

January 7, 1971

Mr. W. E. Lehman, President
Lehman-Meade Company, Inc.
615 Citizens Union National Bank Building
Lexington, Kentucky 40507

Dear Mr. Lehman:

Our supplier, the Tennessee Gas Pipeline Company, by virtue of their gas producer's increase, is increasing the selling price of natural gas in the amount of 1.47¢ per mcf. The proposed increase will become effective January 10, 1971. We wish to advise you that this increase in cost of gas to us is being passed on to our customers directly proportional to said increase.

We also plan to apply for permission to pass this increase on to our general service customers in the exact amount. Upon approval from the Kentucky Public Service Commission under the Purchased Gas Adjustment Clause in our tariff, we propose the effective date to be the same as that proposed by our supplier.

Very truly yours,

Thomas M. Derickson
Administrative Vice President

TMD:wra
cc: Mr. Richard Morton