

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COLUMBIA GAS	)	CASE NO.
OF KENTUCKY, INC. FOR AN	)	2009-00141
ADJUSTMENT IN RATES	)	

O R D E R

Columbia Gas of Kentucky, Inc. ("Columbia") is a wholly-owned subsidiary of the Columbia Energy Group.<sup>1</sup> Headquartered in Lexington, Kentucky, it distributes natural gas to approximately 138,000 customers in 33 counties in central and eastern Kentucky. The most recent adjustment of its base rates was in August 2007 in Case No. 2007-00008.<sup>2</sup>

BACKGROUND

On April 1, 2009, Columbia filed a notice of intent to file an application for approval of an increase in its rates based on a historical test period. On May 1, 2009, Columbia submitted its application seeking an increase in revenues of \$11,565,730, with a proposed effective date of May 31, 2009.

By Order dated May 18, 2009, the Commission found that an investigation would be necessary to determine the reasonableness of Columbia's proposed rates and suspended them for five months, from May 31, 2009 up to and including October 30,

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<sup>1</sup> Columbia Energy Group is a wholly-owned subsidiary of NiSource, Inc., an energy holding company whose subsidiaries provide natural gas, electricity, and other products and services.

<sup>2</sup> Case No. 2007-00008, Adjustment of Rates of Columbia Gas of Kentucky, Inc. (Ky. PSC Aug. 29, 2007).

2009, pursuant to KRS 278.190(2). That Order included a procedural schedule for processing this case, which provided for discovery on Columbia's application, intervenor testimony, discovery on intervenor testimony, rebuttal testimony by Columbia, a public hearing, and an opportunity for the parties to file post-hearing briefs.

The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"), Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc. ("CAC"), Interstate Gas Supply, Inc. ("IGS"), AARP, Lexington-Fayette Urban County Government ("LFUCG"), Constellation New Energy-Gas Division, LLC ("Constellation"), Stand Energy Corporation ("Stand"), and Kentucky Industrial Utility Customers, Inc. requested and were granted full intervention in this matter. Discovery was conducted on Columbia's application by several of the intervenors and Commission Staff. The AG, CAC, IGS and AARP filed testimony stating their positions on the requested increase in rates and/or various programs and tariffs proposed by Columbia in conjunction with its proposed rate increase.

On September 14, 2009, Columbia and the intervenors filed a Stipulation and Recommendation ("Stipulation") with the Commission that was described as a mutually satisfactory resolution of all the issues in this proceeding. The Settlement consists of a 16-page document with two attachments: Attachment A, Columbia's revised tariffs,<sup>3</sup> and Attachment B, Columbia's proof of revenues. When it was submitted, all parties had executed the Stipulation; however, the signature on behalf of LFUCG was made

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<sup>3</sup> On September 16, 2009, Columbia filed an additional tariff sheet that was inadvertently omitted from the September 14, 2009 Stipulation, as well as substitute sheets for two tariff pages originally included in the Stipulation.

contingent upon ratification by the council. In support of the Stipulation, Columbia submitted the written testimony of its president, Herbert A. Miller, Jr. An informal conference attended by the parties and the Commission Staff was held on September 15, 2009 to review and discuss the provisions of the Stipulation.<sup>4</sup>

At the public hearing on September 16, 2009, it was revealed that LFUCG's signature on the Stipulation was still pending ratification by the council.<sup>5</sup> The hearing was continued until September 18, 2009 to allow LFUCG additional time to state its position on the Stipulation.

When the hearing reconvened on September 18, 2009, LFUCG announced that its council had unanimously voted in favor of the Stipulation and that it would provide certification of the council's vote for the record.<sup>6</sup> During the hearing's second day, Columbia presented testimony in support of the Stipulation and responded to cross-examination by Commission Staff and questions from the Commission. Under the Stipulation, the parties waived cross-examination of each other's witnesses and none of the parties proposed filing post-hearing briefs.

#### STIPULATION

The Stipulation, attached as Appendix A to this Order, reflects a unanimous resolution of all issues raised in this case. Prior to entering into the Stipulation, Columbia proposed a revenue increase of approximately \$11.6 million while the AG

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<sup>4</sup> A memorandum documenting the September 15, 2009 informal conference was entered in the record of this proceeding by Commission Staff on September 28, 2009.

<sup>5</sup> Statements made by its counsel indicated that LFUCG might not agree to the terms of the Stipulation which, based on Kentucky case law, would have prevented the Commission from considering the Stipulation since it would not have been unanimous.

<sup>6</sup> LFUCG's certification was filed in the record on September 22, 2009.

proposed a \$2.7 million decrease.<sup>7</sup> The Stipulation contains the parties' unanimous recommendation that Columbia's revenues be increased by \$6.125 million. The major provisions of the Stipulation include the following:

- Columbia's rates for gas service will be increased to recover \$6,125,000 more in annual revenues, with the new rates effective for service rendered on and after October 27, 2009.

- The revenue increase will be accomplished for all rate classes by increasing only their customer charges except for Rate Schedule IUS, in which both the customer and volumetric charges will be increased.

- Columbia's actual rate case expenses will be amortized for recovery over a three-year period.

- Columbia will withdraw its proposed Straight Fixed Variable ("SFV") rate design and will not file an application proposing to implement an SFV rate design prior to October 1, 2010.

- Columbia will implement an Accelerated Main Replacement Program ("AMRP") and AMRP tariff rider, consistent with the proposal contained in its application, based on a weighted average cost of capital of 8.10 percent grossed-up for federal and state income taxes.

- The return on equity to be used in Columbia's AMRP filings will be 10.50 percent.

- Columbia's Demand-Side Management ("DSM") program and Energy Efficiency and Conservation Program Rider will be implemented as proposed.

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<sup>7</sup> Only Columbia and the AG filed proposals addressing revenue requirements.

Columbia will establish a DSM Collaborative in January 2010 to develop a second-phase DSM program, including measures targeted to low-income customers. It will file with the Commission a second-phase DSM proposal and corresponding Energy Efficiency and Conservation Rider adjustment proposal by August 2, 2010.

- Columbia's current depreciation rates will continue to be used until it files a new depreciation study that is accepted by the Commission.

- Columbia withdraws its request for authority to defer pension and other post-retirement employee benefits ("OPEB") expenses and its request to implement a pension and OPEB recovery mechanism. It may seek approval to defer such expenses in Case No. 2009-00168,<sup>8</sup> in which it had requested authority to establish a regulatory asset or regulatory liability for the difference between annual pension and OPEB expenses and the level of such expenses included in base rates. Columbia will support a motion by the AG in Case No. 2009-00168 to file comments and/or testimony in that case by October 16, 2009, with Columbia filing reply comments and/or rebuttal testimony therein by October 30, 2009.

- Columbia withdraws its proposed Price Protection Service ("PPS") and Negotiated Sales Service ("NSS") programs. Columbia will not resubmit a proposal for PPS and/or NSS programs prior to July 1, 2010. Before filing any such proposal, Columbia will consult with IGS, Stand and Constellation so those parties will have an opportunity to offer input into development of the proposals prior to their filing.

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<sup>8</sup> Case No. 2009-00168, Application of Columbia Gas of Kentucky, Inc. to Establish a Regulatory Asset Related to Pension and Other Post-Retirement Benefit Expenses.

- Columbia will implement a late payment charge on residential accounts as proposed. Customers enrolled in utility bill assistance programs (including customers who have been issued a Certificate of Need) shall not be charged a late payment charge.
- Columbia's Gas Cost Adjustment ("GCA") clause will include a factor to recover uncollectible expenses attributed to gas commodity costs.

### TARIFF MODIFICATIONS

When the September 16, 2009 hearing was continued on September 18, 2009, Commission Staff questioned Columbia regarding certain details contained in the tariffs submitted as Attachment A to the Stipulation. Those details concerned (1) the gas cost uncollectible expense component of the GCA not being included in the Actual Cost and Balance Adjustment provisions thereof and (2) the conditions under which customers who had entered into payment plans would not be assessed a late payment penalty on arrearages. Columbia agreed to modify the pertinent tariffs and filed modified tariff sheets with the Commission on September 23, 2009.<sup>9</sup> No party to the Stipulation objected to these tariff modifications.

### SUMMARY

The Stipulation provides that the rates, terms, and conditions contained therein will become effective for service rendered on and after October 27, 2009 and that, if it receives Commission approval, no requests for rehearing or appeals will be filed.

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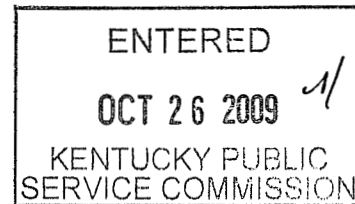
<sup>9</sup> Modified tariff sheets filed by Columbia subsequent to the hearing have been inserted in Appendix A of this Order in place of the tariff sheets that were included in Attachment A to the Stipulation filed on September 14, 2009.

Based on a review of the Stipulation, the attachments thereto, and the case record, including intervenor testimony, the Commission finds that the Stipulation as amended is reasonable and in the public interest. The Stipulation was the product of arm's-length negotiations among knowledgeable, capable parties and should be approved. Such approval is based solely on the reasonableness of the Stipulation in total and does not constitute a precedent on any individual issue.

IT IS THEREFORE ORDERED that:

1. The rates and charges proposed by Columbia are denied.
2. The Stipulation, attached hereto as Appendix A, is approved in its entirety.
3. The rates and charges in Appendix B, attached hereto, are fair, just and reasonable for Columbia to charge for service rendered on and after October 27, 2009.
4. Columbia shall file, within 20 days of the date of this Order, its revised tariffs as set forth in Attachment 2 to the Stipulation and amended on September 16 and 23, 2009, reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2009-00141 DATED ~~OCT 26 2009~~



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF AN ADJUSTMENT )  
OF GAS RATES OF COLUMBIA GAS ) CASE NO. 2009-00141  
OF KENTUCKY, INC. )

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STIPULATION AND RECOMMENDATION

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It is the intent and purpose of the parties to this proceeding, namely Columbia Gas of Kentucky, Inc. (“Columbia”); the Attorney General of the Commonwealth of Kentucky; the Lexington-Fayette Urban County Government; the Kentucky Industrial Utility Customers; Interstate Gas Supply, Inc., the Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc.; AARP; Constellation NewEnergy-Gas Division, LLC; and Stand Energy Corporation to express their agreement on a mutually satisfactory resolution of all of the issues in the instant proceeding.

It is understood by all parties hereto that this Stipulation and Recommendation is not binding upon the Public Service Commission (“Commission”), nor does it represent agreement on any specific theory supporting the appropriateness of any recommended adjustments to Columbia’s rates. The parties have expended considerable efforts to reach the agreements that form the basis of this Stipulation and Recommendation. All of the parties, representing diverse interests and divergent viewpoints, agree that this Stipulation and Recommendation, viewed in its entirety, constitutes a reasonable resolution of all issues in this proceeding.

In addition, the adoption of this Stipulation and Recommendation will eliminate the need for the Commission and the parties to expend significant resources in litigation of this proceeding, and

eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order herein. It is the position of the parties hereto that this Stipulation and Recommendation is supported by sufficient and adequate data and information, and is entitled to serious consideration by the Commission. Based upon the parties' participation in settlement conferences and the materials on file with the Commission, and upon the belief that these materials adequately support this Stipulation and Recommendation, the parties hereby stipulate and recommend the following:

1. Columbia should be authorized to adjust its base rates in order to permit it an opportunity to recover \$6,125,000 more in annual revenue than it is recovering under its current base rates, with such revised rates to be effective for service rendered on and after October 27, 2009. Columbia agrees to withdraw its proposed Straight Fixed Variable rate design, and instead the increased revenue requirement shall be reflected in increases to the customer charges associated with Columbia's various rate schedules, and there shall be no change in any of Columbia's volumetric rates except Rate Schedule IUS. The pro-forma tariff sheets attached hereto as Attachment A are recommended as reflecting the new rates to be effective as of the aforementioned date. These pro-forma tariff sheets further reflect rates that are designed to allow Columbia to recover the increased revenue from its various classes of customers, in the manner agreed to by the parties to this Stipulation and Recommendation. Columbia will not file prior to October 1, 2010, any application that proposes to implement a Straight Fixed Variable rate design.

2. Columbia will be permitted to implement its Accelerated Main Replacement Program ("AMRP") Rider as proposed in Columbia's Application and supporting testimony, and Columbia will utilize an 8.10% weighted average cost of capital grossed up for federal and state income taxes.

3. The authorized return on equity agreed to by the parties is 10.5% for the AMRP filings.

4. Columbia's proposed Demand Side Management program and associated Energy Efficiency and Conservation Program Rider are approved as filed in Columbia's Application and supporting testimony. Columbia agrees to establish a DSM Collaborative in January 2010 in order to develop a second-phase DSM program, including DSM measures targeted for low-income customers. Columbia will file with the Commission a second-phase DSM proposal and corresponding Energy Efficiency and Conservation Rider adjustment proposal by August 2, 2010. All parties to this case will be invited to participate in the DSM Collaborative.

5. Columbia's reconnection fee resulting from non-payment will remain at \$25.

6. Columbia's tariffs should be revised as follows:

- (a) Columbia will be permitted to implement a late payment charge on residential accounts as filed in Columbia's Application and supporting testimony, with the following modification. Columbia's residential customers who have entered into payment plans will not be charged a late payment charge on arrearages so long as such customers remain current on their payments under the terms of the agreed upon payment plan. Columbia customers enrolled in utility bill assistance programs (including those customers who have been issued a Certificate of Need) shall not be charged a late payment charge.<sup>1</sup>

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<sup>1</sup> To fully implement this provision, Columbia will need to implement computer programming changes. Pending completion of those programming changes should any customers inadvertently be assessed a late payment charge contrary to the terms of this paragraph, Columbia will manually adjust such customers' bills to remove the charge.

- (b) Columbia will revise its Gas Cost Adjustment clause to incorporate a factor to recover uncollectible expenses attributable solely to the commodity cost of gas.
- (c) All of the other tariff changes proposed in Columbia's Application shall be adopted.

The foregoing changes are reflected in the proposed tariff sheets attached to this Stipulation and Recommendation as Attachment A.

7. Columbia withdraws the depreciation study it submitted as part of this proceeding. Therefore, Columbia's current depreciation accrual rates will continue to be used until such time when Columbia provides a new depreciation study and the study is accepted by the Commission.

8. Columbia withdraws its request in this docket for authority to defer pension and other postretirement employee benefits ("OPEB") expenses. Columbia also withdraws its request for the Pension and OPEB Mechanism (also referred to as Rider POM). Columbia may continue to seek Commission approval of its application in Case No. 2009-00168, where Columbia has requested authority to defer as a regulatory asset or regulatory liability the difference between its annual pension and OPEB expenses and the level of said expenses included in current rates. As part of the settlement of the instant case, Columbia agrees to support an Attorney General's petition in Case No. 2009-00168 in which the Attorney General will request an opportunity to file comments and/or testimony in that docket. Any such petition shall be filed by October 1, 2009. Given that Columbia has requested a Commission order in Case No. 2009-00168 by the end of 2009, the Attorney General's petition will suggest that its comments and/or testimony in Case No. 2009-

00168 be due by October 16, 2009, and that Columbia's reply comments and/or rebuttal testimony be due by October 30, 2009.

9. Columbia will withdraw its PPS and NSS program proposals. Columbia agrees that, if it chooses to resubmit any proposal for PPS and/or NSS programs, it will not resubmit any such proposal prior to July 1, 2010. Prior to Columbia's filing of any proposal to implement PPS and/or NSS programs, Columbia agrees to consult with Interstate Gas Supply, Inc., Stand Energy Corporation and Constellation NewEnergy-Gas Division, LLC so that these marketers will have an opportunity to offer input into development of the PPS and/or NSS proposals prior to filing.

10. Columbia sought Commission authorization for a two-year amortization of rate case expenses. Columbia's actual rate case expenses will be deferred and recovered over a three-year period.

11. Attached to this Stipulation and Recommendation as Attachment B are proof-of-revenue sheets, showing that the rates set forth in Attachment A will generate the proposed revenue increase to which the parties have agreed in Paragraph number 1 hereof.

12. Each party hereto waives all cross-examination of the witnesses of the other parties hereto except in support of the Stipulation and Recommendation, or unless the Commission disapproves this Stipulation and Recommendation, and each party further stipulates and recommends that the Notice of Intent, Notice, Application, testimony, pleadings and responses to data requests filed in this proceeding be admitted into the record.

13. This Stipulation and Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving Columbia or any other utility.

14. If the Commission issues an order adopting this Stipulation and Recommendation in its entirety, each of the parties hereto agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin County Circuit Court with respect to such order.

15. In the event the Commission should reject or modify all or any portion of this Stipulation and Recommendation, or impose additional conditions or requirements upon the signatory parties, each signatory party shall have the right, within twenty (20) days of the Commission's order, to either file an application for rehearing or terminate and withdraw from the Stipulation and Recommendation by filing a notice with the Commission. Upon rehearing, any signatory party shall have the right within fifteen (15) days of the Commission's order on rehearing to file a notice of termination or withdrawal from this Stipulation and Recommendation. In such event the terms of this Stipulation and Recommendation shall not be deemed binding upon the parties hereto, nor shall such Stipulation and Recommendation be admitted into evidence, or referred to, or relied upon in any manner by any party hereto.

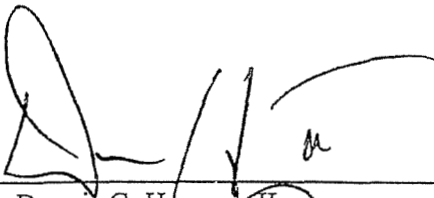
16. All of the parties hereto agree that the foregoing Stipulation and Recommendation is reasonable and in the best interests of all concerned, and urge the Commission to adopt the Stipulation and Recommendation in its entirety.

AGREED, this \_\_\_\_\_ day of September, 2009.

*Stephen B. Seiple*

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Hon. Stephen B. Seiple  
On behalf of Columbia Gas of Kentucky, Inc.

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a vertical line and a horizontal flourish.

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Hon. Dennis G. Howard, II  
On behalf of the Attorney General of the Commonwealth of Kentucky



*David J. Barberie*

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Hon. David J. Barberie

On behalf of the Lexington-Fayette Urban County Government


Subject to approval/ratification of  
the Urban County Council

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Hon. David F. Boehm

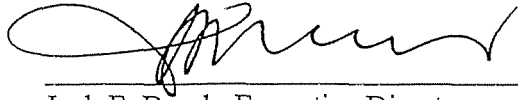
On behalf of the Kentucky Industrial Utility Customers

A handwritten signature in cursive script, appearing to read "Matthew Malone".

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Hon. Matthew Malone

On behalf of Interstate Gas Supply, Inc.



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Jack E. Burch, Executive Director

On behalf of the Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc.

A handwritten signature in black ink, appearing to read 'Tom FitzGerald', is written over a horizontal line. The signature is stylized with a large initial 'T' and a long, sweeping underline.

Hon. Tom FitzGerald  
On behalf of AARP

*Robert Watt*

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Hon. Robert M. Watt, III  
On behalf of Constellation NewEnergy-Gas Division, LLC

A handwritten signature in black ink, appearing to read "John M. Dosker". The signature is written in a cursive style with a horizontal line underneath it.

John M. Dosker

On behalf of Stand Energy Corporation

**ATTACHMENT A**

**TARIFFS**



COLUMBIA GAS OF KENTUCKY, INC.

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DATE OF ISSUE: September 14, 2009

DATE EFFECTIVE: October 27, 2009

Issued by: Herbert A. Miller, Jr. : President

**COLUMBIA GAS OF KENTUCKY, INC.**

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DATE OF ISSUE: September 14, 2009

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Issued by: Herbert A. Miller, Jr.

President

COLUMBIA GAS OF KENTUCKY, INC.

<b>CURRENTLY EFFECTIVE BILLING RATES</b>				
<u>SALES SERVICE</u>	<u>Base Rate</u> <u>Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup></u> <u>Demand</u> <u>Commodity</u> \$                    \$		<u>Total</u> <u>Billing</u> <u>Rate</u> \$
<b><u>RATE SCHEDULE GSR</u></b>				
Customer Charge per billing period	12.35			12.35
Delivery Charge per Mcf	1.8715	1.2355	2.4480	5.5550
<b><u>RATE SCHEDULE GSO</u></b>				
<b><u>Commercial or Industrial</u></b>				
Customer Charge per billing period	25.13			25.13
Delivery Charge per Mcf -				
First 50 Mcf or less per billing period	1.8715	1.2355	2.4480	5.5550
Next 350 Mcf per billing period	1.8153	1.2355	2.4480	5.4988
Next 600 Mcf per billing period	1.7296	1.2355	2.4480	5.4131
Over 1,000 Mcf per billing period	1.5802	1.2355	2.4480	5.2637
<b><u>RATE SCHEDULE IS</u></b>				
Customer Charge per billing period	583.39			583.39
Delivery Charge per Mcf				
First 30,000 Mcf per billing period	0.5467		2.4480 <sup>2/</sup>	2.9947
Over 30,000 Mcf per billing period	0.2905		2.4480 <sup>2/</sup>	2.7385
Firm Service Demand Charge				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		6.5675		6.5675
<b><u>RATE SCHEDULE IUS</u></b>				
Customer Charge per billing period	331.50			331.50
Delivery Charge per Mcf				
For All Volumes Delivered	0.7750	1.2355	2.4480	4.4586
<p>1/ The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff. The Gas Cost Adjustment applicable to a customer who is receiving service under Rate Schedule GS or IUS and received service under Rate Schedule SVGTS shall be \$6.5153 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS</p> <p>2/ IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.</p>				

DATE OF ISSUE: September 14, 2009

DATE EFFECTIVE: October 27, 2009

ISSUED BY: Herbert A. Miller, Jr.

President

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

<b>CURRENTLY EFFECTIVE BILLING RATES</b>				
(Continued)				
<u>TRANSPORTATION SERVICE</u>	<u>Base Rate</u> Charge \$	<u>Gas Cost Adjustment<sup>1/</sup></u> <u>Demand</u> <u>Commodity</u> \$                    \$		<u>Total</u> <u>Billing</u> <u>Rate</u> \$
<b><u>RATE SCHEDULE SS</u></b>				
Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm				
Volume (Mcf) In Customer Service Agreement		6.5675		6.5675
Standby Service Commodity Charge per Mcf			2.4480	2.4480
<b><u>RATE SCHEDULE DS</u></b>				
Administrative Charge per account per billing period				55.90
Customer Charge per billing period <sup>2/</sup>				583.39
Customer Charge per billing period (GDS only)				25.13
Customer Charge per billing period (IUDS only)				331.50
<u>Delivery Charge per Mcf<sup>2/</sup></u>				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
- Grandfathered Delivery Service				
First 50 Mcf or less per billing period				1.8715
Next 350 Mcf per billing period				1.8153
Next 600 Mcf per billing period				1.7296
All Over 1,000 Mcf per billing period				1.5802
- Intrastate Utility Delivery Service				
All Volumes per billing period				0.7750
Banking and Balancing Service				
Rate per Mcf		0.0208		0.0208
<b><u>RATE SCHEDULE MLDS</u></b>				
Administrative Charge per account each billing period				55.90
Customer Charge per billing period				200.00
Delivery Charge per Mcf				0.0858
Banking and Balancing Service				
Rate per Mcf		0.0208		0.0208
<sup>1/</sup> The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff. <sup>2/</sup> Applicable to all Rate Schedule DS customers except those served under Grandfathered Delivery Service or Intrastate Utility Delivery Service.				

DATE OF ISSUE: September 14, 2009

DATE EFFECTIVE: October 27, 2009

ISSUED BY: Herbert A. Miller, Jr.

President

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

**CURRENTLY EFFECTIVE BILLING RATES**

<u>RATE SCHEDULE SVGTS</u>	<u>Billing Rate</u>
	\$
<u>General Service Residential</u>	
Customer Charge per billing period	12.35
Delivery Charge per Mcf	1.8715
<u>General Service Other - Commercial or Industrial</u>	
Customer Charge per billing period	25.13
Delivery Charge per Mcf -	
First 50 Mcf or less per billing period	1.8715
Next 350 Mcf per billing period	1.8153
Next 600 Mcf per billing period	1.7296
Over 1,000 Mcf per billing period	1.5802
<u>Intrastate Utility Service</u>	
Customer Charge per billing period	331.50
Delivery Charge per Mcf	\$ 0.7750
<u>Actual Gas Cost Adjustment <sup>1/</sup></u>	
For all volumes per billing period per Mcf	(\$ 2.7108)
<u>RATE SCHEDULE SVAS</u>	
Balancing Charge -- per Mcf	\$ 1.0976

<sup>1/</sup> The Gas Cost Adjustment is applicable to a customer who is receiving service under Rate Schedule SVGTS and received service under Rate Schedule GS, IS, or IUS for only those months of the prior twelve months during which they were served under Rate Schedule GS, IS or IUS.

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President

Thirty Seventh Revised Sheet No. 7a  
Superseding  
Thirty Sixth Revised Sheet No. 7a

COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

**CURRENTLY EFFECTIVE BILLING RATES**

THIS SHEET IS BEING ELIMINATED - INFORMATION HAS BEEN MOVED TO SHEET NO 7

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**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL SERVICE (GS) AND GENERAL PROPANE SERVICE (GPS)  
SALES SERVICE RATE SCHEDULES**

APPLICABILITY

Entire service territory of Company. See Sheet 8 for a list of communities.

AVAILABILITY OF SERVICE

Available to residential, commercial and industrial sales service customers.

See Sheet Nos. 53 through 56 for Temporary Volumetric Limitations and Curtailment provisions.

BASE RATES

Residential

Customer Charge per billing period @ \$12.35  
Delivery Charge per Mcf @ \$1.8715 per Mcf

Commercial or Industrial

Customer Charge per billing period @ \$25.13  
Delivery Charge per Mcf -  
First 50 or less Mcf per billing period @ \$ 1.8715 per Mcf  
Next 350 Mcf per billing period @ \$ 1.8153 per Mcf  
Next 600 Mcf per billing period @ \$ 1.7296 per Mcf  
Over 1,000 Mcf per billing period @ \$ 1.5802 per Mcf

MINIMUM CHARGE

The minimum charge per billing period shall be the applicable Customer Charge. If the meter reading or calculated consumption for the billing period is greater than zero then the minimum charge shall be increased by the Delivery Charge for a minimum of one Mcf per billing period.

GAS COST ADJUSTMENT

Gas sold under this rate schedule and rates as prescribed herein are subject to a Gas Cost Adjustment as stated on currently effective Sheet Nos. 48 through 51 of this tariff which are hereby incorporated into this rate schedule.

The charges set forth herein, exclusive of those pertaining to the minimum charge, shall be subject to a Gas Cost Adjustment, as shown on Sheet 5 of this tariff.

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**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL SERVICE (GS) AND GENERAL PROPANE SERVICE (GPS)  
RATE SCHEDULES  
(Continued)**

**ADJUSTMENTS AND RIDERS**

Customers served under this Rate Schedule are subject to the currently effective Adjustments and Riders as prescribed on the Tariff Sheets set forth below and incorporated into this Rate Schedule:

- Weather Normalization Adjustment – Sheet 51a
- Energy Assistance Program Surcharge – Sheet No. 51b (Applies to Residential Customers only)
- Rider for Natural Gas Research & Development – Sheet No. 51c
- Energy Efficiency Conservation Clause – Sheets 51d – 51g (Applies to Residential and Commercial Customers only)
- Rider AMRP – Sheet No. 58

**LOCAL FRANCHISE FEE OR TAX**

The above rates and minimum charge are subject to Local Franchise Fee or Tax as set forth on Sheet No. 52.

**LATE PAYMENT PENALTY**

Refer to the General Terms, Conditions, Rules and Regulations, Section 25.

**OTHER PROVISIONS**

Where a Customer has installed a gas light(s) for continuous street or outdoor lighting in lighting devices approved by Company and the gas used by such light(s) is unmetered, the gas consumed by such light(s) shall be assumed to be two thousand (2,000) cubic feet per month when the Btu/hour input rating for such light(s) is 2,700 or less. For each additional 1,350 Btu/hour input or fraction thereof, the assumed consumption shall be increased by one thousand (1,000) cubic feet per month. Such assumed consumption shall be billed under the rates contained herein or, if in combination with metered usage under this rate schedule, shall be added to the Customer's metered usage and the total billed under the rates contained herein.

**GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS**

Service furnished under this rate schedule is subject to Company's Rules and Regulations and to all applicable rate schedules.

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**COLUMBIA GAS OF KENTUCKY, INC.**

**INTERRUPTIBLE SERVICE (IS)**

**RATE SCHEDULE**

(Continued)

**CHARACTER OF SERVICE** (continued)

provision that the Customer may not concurrently contract with the Company for Delivery Service under Rate DS. The full sales agreement is subject to a minimum contract period of one (1) year as set forth in the General Terms, Conditions, Rules and Regulations, Section 34.

**BASE RATES**

Customer Charge

\$583.39 per billing period

Delivery Charge per Mcf -

First 30,000 Mcf per billing period  
Over 30,000 Mcf over billing period

@ \$ 0.5467 per Mcf  
@ \$ 0.2905 per Mcf

**MINIMUM CHARGE**

The minimum charge each billing period for gas delivered or the right of the Customer to receive same shall be the sum of the Customer Charge of \$583.39, plus the Customer Demand Charge as contracted for under Firm Service. (Daily Firm Volume as specified in the Customer's service agreement multiplied by the demand rate (See Sheet No. 5).

In the event of monthly, seasonal or annual curtailment due to gas supply shortage, the demand charge shall be waived when the volume made available is less than 110% of the Daily Firm Volume multiplied by thirty (30). In no event will the minimum charge be less than the Customer charge.

If the delivery of firm volumes of gas by Company is reduced, due to peak day interruption in the delivery of gas by Company or complete or partial suspension of operations by Customer resulting from force majeure, the Minimum Charge shall be reduced in direct proportion to the ratio which the number of days of curtailed service and complete or partial suspension of Customer's operation bears to the total number of days in the billing period. Provided, however, that in cases of Customer's force majeure, the Minimum Charge shall not be reduced to less than the Customer Charge.

**GAS COST ADJUSTMENT**

Except as otherwise provided herein, gas sold under this rate schedule and rates as prescribed herein are subject to the Gas Cost Adjustment, including the Commodity and Demand components, as stated on currently effective Sheet Nos. 48 through 51 herein, which are hereby incorporated into this rate schedule.

For a Customer who enters into a full sales agreement under this rate schedule after September 1, 1995, the Gas Cost Adjustment shall consist of the Expected Commodity Cost of Gas, as defined in paragraph 1 (a) of Sheet No. 48 herein, and shall not be adjusted to reflect the supplier Refund Adjustment (RA), the Actual Cost Adjustment (ACA), or the Balancing Adjustment (BA) for a period of one year from the effective date of the Customer's agreement. At the end of that one-year period, any gas purchased by the Customer under that agreement shall be subject to the Commodity Cost of Gas, including all appropriate adjustments, as defined in Sheet Nos. 48 and 49.

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**COLUMBIA GAS OF KENTUCKY, INC.**

**INTERRUPTIBLE SERVICE (IS)  
RATE SCHEDULE  
(Continued)**

**GAS COST ADJUSTMENT** (Continued)

Gas Sales purchased under this rate schedule that are within the Customer's specified Daily Firm Volume as contracted for under Firm Service are subject to the Commodity Cost of Gas, including all appropriate adjustments, as stated on currently effective Sheet Nos. 48 through 51 herein.

The charges set forth herein, exclusive of those pertaining to Customer charges, shall be subject to a Gas Cost Adjustment as shown on Sheet No. 5 of this tariff.

**ADJUSTMENTS AND RIDERS**

Customers served under this Rate Schedule are subject to the currently effective Adjustments and Riders as prescribed on the Tariff Sheets set forth below and incorporated into this Rate Schedule:

Rider for Natural Gas Research & Development --Sheet No. 51c  
Rider AMRP -- Sheet No. 58

**LOCAL FRANCHISE FEE OR TAX**

The monthly bill to Customers served under this rate schedule is subject to the Local Franchise Fee or Tax as set forth on Sheet No. 52.

**LATE PAYMENT PENALTY**

Refer to the General Terms, Conditions, Rules and Regulations, Section 25.

**PENALTY CHARGE FOR FAILURE TO INTERRUPT**

On any day when Customer has been given timely notice by Company to interrupt, any quantity of gas taken in excess of the quantity specified to be made available on that day shall be subject to a charge of twenty-five dollars (\$25) per Mcf for all volumes taken in excess of one hundred three percent (103%) of the volumes specified to be made available on such day by Company. The penalty charge for failure to interrupt shall be in addition to the charges specified in this rate schedule. Customer shall be liable for any personal injury or damage to the property of Company or third parties which results from Customer's failure to interrupt, and Customer shall indemnify and hold Company harmless with respect to such injuries or damages.

**PAYMENT FOR UNAUTHORIZED TAKES**

Gas taken on any day in excess of one hundred three percent (103%) of the specified Maximum Daily Volume set forth in the Sales Agreement shall constitute unauthorized takes unless prior approval for additional volumes has been granted by Company. The sum of all such unauthorized takes in a billing month shall be billed at the rate of twenty-five dollars (\$25) per Mcf for gas so taken. Payment for such unauthorized takes shall be in addition to the charges specified in this rate schedule. Customer

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**COLUMBIA GAS OF KENTUCKY, INC.**

SMALL VOLUME GAS TRANSPORTATION SERVICE (SVGTS) RATE SCHEDULE (Continued)	
<b><u>CHARACTER OF SERVICE</u></b>	
Service provided under this schedule shall be considered firm service.	
<b><u>DELIVERY CHARGE</u></b>	
The Delivery Charge shall be the Base Rate Charges for the applicable Rate Schedule as set forth below:	
<u>General Service Residential</u>	
Customer Charge per billing period	\$ 12.35
Delivery Charge	\$1.8715 per Mcf
<u>General Service Other – Commercial or Industrial</u>	
Customer Charge per billing period	\$25.13
First 50 Mcf or less per billing period	\$1.8715 per Mcf
Next 350 Mcf per billing period	\$1.8153 per Mcf
Next 600 Mcf per billing period	\$1.7296 per Mcf
Over 1,000 Mcf per billing period	\$1.5802 per Mcf
<u>Intrastate Utility Service</u>	
Customer Charge per billing period	\$331.50
Delivery Charge per Mcf	\$0.7750
<b><u>ADJUSTMENTS AND RIDERS</u></b>	
Customers served under this Rate Schedule are subject to the currently effective Adjustments and Riders as prescribed on the Tariff Sheets set forth below and incorporated into this Rate Schedule:	
Weather Normalization Adjustment – Sheet 51a	
Energy Assistance Program Surcharge – Sheet No. 51b (Applies to Residential Customers only)	
Rider for Natural Gas Research & Development – Sheet No. 51c	
Energy Efficiency Conservation Clause – Sheets 51d – 51g (Applies to Residential and Commercial Customers only)	
Rider AMRP – Sheet No. 58	

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COLUMBIA GAS OF KENTUCKY, INC.

**DELIVERY SERVICE (DS)  
 TRANSPORTATION SERVICE RATE SCHEDULE**

**APPLICABILITY**

Entire service territory of Company. See Sheet No. 8 for a list of communities.

**AVAILABILITY**

This rate schedule is available to any Customer throughout the territory served by Company provided:

- (1) Customer has executed a Delivery Service Agreement with Company, and
- (2) Customer has normal annual requirements of not less than 25,000 Mcf at any delivery point, and
- (3) Company will not be required to deliver on any day more than the lesser of (i) a quantity of gas equivalent to Customer's Maximum Daily Volume specified in its Delivery Service Agreement; (ii) the quantity of gas scheduled and confirmed to be delivered into the Company's distribution facilities on behalf of the Customer on that day plus applicable Standby Sales; or (iii) the Customer's Authorized Daily Volume, and
- (4) On an annual basis, a Customer's Maximum Daily Volume and Annual Transportation Volume will be automatically adjusted to the Customer's actual Maximum Daily Volume and actual Annual Transportation Volume based on the Customer's highest daily and annual volumetric consumption experienced during the preceding 12-month periods ending with March billings. Upon a Customer's request, the Company shall have the discretion to further adjust a Customer's Maximum Daily Volume and Annual Transportation Volume for good cause shown.

Customers Grandfathered ("GDS") This rate schedule is also available to customers with normal annual requirements of less than 25,000 Mcf but not less than 6,000 Mcf, at any delivery point taking service under a contract with Company for delivery service executed prior to April 1, 1999.

Intrastate Utility ("IUDS") This rate schedule is also available to intrastate utilities for transportation and consumption solely within the Commonwealth of Kentucky.

**BASE RATE**

Administrative Charge per account per billing period	\$55.90
Customer Charge per billing period	\$583.39
Customer Charge per billing period (GDS only)	\$25.13
Customer Charge per billing period (IUDS only)	\$331.50
Delivery Charge per Mcf -	
First 30,000 Mcf	\$0.5467 per Mcf for all gas delivered each billing month.
Over 30,000 Mcf	\$0.2905 per Mcf for all gas delivered each billing month.
Grandfathered Delivery Service	
First 50 Mcf per billing period	\$1.8715
Next 350 Mcf per billing period	\$1.8153
Next 600 Mcf per billing period	\$1.7296
All Over 1,000 Mcf per billing period	\$1.5802
Intrastate Utility Delivery Service	
All volumes per billing period	\$0.7750
Banking and Balancing Service	
Rate per Mcf	\$0.0208

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**COLUMBIA GAS OF KENTUCKY, INC.**

**DELIVERY SERVICE (DS)  
RATE SCHEDULE  
(Continued)**

**ADJUSTMENTS AND RIDERS**

Customers served under this Rate Schedule are subject to the currently effective Adjustments and Riders as prescribed on the Tariff Sheets set forth below and incorporated into this Rate Schedule:

Weather Normalization Adjustment -- Sheet No. 51a- Applicable to GDS Customers Only  
Rider for Natural Gas Research & Development -- Sheet No. 51c  
Rider AMRP -- Sheet No. 58

**LATE PAYMENT PENALTY**

Late payment penalties shall apply to service under this rate schedule as provided in the General Terms, Conditions, Rules and Regulations, Section 25.

**BANKING AND BALANCING SERVICE**

The rate for the Banking and Balancing Service is set forth on Sheet Nos. 6. This rate represents the current storage cost to the Company to provide a 'bank tolerance' to the Customer of five percent (5%) of the Customer's Annual Transportation Volume. The calculation of the Banking and Balancing Service rate is set forth in the Company's Gas Cost Adjustment.

The Banking and Balancing Service rate is subject to flexing as provided in the Flex Provision of this rate schedule. Refer to Sheet 91, Banking and Balancing Service, for the terms and conditions.

**NOMINATION AND SCHEDULING OF TRANSPORTATION DELIVERIES**

All transportation deliveries must be nominated and scheduled daily through the Company's internet based nomination system. Any customer that transports gas under this schedule may elect to have its marketer or agent make the required nominations, or the customer may elect to make daily nominations of Delivery Service gas.

**FLEX PROVISION**

When a Customer with normal volume requirements of 25,000 Mcf annually can demonstrate to Company that a lower rate is necessary to meet competition from that Customer's alternate energy supplier, Company may transport gas at a rate lower than the Base Rate and/or flex other terms and conditions associate with this rate schedule. Company may also, after receiving prior approval from the Commission, transport gas at a rate lower than the Base Rate where Customer has demonstrated that its only alternative would be a shutdown or relocation of facilities, or that the lower rate is necessary to expand facilities.

If any of these Flex Provisions apply to it, a Customer may at any time request that the transportation Base Rate be flexed. However, once the transportation Base Rate for a Customer is flexed, Customer must continue to pay the flex rate determined by Company each month and may not opt to revert to the Base Rate, except by the following procedure. Any Customer wishing to return to the Base Rate can do so by written notification to Company. Upon notification, Customer will revert to the Base Rate three months subsequent to the first day of the billing month which follows the date of the notification. Each such notification received by Company will cancel any previous such notification received by Company from the same Customer.

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COLUMBIA GAS OF KENTUCKY, INC.

MAIN LINE DELIVERY SERVICE (MLDS)  
RATE SCHEDULE

APPLICABILITY

Entire service territory of Company. See Sheet No. 8 for a list of communities.

AVAILABILITY

This rate schedule is available to any Customer throughout the territory served by Company provided:

- (1) Customer has executed a Delivery Service Agreement with Company, and
- (2) Customer has normal annual requirements of not less than 25,000 Mcf at any delivery point, and
- (3) Customer is connected directly through a dual-purpose meter to facilities of an interstate pipeline supplier of Company, and
- (4) Company will not be required to deliver on any day more than the lesser of: (i) a quantity of gas equivalent to Customer's Maximum Daily Volume specified in its Delivery Service Agreement; (ii) the quantity of gas scheduled and confirmed to be delivered into the Company's distribution facilities on behalf of the Customer on that day plus applicable Standby Sales; or (iii) the Customer's Authorized Daily Volume, and
- (5) On an annual basis, a Customer's Maximum Daily Volume and Annual Transportation Volume will be automatically adjusted to the Customer's actual Maximum Daily Volume and actual Annual Transportation Volume based on the Customer's highest daily and annual volumetric consumption experienced during the preceding 12-month periods ending with March billings. Upon a Customer's request, the Company shall have the discretion to further adjust a Customer's Maximum Daily Volume and Annual Transportation Volume for good cause shown.

RATE

The transportation rate shall be \$0.0858 per Mcf for all gas delivered each month.

ADMINISTRATIVE CHARGE

The monthly administrative charge shall be \$55.90 per account each billing period.

CUSTOMER CHARGE

The customer charge shall be \$200 per account each billing period.

BANKING AND BALANCING SERVICE

The rate for the Banking and Balancing Service is set forth on Sheet No. 6. This rate represents the current storage cost to the Company to provide a 'bank tolerance' to the Customer of five percent (5%) of the Customer's Annual Transportation Volume. The calculation of the Banking and Balancing Service rate is set forth in the Company's Gas Cost Adjustment.

The Banking and Balancing Service rate is subject to flexing as provided in the Flex Provision of this rate schedule. Refer to Sheet No. 91, Banking and Balancing Service, for the terms and conditions of the Balancing and Banking Service.

ADJUSTMENTS AND RIDERS

Customers served under this Rate Schedule are subject to the currently effective Adjustments and Riders as prescribed on the Tariff Sheets set forth below and incorporated into this Rate Schedule:

Rider for Natural Gas Research & Development—Sheet No. 51c

NOMINATION AND SCHEDULING OF TRANSPORTATION DELIVERIES

All transportation deliveries must be nominated and scheduled through the Company's internet based nomination system. Any customer that transports gas under this schedule may elect to have its marketer or agent make the required nominations, or the customer may elect to connect to make daily nominations of Delivery Service gas.

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**COLUMBIA GAS OF KENTUCKY, INC.**

**GAS COST ADJUSTMENT CLAUSE  
APPLICABLE TO ALL RATE SCHEDULES  
(Continued)**

**GAS COST ADJUSTMENT CLAUSE - (Continued)**

(7) The Gas Cost Uncollectible Rate (GCUR) on a dollar-per-Mcf basis, which is calculated by multiplying the Expected Commodity Gas Cost times the uncollectible accrual rate used to establish rates in Columbia's most recent rate case.

**Billing**

The Gas Cost Adjustment (GCA) shall be the sum of the following components:

$$GCA = EGC + RA + ACA + BA + GCIA + OSCRA + GCUR$$

The GCA will be added to (or subtracted from) the tariff rates prescribed by the Commission Order on Company's latest rate case and will be included in the tariff rates stated on each applicable rate sheet in this tariff.

**Definitions**

For the purpose of this tariff:

- (a) "Average expected cost" is the cost of gas supplies purchased during the latest available twelve month period, including associated transportation charges, storage charges and Take-or-Pay charges, which is determined by the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the quarterly calendar period, less banking and balancing charges, and less the demand costs to be recovered from IS and General Service Delivery Service Customers, divided by the sales volumes for the latest available twelve month period. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or Company expects the volumes to change substantially, Company may make appropriate adjustments in its calculations. Any adjustments of this type shall be described in the Quarterly Gas Cost Adjustment report.
- (b) "quarterly calendar period" means each of the four three month periods of (1) September through November, (2) December through February, (3) March through May, and (4) June through August.
- (c) "Reporting period" means the three month accounting period that ended approximately thirty (30) days prior to the filing date of the updated gas recovery rates, i.e. the three months ended June 30<sup>th</sup>, September 30<sup>th</sup>, December 31<sup>st</sup>, and March 31<sup>st</sup> each year.

**Hedging Plan**

In accordance with the Company's hedging plan approved by the Commission, the Company will utilize gas futures and/or fixed price gas contracts for the purpose of hedging the price of its gas purchases within the parameters established in the hedging plan. By June 1 of each year, the Company shall file a report with the Commission that details said hedging activity during the twelve month period ended March 31. The report will include details of hedge positions taken for future months.

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**COLUMBIA GAS OF KENTUCKY, INC.**

**WEATHER NORMALIZATION ADJUSTMENT CLAUSE  
APPLICABLE TO GS, SVGTS, GDS AND GPS RATE SCHEDULES**

**WEATHER NORMALIZATION ADJUSTMENT (WNA)**

The sales to Residential and Commercial Customers under Rate Schedules GS, SVGTS, GDS and GPS shall be increased or decreased monthly by an amount hereinafter described as the Weather Normalization Adjustment (WNA).

**Determination of WNA**

Weather normalized volumes shall be utilized during the December through April billing months to calculate the non-gas portion of the bills of all heating Customers served under Rate Schedules GS, SVGTS, GDS and GPS. During the remainder of the year May through November, the monthly bills shall be computed based on actual consumption.

Weather Normalization Adjustment will be calculated using the following formula:

$$WNA = [(Actual\ Mcf - Base\ Load\ Mcf) * (Normal\ Degree\ Days / Actual\ Degree\ Days)]$$

Each customer's base load will be determined individually, and will be recomputed annually. Rates used in the computation of the WNA shall be determined based on the applicable base rate charge as set forth on Sheet No. 5 of this tariff.

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COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

**ENERGY EFFICIENCY AND CONSERVATION RIDER  
ENERGY EFFICIENCY/CONSERVATION PROGRAM COST RECOVERY**

**APPLICABILITY**

Applicable to residential and commercial customers under the GS and SVGTS rate schedules.

**PURPOSE**

The Energy Efficiency/Conservation Program is a demand-side management (DSM) program established to promote conservation and the efficient use of natural gas by Company's residential and commercial customers.

The Energy Efficiency/Conservation Program Recovery Component (EECPRC) shall be updated annually and applied to applicable customer's bills becoming effective with meter readings beginning with Company's February Unit 1 bills.

**DETERMINATION OF EECPRC**

The Company shall file an annual report with the Commission which shall contain updated EECPRC rates at least thirty (30) days prior to the effective date of the new rates. The annual amount computed under the Energy Efficiency/Conservation Program Cost Recovery Component shall be collected based on the EECPRC amount divided by the expected number of customers for the upcoming program year. The EECPRC is calculated using the following formula:

$$EECPRC = EECPCR + EECPLS + EECPI + EECBPA$$

Whereby:

**EECPCR = ENERGY EFFICIENCY/CONSERVATION PROGRAM COST RECOVERY**

The EECPCR shall include all expected costs of DSM measures which have been approved by the Commission for each twelve month period for Energy Efficiency/Conservation programs of the Company "approved programs". Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating EECR programs. In addition, all costs incurred including, but not limited to, costs for consultants, employees and administrative expenses, will be recovered through the EECPCR.

**EECPLS = EECR REVENUE FROM LOST SALES**

Revenues from lost sales due to EECR programs implemented on and after the effective date of this tariff will be recovered as follows:

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COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

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

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

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

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

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

**EECRI = EECR INCENTIVE**

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

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

**EECRBA = EECR BALANCE ADJUSTMENT**

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

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

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

EECPBA ■ EECR BALANCE ADJUSTMENT (continued)

The EECRBA is the sum of the following components:

- The difference between the amount billed in a twelve-month period from the application of the EECPCR component and the actual cost of the approved programs during the same twelve-month period.
- The difference between the amount billed during the twelve-month period from the application of the EECPLS component and the amount of lost revenue determined for the actual DSM measures implemented during the twelve-month period.
- The difference between the amount billed during the twelve-month period from the application of the EECPI component and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.
- Interest to be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period.

The balance adjustment amounts, plus interest, shall be divided by the expected number of customers for the upcoming twelve-month period to determine the EECRBA for each rate class.

MODIFICATIONS TO EECPCR

The filing of modifications to the EECPCR which require changes in the EECPCR component shall be made at least two months prior to the beginning of the effective period for billing. Modifications to other components of the EECPCR shall be made at least thirty days prior to the effective period for billing. Each filing shall include the following information as applicable:

- (1) A detailed description of each EECR program, the total cost of each program over the previous twelve-month period and budgeted costs for the next program year, an analysis of expected resource savings, information concerning the specific EECR measures to be installed, and any applicable studies which have been performed, as available.
- (2) A statement setting forth the detailed calculation of the EECPCR, EECPLS, EECPI, EECRBA and EECPCR.

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COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

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

MODIFICATIONS TO EECPRC (continued)

Each change in the EECPRC shall be placed into effect with meter readings on and after the effective date of such change.

Adjustment Factors: Per Meter per Billing Period**Residential:**

EECPCR	\$0.61
EECPLS	\$0.03
EECPI	\$0.12
EECPBA	<u>\$0.00</u>
Total EECPRC for Residential Customers	\$0.76

**Commercial:**

EECPCR	\$0.00
EECPLS	\$0.00
EECPI	\$0.00
EECPBA	<u>\$0.00</u>
Total EECPRC for Commercial Customers	\$0.00

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DATE EFFECTIVE: October 27, 2009

Issued by: Herbert A. Miller, Jr.

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**RIDER AMRP  
ACCELERATED MAIN REPLACEMENT PROGRAM RIDER**

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**APPLICABILITY**

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

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

The AMRP Rider Revenue Requirement includes the following:

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

**ACCELERATED MAIN REPLACEMENT PROGRAM FACTORS**

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

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

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

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

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

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**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS  
(Continued)**

**17. METER TESTING AND MEASUREMENT OF NATURAL GAS - (Continued)**

**Failure of Measuring Equipment. - (Continued)**

- (b) By correcting the error if the percentage of error is ascertainable by calibration, special test or mathematical calculation, or, in the absence of both (a) and (b), then:
- (c) By estimating the quantity of delivery based on deliveries during periods under similar conditions when the meter was registering accurately.

The estimated readings shall be used in determining the volume of gas delivered for any known or agreed-upon applicable period. In case the period is not known or agreed-upon, such estimated deliveries shall be used in determining the volume of gas delivered during the latter half of the period beginning on the date of the immediately preceding test and ending on the date the measuring equipment was adjusted to record accurately; the recordings of the measuring equipment during the first half of said period shall be considered accurate in computing deliveries.

**Preservation of Records.** The complete record of tests of each meter shall be continuous for at least two (2) periodic test periods and shall in no case be less than two (2) years.

**Remote Meter Reading Devices.** Remote meter reading devices are available for installation in those instances where it is difficult to obtain a reading of the Customer's meter. The customer will be billed for the installation of a remote meter device at a rate of \$40.00 per device. This amount may be waived at Company's discretion.

**Standard Delivery Pressure**

Company, in accordance with 807 KAR 5:022, Section 13(14): Standard Pressure adopts seven (7) inches water column as its standard pressure as measured at the outlet of Customer's meter.

When conditions warrant, and Customer and Company mutually agree, certain Customers may receive gas at pressures higher than the standard pressure. In these cases either indices compensated for the delivery pressure or pressure factors corresponding to delivery pressure will be used to adjust volumes of gas billed.

The above paragraphs notwithstanding Company shall assume no liability from any damage or loss resulting from inadequate or interrupted supply or from any pressure variation when such conditions are not due to willful fault or neglect on its part.

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- President

**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS**

(Continued)

**20. FORCE MAJEURE**

Neither Company nor Customer shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts affecting the company or its suppliers of gas, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of the party claiming suspension.

Such causes or contingencies affecting the performance hereunder by either Company or Customer, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payments of amounts then due hereunder in respect of gas theretofore delivered.

**21. RECONNECTION OF SERVICE**

If service is discontinued at the request of any Customer, Company may refuse service to such Customer, at the same premises within eight (8) months, unless it shall first receive payment of ninety nine dollars (\$99, current minimum charge of \$12.35 times 8 months – rounded) for residential customers reconnect fee and two-hundred one dollars and four cents (\$201, current customer charge of \$25.13 times 8 months- rounded) for commercial customers reconnect fee.

Company will charge a reconnect fee of twenty-five dollars (\$25) when service has been disconnected for nonpayment of bills or for violation of Company's Rules and Regulations and Customer has qualified for and requested the service to be reconnected. Customers exempt from the reconnect fee must qualify under the Commission's Winter Hardship Reconnection Rules, as stated:

- A. During the months from November through March, Customer or Customer's agent:
- (1) Presents a certificate of need from the Cabinet for Human Resources, State Department for Social Insurance, including a certification that a referral for weatherization services has been made in accordance with subsection (C) of this section;
  - (2) Pays one-third (1/3) of the outstanding bill or \$200, whichever is less; and

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**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS  
(Continued )**

**25. LATE PAYMENT PENALTY**

A Late Payment Penalty of five percent (5%) may be assessed, only once on any bill for rendered services, if Customer fails to pay bill by the due date shown on Customer's bill. Any payment received will first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges. Customers enrolled in utility bill assistance programs (including those customers who have been issued a Certificate of Need) shall not be charged a late payment charge.

If prior to the due date of payment, Customer in good faith disputes the bill in part or total, and pays to Company such amounts as it concedes to be correct, and at any time thereafter within ten (10) days of a demand made by Company, furnishes a surety bond in an amount and with surety satisfaction to Company, guaranteeing payment to Company of the amount ultimately found due upon such bills after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Company shall not be entitled to suspend further delivery of gas unless and until default be made in the conditions of such bond.

**26. RETURNED CHECK FEE**

If Customer's check tendered in payment of a bill for service is returned by a bank as unpaid, Customer will be charged a fee of fifteen dollars (\$15.00) to cover the cost of further processing of the account.

**27. BILL ADJUSTMENT AND MONITORING OF CUSTOMER USAGE**

**Bill Adjustment.** If upon periodic test, request test, or complaint test a meter in service is found to be more than two (2) percent fast, additional tests shall be made to determine the average error of the meter. Said tests shall be made in accordance with commission regulations applicable to the type of meter involved.

If test results on Customer's meter show an average error greater than two (2) percent fast or slow, or if Customer has been incorrectly billed for any other reason, except in an instance where Company has filed a verified complaint with the appropriate law enforcement agency alleging fraud of theft by Customer, Company shall immediately determine the period during which the error has existed, and shall recompute and adjust Customer's bill to either provide a refund to Customer or collect an additional amount of revenue from the underbilled Customer. Company shall readjust the account based upon the period during which the error is know to have existed. If the period during which the error existed cannot be determined with reasonable precision, the time period shall be estimated using such data as elapsed time since the last meter test, if applicable, and historical usage data for Customer. If that data is not available, the average usage of similar customer loads shall be used for comparison purposes in calculating the time period. If Customer and Company are unable to agree on an estimate of the time period during which the error existed, Commission shall determine the issue. In all instances of Customer overbilling, Customer's account shall be credited or the overbilled amount refunded at the

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**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS  
(Continued)**

**27. BILL ADJUSTMENT AND MONITORING OF CUSTOMER USAGE - (Continued)**

discretion of Customer within thirty (30) days after final meter test results. Company shall not require Customer repayment of any underbilling to be made over a period shorter than a period coextensive with the underbilling.

**Monitoring Usage.** Company shall monitor Customers' usage at least annually. The procedures shall be designed to draw Company's attention to unusual deviations in Customer's usage and shall provide for reasonable means by which Company can determine the reasons for the unusual deviation. If Customer's usage is unduly high and the deviation is not otherwise explained, Company shall test Customer's meter to determine whether the meter shows an average error greater than two (2) percent fast or slow.

If Company's procedure for monitoring usage indicates that an investigation of Customer's usage is necessary, Company shall notify Customer in writing either during or immediately after the investigation of the reasons for the investigation, and of the findings of the investigation. If knowledge of a serious situation requires more expeditious notice, Company shall notify Customer by the most expedient means available.

**Customer Notification.** If a meter is tested and it is found necessary to make a refund or back bill Customer, Customer shall be notified in compliance with 807 KAR 5:006, Section 10 (5).

Customer accounts shall be considered to be current while a dispute is pending pursuant to this section, as long as Customer continues to make payments for the disputed period in accordance with historic usage, or if that data is not available, the average usage of similar customer loads, and stays current on subsequent bills.

**28. BUDGET PLAN**

The Company has a budget payment plan available to Residential and Small Commercial Customers

Monthly budgeted amounts shall be determined by the Company based on an amount equivalent to 1/12 of Customer's estimated annual gas utility bill.

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**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS**  
(Continued)

28. **BUDGET PLAN** - (Continued)

**Twelve Month Equal Payment Plan** - (Continued)

The monthly budgeted amount shall not be construed by Customer as a guaranty of assurance that the total actual charges will not exceed such estimate. Company may, at any time, submit a revised budgeted amount to Customer whenever, in Company's judgment, such revision is deemed advisable during the Company's budget year. (Budgets will be reviewed and recalculated at least twice a year.)

The billing, under this budget plan of payment, is for the convenience of Customer. A Customer may enroll in the plan at any time during the Company's budget year. A Customer applying for the Plan for the first year will be accepted in any month and their payment will be determined by dividing their estimated bill for the remainder of the budget period by the number of months remaining in that budget period. New customers may be automatically enrolled in the budget plan unless they decline to participate. If any existing arrearage is present at the time of application, the first month's budgeted amount shall be paid at the time the Customer's request to participate is granted.

This budget plan will be canceled and the total account balance shall become due, or in the event of a credit balance, such balance shall be refunded, under the following circumstances:

Discontinuance of service at Customer's request;

Discontinuance of this budget plan at the Customer's request; or

If Customer fails to pay bills as rendered under the budget payment plan, Company reserves the right to revoke the plan, restore Customer to regular billing and require immediate payment of any deficiency.

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DATE OF ISSUE: September 14, 2009

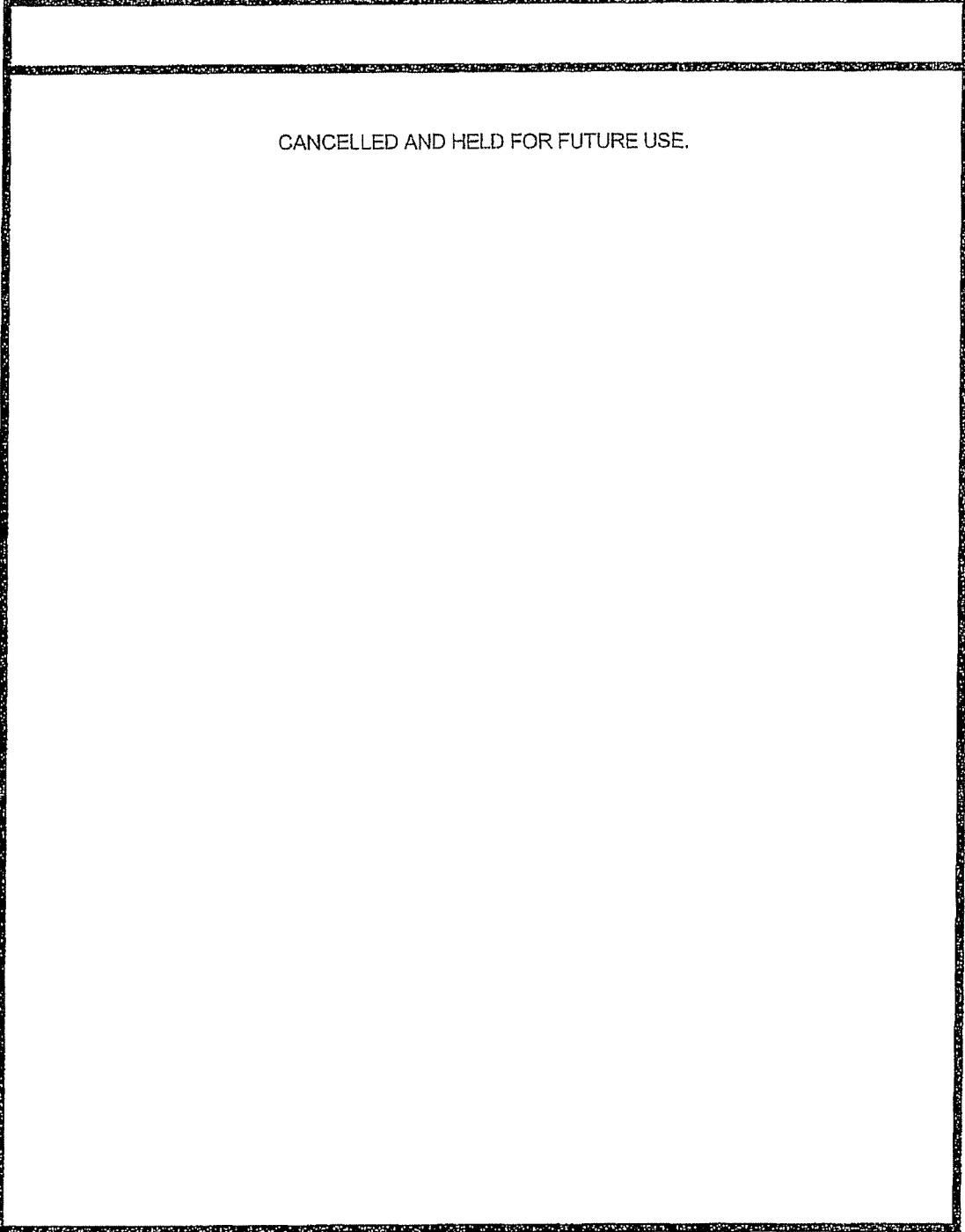
DATE OF EFFECTIVE: October 27, 2009

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First Revised Sheet No. 77  
Superseding  
Original Sheet No. 77  
P.S.C. Ky. No. 5

**COLUMBIA GAS OF KENTUCKY, INC.**



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COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS

(Continued)

33. CUSTOMER BILL FORMAT AND CONTENT



**16 How to Contact Us**  
1-800-422-0415  
For questions about your bill, call us at 1-800-422-0415.  
For billing questions, call us at 1-800-422-0415.  
For questions about your service, call us at 1-800-422-0415.  
For questions about your account, call us at 1-800-422-0415.  
For questions about your safety, call us at 1-800-422-0415.

**Billing Options**  
Extended Payment Plan: Special payment arrangements and energy assistance are available. Call us.

**Payment Options**  
Direct Payment: Pay your bill directly with your bank. Call us.

**4 Gas Meter Information**  
Annual Reading: A customer who has had the meter replaced or repaired must provide an annual reading to the utility company within 30 days of the replacement or repair. Failure to do so may result in a penalty.



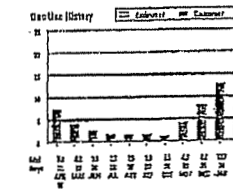
**6 Gas Bill**

**3 Billing & Payment Summary**

Previous Amount Due on 01/23/2009	\$163.74
Payments Received by 03/11/2009	\$111.00
Balance on 04/01/2009	\$52.74
Charge for Gas Service This Period	\$81.49
<b>Amount Due by 04/21/2009</b>	<b>\$134.23</b>

**Service Summary**

Service Location	7419
Meter Number	7419
Annual Reading on 3/1	7419
Use Used (kWh)	23



**14. Daily Consumption**

Month	Any Day Any Day	Max	Min
Jan	227	23	23
Feb	212	23	23
Mar	212	23	23
Apr	212	23	23
May	212	23	23
Jun	212	23	23
Jul	212	23	23
Aug	212	23	23
Sep	212	23	23
Oct	212	23	23
Nov	212	23	23
Dec	212	23	23

**1 Payment Coupon**

Amount Due by 4/21/2009 \$134.23

Payment Enclosed \$

COLUMBIA GAS OF KENTUCKY, INC.  
P.O. Box 2200  
LEXINGTON, KY 40501-2200

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COLUMBIA GAS OF KENTUCKY, INC.

GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS

(Continued)

Columbia Gas  
of Kentucky  
A Meaco Company

Gas Bill  
Residential Service

17  
Page 2 of 2

Account Number  
Estimated Bill  
Customer ID

Legal Notices

Bill Schedule Information: This bill is due on the 15th of the month following the month of service. Payment should be made to Columbia Gas of Kentucky, Attention: Accounts, 7000 Civic Center Dr., Columbia, KY 40301.  
Other Charges: (See separate bill to Columbia Gas of Kentucky, P.O. Box 2011, Columbia, KY 40301-2011)

Safety Tips

Use of Gas: We add a flameless odor to your natural gas to alert you to a leak or abnormal pressure. Always smell as you use gas.  
1. Leave the building immediately, leave the door open as you leave and do not use light switches or phones.  
2. Call your utility company immediately to report a gas leak or odor.  
Call Before You Dig: If you're planning a home improvement or landscaping project, call Kentucky 811 or call 1-800-4-A- Dig before you start to dig. A free Kentucky 811 service is available to help you understand why it's important to call before you dig.  
Employee Identification: All of our employees and service representatives carry identification cards. If you have a question about a company, it is our policy to identify the employee. Call the police if you see a suspicious vehicle.

Detail of Charges for Gas Service

10 - Customer Charge	11.25
11 - Gas Delivery Charge	11.42
11 - Gas Supply Cost @ \$10.12240 per Mcf	253.37
12 - Research & Development Fee	12.37
12 - Fee - Urban Gov. Franchise Fee	22.43
12 - Tax	12.31
AMRP Rider	
Energy Efficiency Conservation Rider	
Energy Assistance Program Surcharge	\$0.29
<b>Total Charges for Service This Period</b>	<b>\$31.49</b>

Service Charge Hearings

The Customer Charge is a service charge that is applied to all bills. It is not a fee for the gas itself. The charge is based on the amount of gas used. The charge is applied to all bills. The charge is applied to all bills. The charge is applied to all bills.

Contact Information Corrections

If the mailing address or phone number are incorrect, please make the necessary corrections on this form.

Address \_\_\_\_\_  
City \_\_\_\_\_  
State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone Number \_\_\_\_\_

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President

**COLUMBIA GAS OF KENTUCKY, INC.**

**GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS  
(Continued)**

**33. CUSTOMER BILL FORMAT AND CONTENT - (Continued)**

**9. Customer Account Number -**

identifies your account on our records. For more efficient service, please use it when you call or write us about your account.

**10. Customer Charge and 11. Gas Delivery Charge -**

covers the costs required to ensure that natural gas service is available to your home or business and physically deliver natural gas to you. The Customer Charge amount will be the same each billing period. The Gas Delivery Charge amount will vary each month according to your gas usage.

**12. Gas Supply Cost -**

The total gas supply cost amount will vary as gas usage varies. If Customer chooses an alternative supplier, the supplier's name will also appear on the Customer's bill.

**13. Due Date & Amount -**

the date payment is due and the amount you should pay.

**14. Gas Used -**

the difference between the meter readings equals the amount of gas you used between the dates, shown in MCF. (1 MCF = 1000 cubic feet of gas.) A consumption history is also provided.

**15. Message Area -**

items of interest and concern may be included in the message area from time to time.

**16. Columbia Gas Information -**

for your convenience in contacting us, this is our address, office hours and phone number.

**17. Back of Bill -**

the back of your bill includes additional information about services, including an explanation and other information for customers.

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COLUMBIA GAS OF KENTUCKY, INC.

P.S.C. Ky. No. 5

GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS

(Continued)

33a. CUSTOMER BILL FORMAT FOR EAP CUSTOMERS



**Gas Bill**  
Residential Service

Account Number  
Statement Date  
Page 1 of 2

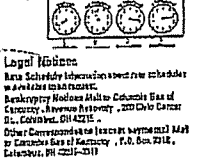
**How to Contact Us**  
1-800-422-2313  
For Customer Self-Service 24 Hours  
For Meter Reading:  
Call 1-800-422-2313  
For Meter Replacement:  
Call 1-800-422-2313  
For Gas Safety:  
Call 1-800-422-2313

**Billing Options**  
Budget Payments  
Cash on Delivery

**Payment Options**  
Check, Money Order, Credit Card

**Gas Meter Information**  
Annual Reading

**Legal Notice**  
This Notice is required by law...



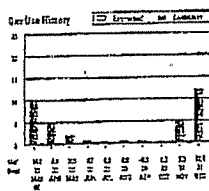
**Billing & Payment Summary**

Customer CHOICE Program	
Payment Received by 02/10/2009	\$45.30
Energy Assistance Pgm Credit	\$133.00
Balance on 02/10/2009	\$133.00
Charges for Gas Service This Period	\$113.52
<b>No Payment Due</b>	<b>\$21.18 C/R</b>

**Billing & Payment Detail**  
Billing Cycle: 09/14/09 - 10/14/09  
Statement Date: 10/14/09  
Account Number: 1234567890

**Service Summary**

Meter Number	1234567890
Annual Reading on 12/31	12345
Annual Reading on 09/14	12345
Gas Used (MCF)	0.00



**Daily Consumption**

Usage	0.00
Rate	\$2.18
Charge	\$0.00

**Payment Coupon**

No Payment Due **\$21.18 C/R**  
No Automatic B/M Payment will be made by your Financial Institution.

Account Number  
1234567890

COLUMBIA GAS  
P.O. BOX 2320  
LEXINGTON KY 40502-2320

105913620010000000000000002423

DATE OF ISSUE: September 14, 2009  
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DATE EFFECTIVE: October 27, 2009  
President



APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2009-00141 DATED OCT 26 2009

The following rates and charges are prescribed for the customers served by Columbia Gas of Kentucky. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

	<u>Base Rate Charge</u>	<u>Gas Cost</u>		<u>Total Billing Rate</u>
		<u>Demand</u>	<u>Commodity</u>	
<u>Rate Schedule GSR</u>				
Customer Charge	\$12.35			\$12.35
Delivery Charge per Mcf	\$1.8715	\$1.2355	\$2.4480	\$5.5550
<u>Rate Schedule GSO</u>				
Customer Charge	\$25.13			\$25.13
Delivery Charge per Mcf				
First 50 Mcf or less	\$1.8715	\$1.2355	\$2.4480	\$5.5550
Next 350 Mcf	\$1.8153	\$1.2355	\$2.4480	\$5.4988
Next 600 Mcf	\$1.7296	\$1.2355	\$2.4480	\$5.4131
Over 1,000 Mcf	\$1.5802	\$1.2355	\$2.4480	\$5.2637
<u>Rate Schedule IS</u>				
Customer Charge	\$583.39			\$583.39
Delivery Charge per Mcf				
First 30,000 Mcf	\$ .5467		\$2.4480	\$2.9947
Over 30,000 Mcf	\$.2905		\$2.4480	\$2.7385
Firm Service Demand Charge				
Demand Charge times Daily Firm Volume (Mcf) in Customer Service Agreement		\$6.5675		\$6.5675
<u>Rate Schedule IUS</u>				
Customer Charge	\$331.50			\$331.50
Delivery Charge per Mcf For All Volumes Delivered	\$.7750	\$1.2355	\$2.4480	\$4.4586

	<u>Base Rate Charge</u>	<u>Gas Cost Demand</u>	<u>Commodity</u>	<u>Total Billing Rate</u>
<u>Rate Schedule SS</u>				
Standby Service Demand Charge				
Demand Charge times Daily Firm Volume (Mcf) in Customer Service Agreement		\$6.5675		\$6.5675
Standby Service Commodity Charge			\$2.4480	\$2.4480

<u>Rate Schedule DS</u>				
Administrative Charge				\$55.90
Customer Charge				\$583.39
Customer Charge (GDS only)				\$25.13
Customer Charge (IUDS only)				\$331.50
Delivery Charge per Mcf				
First 30,000 Mcf	\$.5467			\$.5467
Over 30,000 Mcf	\$.2905			\$.2905
-Grandfathered Delivery Service				
First 50 Mcf or less				\$1.8715
Next 350 Mcf				\$1.8153
Next 600 Mcf				\$1.7296
All Over 1,000 Mcf				\$1.5802
-Intrastate Utility Delivery Service				
All Volumes				\$.7750
Banking and Balancing Service				
Rate per Mcf		\$.0208		\$.0208

<u>Rate Schedule MLDS</u>				
Administrative Charge				\$55.90
Customer Charge				\$200.00
Delivery Charge				\$.0858
Banking and Balancing Service				
Rate per Mcf		\$.0208		\$.0208

<u>Rate Schedule SVGTS</u>				
<u>General Service Residential</u>				
Customer Charge				\$12.35
Delivery Charge per Mcf				\$1.8715

	<u>Base Rate Charge</u>	<u>Gas Cost Demand</u>	<u>Commodity</u>	<u>Total Billing Rate</u>
<u>General Service Other - Commercial or Industrial</u>				
Customer Charge				\$25.13
First 50 Mcf or less				\$1.8715
Next 350 Mcf				\$1.8153
Next 600 Mcf				\$1.7296
Over 1,000 Mcf				\$1.5802
 <u>Intrastate Utility Service</u>				
Customer Charge				\$331.50
Delivery Charge per Mcf				\$.7750
 <u>Actual Gas Cost Adjustment</u>				
For All Volumes			(\$2.7108)	
 <u>Rate Schedule SVAS</u>				
Balancing Charge per Mcf			\$1.0976	

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