



November 9, 2016

Dr. Talina Mathews
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

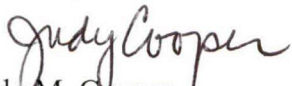
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PUBLIC SERVICE
COMMISSION

Re: Case No. 2015 - 00354

Dear Ms. Mathews:

Pursuant to the Commission's Order of December 21, 2015, Columbia Gas of Kentucky, Inc., submits the attached Statement of Interest Rate.

Sincerely,


Judy M. Cooper
Director, Regulatory Policy

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
The Application of Columbia Gas of) **Case No. 2015-00354**
Kentucky, Inc. for an Order Authorizing the)
Issuance and Sale of Promissory Notes and)
Authorized but Unissued Common Stock)

**STATEMENT OF INTEREST RATE
OF COLUMBIA GAS OF KENTUCKY, INC.**

On October 26, 2015, Columbia Gas of Kentucky, Inc. (“Columbia”) filed an application seeking authority to issue and sell Long Term Promissory Notes (“Notes”) to NiSource Finance Corp. and/or to secure additional equity financing from NiSource Gas Distribution through the issuance and sale of currently authorized and unissued common stock. In its Order dated December 21, 2015, the Commission authorized the issuance of said Notes and the sale of common stock. The Commission directed Columbia to file a statement advising the Commission of the date or dates of issuance of the securities, and the terms of the Notes, including the interest rate.

In compliance with the Commission’s Order, Columbia submits the following information. On September 30, 2016, Columbia issued a Promissory Note in the amount of \$31,000,000 to NiSource Finance Corp. The principal amount of the Note is payable September 30, 2046. The Note bears an interest rate of 3.8425%, payable semi-annually on June 1 and December 1.

WHEREFORE, Columbia requests that the Commission accept this Statement of Interest Rate.

Dated at Columbus, Ohio this 4th day of November, 2016.

Respectfully submitted,

COLUMBIA GAS OF KENTUCKY, INC.

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Assistant General Counsel

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