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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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment. Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate utility provisions. 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
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<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
Customer Charge per billing period	1,007.05			1,007.05
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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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
Customer Charge per billing period	477.00			477.00
AMRP Rider per billing period	76.96			76.96
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<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
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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
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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
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**Columbia Gas of Kentucky, Inc. Notice (continued from previous page)**

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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:

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- 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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE<sup>1</sup></b>				
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		6.8316		6.8316
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement				
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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		6.8316		6.8316
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement				
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.  
<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.  
<sup>3</sup> 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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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%
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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%
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.  
<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.  
<sup>3</sup> 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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
First 50 Mcf or less per billing period	3.4714			3.4714
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Next 600 Mcf per billing period	2.5514			2.5514
Over 1,000 Mcf per billing period	2.3223			2.3223
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 Commod- ity <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider – DS only- per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 Commod- ity <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider – DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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

# Kentucky Afield Outdoors: Catfish bite heating up

By Kevin Kelly  
Kentucky Afield

Prized for their fight and flavor, catfish are readily available in Kentucky waters and can be caught on a wide assortment of baits.

A gob of nightcrawlers, cut bait, commercial stink bait, hot dogs, uncooked shell-on shrimp or scraps of chicken marinated in strawberry-flavored drink mix have all proven capable of enticing catfish into biting.

And late spring into early summer is a great time to cater to them.

"It's prime time to be catching channel catfish," said Paul Rister, Western Fisheries District biologist for the Kentucky Department of Fish and Wildlife Resources.

The department stocks blue catfish and channel catfish but generally doesn't stock flathead catfish, although the species is present in a number of lakes and rivers across the state. The annual Fishing Forecast, available on the department's website at fw.ky.gov, details spots where anglers can find each of these species.

"Kentucky offers a ton of really good areas for catfish," said Chad Miles, host of Kentucky Afield.

The big twins of west Kentucky - Kentucky Lake and Lake Barkley - are among the finest. Both offer opportunities to catch large blue and channel catfish.

Channel catfish are distinguished by a rounded anal fin and

small black spots on the sides of the body. As water temperatures climb into 70s, they feed aggressively and heed the spawning instinct.

"I've heard of people fishing bluegill and redear fishing who just start catching catfish and change over to a little bit heavier tackle," Rister said.

An angler fishing from the bank after work recently at a small central Kentucky lake cast a traditional bobber rig baited with a chunk of shad-scented dough pressed onto a treble hook. The float splashed down and the business end of the rig descended with the help of a pinch of split shot. In no time, a trophy channel catfish gobbled the bait and pulled the bobber

beneath the surface. Other casts produced similar results, and the angler returned to his truck before sunset with three quality catfish destined for the dinner table and freezer.

At Kentucky and Barkley lakes, Rister points anglers toward shallow embayments and areas of shoreline with rip rap or big chunk rocks for channel catfish.

A night crawler fished on the bottom with a slip sinker rig is a popular presentation. To assemble the rig, tie a 4/0 circle hook onto an 18-inch fluorocarbon or monofilament leader. Tie a barrel swivel onto the other end of the leader, then take the main line and thread it through a 1/2- to 3/4-ounce egg sinker

and plastic bead before tying the line to the other eyelet of the barrel swivel.

"Channel catfish often prefer a night crawler presentation closer to the bottom but they will take something while you're trying to redear fish, which is typically close to the bottom, or even come up to get a crappie jig," Rister said.

The 40 lakes that comprise the Fishing in Neighborhoods (FINs) program provide opportunities to catch catfish in a smaller setting.

Kentucky Fish and Wildlife plans to stock more than 115,000 cat-

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## Annual Memorial Day Antiques Auction

Mattox Auction Center • 3740 Maysville Road Carlisle, KY

Monday, May 30 10:00 a.m.

Another great selection for your enjoyment. Including fine KY furniture, decorated stoneware, Waco, KY stoneware, KY art, and much more.

Preview: Sunday, May 29  
from 2 to 5 p.m.

Early bird auction beginning at 9:30 a.m. with Kentucky and Architectural books

For photos and a complete list please visit  
[www.mattoxrealstate.com/auctions](http://www.mattoxrealstate.com/auctions)

Bid live on line at  
[www.liveauctioneers.com](http://www.liveauctioneers.com).



Kentucky cont. on pg. 18

## Little Rock Christian Church Vacation Bible School June 5 - June 9

This year's theme is **Deep Sea Discovery**. There will be a free meal each evening at 6 PM for all students. The VBS activities go from 6:30 to 8:30 PM. VBS is for children who are going into pre-school through those who just completed 5th grade.

**Little Rock Christian Church**  
is located at  
**3207 Cane Ridge Rd.**  
just over in Bourbon Co.

**The phone number is 383-4374.**  
We look forward to seeing you.

# V.F.W. Charity Ride June 4th

Registration is \$10 for single and \$15 for double riders, all proceeds will go to the V.F.W.

Registration begins at 1:00 p.m.  
Kickstands up at 3:00 p.m.

There will be food and drinks provided mid-ride by the V.F.W. Post 8666 at 113 S. Walnut Street, Carlisle, KY 40311

Ride will begin at 231 West Water Street, Flemingsburg, KY 41041  
Ride will be approximately 70 miles and will end back at the starting location.  
Raffles, door prizes, ect. will be given out at the end of the ride.

Any questions feel free to contact  
Avery or Whitney Caskey at 859-595-5082 or 859-748-6386

### 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.
- 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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- 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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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.  
<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.  
<sup>3</sup> 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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider – DS only- per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider – DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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

# Carlisle – Nicholas County Chamber Adopts FBLA as part of the County Work Ready Effort

**By Tracy Pratt-Savage**

A new partnership is being formed between the Nicholas County High School Future Business Leaders of America Club (FBLA) led by teacher/advisor Kim Simons, the Carlisle-Nicholas County Chamber of Commerce and Economic Development Authority as part of the Work Ready Application Process that the Chamber and Economic Development Authority are spearheading.

Simons is proud to be the advisor for the program, "FBLA is a great student organization. It helps teach students community service, proper etiquette and business attitude once they reach the job force. It also ties back every competition with common core standards. So, while the students are competing and traveling they are learning so much more, even on an academic basis." Thirteen Nicholas County Students will be headed to nationals in Atlanta this summer once they can raise the remaining \$900 they need to cover hotels and transportation costs.

The Work Ready Program is designed to help each county in Kentucky organize, research, and execute a plan to achieve predetermined goals and outcomes over the course of 5 years covering educational attainment, soft skills, and technical infrastructure. Earning "Work Ready" status gives Nicholas County an advantage in the la-

bor market arena. Details are available at the [www.workready.ky.gov](http://www.workready.ky.gov) website.

Plans are in the works for the Chamber to "adopt" the FBLA Club similar to what the Carlisle Rotary has done so successfully with the Interact Group.

That fits very well with the mission of the FBLA Club and helping the work Ready Committee meet requirements of the soft skills portion of the Work Ready Program. Kim Simons students will be able to compete in additional categories by "running" a school store. The site being looked at is at the Neal Welcome, where a Historical Society Store currently offers Nicholas County and Kentucky books, postcards and gifts. The Historical Society under President Michele McDon-

ald is making the space available, as they have done for the Carlisle-Nicholas County chamber which has its "office" there.

The FBLA Students will be able to learn how to "run" a business under the supervision of Chamber Administrator Jerry Johnson from noon – 3P daily. Ms. Simons will be soliciting co-op students to replace graduating Senior Courtney Vice who worked with the Chamber this past school year, and will add additional students to help with the store at the Neal Building.

Over the year students will be able to work on resume's and interviewing skills, scheduling workers for shifts, learn marketing and accounting, work on displays, researching, ordering and restocking items for sale at the Neal Building

and much more.

Chamber Administrator Jerry Johnson has a new "Jockey" Exhibit in the works at the Neal Building that students will also be able to help with as well. This new display is already drawing school and church groups from Nicholas County and surrounding communities. The Veterans Day Display that Mr. Johnson, the Historical Society and Chamber put on last year was a big hit as well. Because of that success Nicholas County and the Neal Building will be one of six sites in Kentucky to house the Museum on Main Street Smithsonian Institute: Hometown Teams "How Sports Shape America" exhibit that will be here in 2017.

Hometown Teams captures the stories

that unfold on the neighborhood fields and courts, and the underdog heroics, larger-than-life legends, fierce rivalries and gut-wrenching defeats. For more than 100 years, sports have reflected the trials and triumphs of the American experi-

ence and helped shape the national character. Whether it is professional sports or those played on the collegiate or scholastic level, amateur sports or sports played by kids on the local playground, sports are everywhere in America.



Blue Lick Lodge # 495 and Dougherty Lodge # 65, presented Nicholas County Elementary School with four more new bicycles to ensure that all the students with perfect attendance received a bicycle. Both lodges hopes this support will encourage all children to work towards perfect attendance. The people in the photograph from left to right are: William Bennett, Assistant Principal Alicia Hughes, Eugene Sibert and Principal Stacey Allison.

## Little Rock Christian Church

### Vacation Bible School June 5 - June 9

This year's theme is **Deep Sea Discovery**. There will be a free meal each evening at 6 PM for all students. The VBS activities go from 6:30 to 8:30 PM. VBS is for children who are going into pre-school through those who just completed 5th grade.

### Little Rock Christian Church

is located at  
**3207 Cane Ridge Rd.**  
just over in Bourbon Co.

**The phone number is 383-4374.**  
We look forward to seeing you.

# V.F.W. Charity Ride June 4th

Registration is \$10 for single and \$15 for double riders, all proceeds will go to the V.F.W.

Registration begins at 1:00 p.m.  
Kickstands up at 3:00 p.m.

There will be food and drinks provided mid-ride by the V.F.W. Post 8666 at 113 S. Walnut Street, Carlisle, KY 40311

Ride will begin at 231 West Water Street, Flemingsburg, KY 41041  
Ride will be approximately 70 miles and will end back at the starting location.  
Raffles, door prizes, ect. will be given out at the end of the ride.

Any questions feel free to contact  
Avery or Whitney Caskey at 859-595-5082 or 859-748-6386

### 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 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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  - 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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	Charge \$	Gas Cost Adjustment Demand \$	Gas Cost Adjustment Commodity <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
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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
<b>Commercial or Industrial (GSO)</b>				
Customer Charge per billing period	37.50			37.50
AMRP Rider per billing period	8.02			8.02
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Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		6.8316		6.8316
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider – DS only- per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider – DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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

# Jackets conclude season ranked 10th in 10th Region

The Nicholas County baseball team flirted with finishing the 2016 season at the .500 mark. The Bluejackets, following a loss to George Rogers Clark in the first round of the 10th Region Baseball Tournament at Bourbon County, concluded the 2016 campaign 14-15. With the 14-15 record, Nicholas County will finish 10th in the final 2016 10th Region baseball standings.

Nicholas County, under the direction of veteran head coach Travis Sims, finished runner-up to Harrison County in the 38th District. The Jackets topped Pendleton County 9-5 in the opening round of the 38th District Baseball Tournament to qualify for the 10th Region Baseball Tournament.

In 29 games during its last season, Nicholas County managed to outscore opponents 209-178.

The Jackets finished ahead of Paris (13-18), Bracken County (12-18), Silver Grove (4-7), Pendleton County (4-18), Robertson County (3-15), St. Patrick (2-11) and Augusta (1-12) in the final 10th Region baseball standings.

Nicholas County ended its 2016 season behind Bourbon County (14-13), Calvary Christian (15-18), Mason County (15-10),

Bishop Brossart (16-16), Scott (17-18), Montgomery County (19-10), Harrison County (22-12), George Rogers Clark (23-12) and champion Campbell County (26-10) in the 10th Region standings.

Campbell County shut out Scott 10-0 in five innings in the 10th Region championship game at Simon Kenton on Saturday. The Camels will face Third Region champion Ohio County in the first round of the Rawlings/KHSAA State Baseball Tournament on Friday.

During the regular-season, Nicholas County notched wins over Robertson County, Augusta, Calvary Christian, Bracken County, Fairview, Frankfort, Berea, Pendleton County, Menifee County, Williamstown and St. Patrick. The Jackets compiled a four-game win streak in late-March-early-April.

Nicholas County dropped regular-season games to Bourbon County, Montgomery County, Powell County, West Carter, Fleming County, Bishop Brossart, Harrison County, Model, Mason County, Greenup County and Bracken County.

The Nicholas County baseball program will finalize and release its 2017 schedule during the 2016-17 school year.

# Marriages and Deeds

## Marriages

Tabitha Anne Ritchie, 21, 3M Worker to Nathaniel Clair Gilkerson, 22, Maintenance

Ashley Nicole Hill, 37, Social Worker to William Andrew Nettleton, 35, Accountant

Ashton Meghan Barnett, 25, LPN to Jeremiah Benjamin Brown, 26, Marketing Manager

Rebecca Lynn Hatfield, 17, unemployed to Jeffrey Wesley Royse, 18, Dairy Queen

## Deeds

Randall K. Dale & Belinda F. Dale to Justin T. Rawlings for in consideration of the sum of \$62,500 for a tract of land in Liberty Heights subdivision Lots # 3,4,5 in Block E.

David Wayne Eubanks & Patricia Eubanks to James Smith

for in consideration of the sum of \$177,000 for 2 tracts of land located off US HWY 68.

The Estate of Ralph Treadway, by & through Danny Treadway, Administrator to Larry Craig for in consideration of the sum of \$5,500 for a lot of land on East Union Road.

Bradley C. Trussell & Michelle L. Trussell to William Daniel Vice & Janet Vice for in consideration of the sum of \$2,000 for a parcel of land on the Carlisle & East Union Turnpike Road.

Jackie R. Epperson to Nathaniel Dale Epperson for in consideration of the love & affection first party has for second party for two tracts of land lying on the waters of Somerset Creek.

Tara R. Duncan & Mark Duncan to Timothy L. Watkins for in consideration of the sum of \$185,000 for a

tract of land on the waters of Cassidy Creek.

Paul McCarty & Janis McCarty to Paul McCarty, Jr. for in consideration of the sum of \$1.00 for lot # 59 in Section C of Lake Carnico Estates.

Stanley C. Alexander & Mary Lou Alexander to Elmore C. Rothwell for in consideration of the sum of \$75,000 for Lot #11 in the Alexander subdivision.

HSBC Bank USA, National Association as Trustee for GSMPS Mortgage Loan Trust to Michael Todd Maybrier for in consideration of the sum of \$18,400 for a tract of land on Stony Creek Road.

John Argo & Diane Argo to James Clark

for in consideration of the sum of \$3,500 for a parcel of land on the east side of North Locust Street.

Tony Fryman Jr. & Rebecca Fryman to Moses M. Swartz & Rosie J. Swartz for in consideration of the sum of \$175,000 for a tract of land on the west side of East Union Road.

Charles F. Maschke to Rosa Lee Jones for in consideration of the sum of \$10,000 for a tract of land on the line of the Carlisle & Parks Ferry Turnpike Road.

Daniel P. Fugitt & Ryan M. Fugitt to Steven Richards & Angela Richards for in consideration of the sum of \$38,000 for a tract of land on the waters of Scrub Creek.

## Attention Nicholas County High School/Middle School Parents

Site Base Decision Making (SBDM) Parent Representative Nominations for the 2016-2017 school year will be accepted until Thursday, June 16th. Nomination forms can be picked up by Monday through Friday at the Nicholas County High/Middle School office from 8 until 3.

Nomination forms must be returned to Regina McCall at the High/Middle School office by 3p.m. on Thursday, June 9th. All parents who have a student(s) enrolled in the 7th to 12th grade for the 2016-2017 school year.

Parent Site-Based Elections will be held on Friday, June 17th at the Nicholas County High/Middle School. Votes will be cast in the front hallway by the office from 8:00 to 3:00. Votes will be counted that day at 3:00.

If you have any concerns or questions contact Regina McCall at 859-289-3780.

## Rabies Clinic

Saturday—June 18, 2016

9:00 a.m. to 11:00 a.m.

Southern States—Carlisle Branch

102 Dorsey Avenue

Dog Vaccinations

Rabies - \$5.00

Distemper - \$10.00

Bordetella - \$10.00

**RAIN OR SHINE**

Cats and dogs 4 months of age

and older are required by law to

be vaccinated against Rabies.

Cat Vaccinations

Rabies - \$5.00

FVRCP - \$10.00

Feline Leukemia - \$17.00

Cats MUST be in carrier!!

Dogs MUST be on a leash!!



Dr. Hardy Dungan & Kendra Ewalt  
400 Bethlehem Road  
Paris, KY 40361  
(859) 987-8721

## 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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

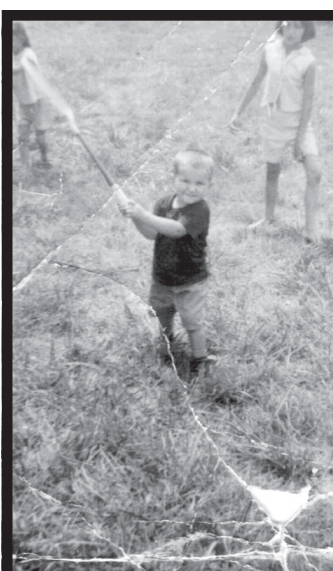
<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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.

## Happy Birthday

My sweet son I have loved you for 50 years and 50 more wouldn't be enough to show you how much, Robert.

Love,  
Mom





**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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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	3.0400
NGR&D Rider per Mcf	0.0139			0.0139
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 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
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- Clarification that Standby Service for Delivery Service customers should only be considered in under-delivery situations.

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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	0.00			0.00
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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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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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Industrial -- based on average usage of 690.1 Mcf	\$655.50	23.4%
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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:

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ate 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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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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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>.

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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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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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

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

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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE</b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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%
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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 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>.

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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.

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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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.

*G. Harper*

*Ch.*

**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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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

## Public Notices

### 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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
Customer Charge per billing period	1,462.00			1,462.00
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Delivery Charge per Mcf				
First 30,000 Mcf per billing period	0.9002		0.9237	1.8239
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<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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Delivery Charge per Mcf	1.3295	1.3114	0.9237	3.5646
NGR&D Rider per Mcf	0.0139			0.0139
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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Customer Charge - Intrastate Utility only - per billing period	649.00			649.00
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Next 600 Mcf per billing period	2.5514			2.5514
Over 1,000 Mcf per billing period	2.3223			2.3223
<b>Delivery Charge - Intrastate Utility only</b>				
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NGR&D Rider per Mcf	0.0139			0.0139
Banking and Balancing Service per Mcf		0.0209		0.0209

## Public Notice

## 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:

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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:

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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.
- 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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
Customer Charge per billing period	15.00			15.00
AMRP Rider per billing period	2.25			2.25
EEPCRC 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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
Customer Charge per billing period	19.75			19.75
AMRP Rider per billing period	0.00			0.00
EEPCRC 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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

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

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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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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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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIV-ERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIV-ERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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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- 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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  - 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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<sup>3</sup> 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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE</b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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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**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%. 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 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.

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- 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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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$4.3162 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.

CG.

**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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>3</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE</b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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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## 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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	1,007.05			1,007.05
AMRP Rider - DS only - per billing period	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE</b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period	1,462.00			1,462.00
AMRP Rider - DS only - per billing period	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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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- 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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- 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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- Clarification that Standby Service for Delivery Service customers should only be considered in under-delivery situations.

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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIV-ERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE</b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIV-ERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
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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
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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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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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Industrial – based on average usage of 690.1 Mcf	\$655.50	23.4%
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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.

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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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 <sup>2</sup>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.
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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
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First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
First 50 Mcf or less per billing period	2.2666			2.2666
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Next 600 Mcf per billing period	1.6659			1.6659
Over 1,000 Mcf per billing period	1.5164			1.5164
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
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Delivery Charge per Mcf	3.8668	1.3114	0.9237	6.1019
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NGR&D Rider per Mcf	0.0139			0.0139
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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	3.9717
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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%
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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.

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 Sewer 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 Sewer Boulevard, Frankfort, Kentucky 40602 or through the Public Service Commission's web site shown above.

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<sup>1</sup>Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup>Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup>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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>3</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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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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%.

Example:  
The ad has 20 words. Price would be \$10 for the first week; \$7.50 each additional week.

- 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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.
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- 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.
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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.
- Clarification that Standby Service for Delivery Service customers should only be considered in under-delivery situations.

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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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	3.0411
NGR&D Rider per Mcf	0.0139			0.0139
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.543
Over 30,000 Mcf per billing period	0.2890			0.280
<b>Delivery Charge - Grandfathered Service only</b>				
First 50 Mcf or less per billing period	2.2666			2.266
Next 350 Mcf per billing period	1.7520			1.750
Next 600 Mcf per billing period	1.6659			1.669
Over 1,000 Mcf per billing period	1.5164			1.514
<b>Delivery Charge - Intrastate Utility only</b>				
All volumes per billing period	0.8150			0.810
Banking and Balancing Service per Mcf		0.0209		0.029
NGR&D Rider per Mcf	0.0139			0.019
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period	200.00			200.00
Delivery Charge per Mcf	0.0858			0.088
NGR&D Rider per Mcf	0.0139			0.019
Banking and Balancing Service per Mcf		0.0209		0.029

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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 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, plus the 100% load factor TCO FTS costs (including demand, commodity and retainage); 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.

- 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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STAND-BY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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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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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTER-RUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - IN-TRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.
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- 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.
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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.
- Clarification that Standby Service for Delivery Service customers should only be considered in under-delivery situations.

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<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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 IJS 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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Administrative Charge per billing period	55.90			55.90
Customer Charge per billing period <sup>2</sup>	1,007.05			1,007.05
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.5443			0.5443
Over 30,000 Mcf per billing period	0.2890			0.2890
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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 <sup>2</sup> \$	Total Billing Rate \$
<b>RATE SCHEDULES GS and SVGTS<sup>1</sup></b>				
<b>Residential (GSR)</b>				
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
<b>Commercial or Industrial (GSO)</b>				
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
<b>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</b>				
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
<b>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE<sup>1</sup></b>				
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
<b>RATE SCHEDULE SS - STANDBY SERVICE</b>				
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
<b>RATE SCHEDULE DS - DELIVERY SERVICE</b>				
Customer Charge per billing period <sup>2</sup>	1,462.00			1,462.00
AMRP Rider - DS only - per billing period <sup>2</sup>	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
<b>Delivery Charge per Mcf<sup>2</sup></b>				
First 30,000 Mcf per billing period	0.9002			0.9002
Over 30,000 Mcf per billing period	0.4781			0.4781
<b>Delivery Charge - Grandfathered Service only</b>				
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
<b>Delivery Charge - Intrastate Utility only</b>				
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
<b>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</b>				
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.

<sup>1</sup> Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment.

<sup>2</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered or Intrastate Utility provisions.

<sup>3</sup> 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.