-2.5	+17.9
Dillards	DDS	59.25	+1.4	-9.8
Dish	DIS	98.52	-7.0	-6.2
DukeEngy	DUK	79.02	+7.9	+10.7
ExxonMtl	XOM	89.24	+2.2	+14.5
FarmCB	FKFT	27.15	0.4	+1
FifthThird	FTB	19.02	+1.5	-5.4
FordM	F	13.11	-3.8	-7.0
GenCable	BCC	13.72	+2.4	+2.2
GenElec	GE	30.11	-1.2	-3.3
Humana	HUM	177.40	+4.89	-6.1
IngerD	IR	66.50	-3.1	+20.3
IBM	IBM	152.51	-1.23	+10.8
JPM	JPM	65.69	+4.2	+2
KFFB	KFFB	8.80	0	-5.8
KnddHlt	KND	12.15	+2.8	+2.0
Kroger s	KR	36.42	+6.6	-12.9
L-3 Com	LLL	138.28	+1.07	+15.7
Lexmark	LKK	37.45	-0.5	+15.4

CHICAGO BOARD OF TRADE					
CORN					
Open	High	Low	Settle	Chg	
Jul 16	404.25	414	401	413.75	+9
Sep 16	406.25	415.50	403.25	415	+8.25
Dec 16	408	416.75	404.75	416.25	+7.75
Mar 17	414.50	424	412	423	+7.75
May 17	417.25	427.50	416.25	427	+8.25
Jul 17	420	430	418.25	430	+8.50
Sep 17	408.75	413.75	408.75	413.75	+6

CHICAGO MERCANTILE EXCHANGE					
CATTLE					
Open	High	Low	Settle	Chg	
Jun 16	121.05	121.47	120.45	121.42	+3.2
Aug 16	118.00	118.07	116.85	117.45	-6.0
Oct 16	117.30	117.35	116.15	116.95	-3.7
Dec 16	116.72	116.94	115.70	116.92	+3.0
Feb 17	115.65	116.22	114.67	116.15	+4.0
Apr 17	114.45	115.42	113.57	115.35	+8.5
Jun 17	107.82	108.92	107.07	108.70	+4.5

KENTUCKY MARKETS					
CASH GRAIN					
	Corn	Soybeans	Wheat		
Central Ky.	3.90-4.11	10.40-10.65	4.44	600-700 lbs.	142-157
Louisville	4.10	10.42	4.16	700-800 lbs.	few 139
Ohio Valley	4.10-4.14	10.92-11.05	4.66-4.74	800-900 lbs.	no test
				900-1,000 lbs.	few 124
				1,000-1,100 lbs.	---
				HOLSTEINS	---
				(Large Frame No. 2)	---
				Price trend	no test
				300-400 lbs.	---
				400-500 lbs.	---
				500-600 lbs.	---
				600-700 lbs.	---
				700-800 lbs.	---
				800-900 lbs.	---
				900-1,000 lbs.	---
				FEEDER HEIFERS	---
				(Medium No. 1)	---
				Price trend	steady-4 up
				300-400 lbs.	147-170
				400-500 lbs.	137-155
				500-600 lbs.	130-144
				600-700 lbs.	124-134
				700-800 lbs.	few 129-132
				PER HEAD	---
				STOCK COWS	875-1200
				COWS W/CALVES	thin 700
				STOCK BULLS	no test
				CALVES	185-335

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:

Customer Class	Current Rate	Proposed Rate	% Change
Residential	\$16,386,249	\$21,000,000	27.90%
Commercial	\$6,535,005	\$8,380,000	24.66%
Industrial	\$2,346,965	\$3,000,000	37.81%
Wholesale	\$8,106	\$10,800	16.95%
Other Gas Department Revenue	\$132,048	\$170,000	11.00%

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

Customer Class	Current Rate	Proposed Rate	% Change
Residential - based on average usage of 5.5 Mcf	\$11.35	\$14.60	26.4%
Commercial - based on average usage of 26.2 Mcf	\$37.32	\$47.00	22.8%
Industrial - based on average usage of 690.1 Mcf	\$655.50	\$890.00	23.4%
Wholesale - based on average usage of 471.7 Mcf	\$342.44	\$420.00	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 \$4,306.2 and is proposed to be \$4,316.2 only for those months of the prior twelve months during which the customer was served under Rate Schedule SVGTS.

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 \$	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 \$	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

door handle.
The jury also heard from John Thomas Johns, a Lex-

so Ballard could use the truck and return it and the key to Johns' house.

above the Reynolds shop. Kennedy said those type of barrels were used to

the car, and its interior "smelled like bleach." There was a small, pink

Morgan Eads: 859-231-1330,
@HLpublicsafety

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.