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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of adjustment of rates of Columbia) Case No. 2002-00145
Gas of Kentucky, Inc.)

JOINT STIPULATION AND RECOMMENDATION

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; Lexington-Fayette Urban County Government; the Kentucky Industrial Utility Customers; and the Kentucky Associations for Community Action and the Community Action Council for Lexington-Fayette, Bourbon, Nicholas, and Harrison Counties, Inc. 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 permitted to adjust its rates in order to permit it to recover \$7,800,000 less in annual revenue than it is recovering under its current rates, with such reduced rates to be effective for service rendered on and after March 1, 2003. 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 reduced revenue from its various classes of customers, in the manner agreed to by the parties to this Stipulation and Recommendation.

2. Columbia's proposed tariff revisions should be acted upon as follows:
- (a) The proposed margin loss recovery rider is withdrawn.
 - (b) The proposed merger savings rider is withdrawn, and the parties represent that the merger savings and costs of the merger are included in the \$7.8 million rate reduction specified in paragraph number 1 herein.
 - (c) The former Inland rate schedules on tariff Sheet Nos. 26-29 will be cancelled.
 - (d) The changes proposed to Columbia's service line extension policy on Tariff Sheet No. 62 should be implemented.
 - (e) The changes proposed to Columbia's definition of the term "gas day" on Tariff Sheet No. 100 should be implemented.

- (f) The existing surcharge for the Customer Assistance Program will be replaced by a new Energy Assistance Program surcharge on Tariff Sheet No. 51b as further described in paragraph number 3 below.
- (g) A new tariff provision should be added as Tariff Sheet No. 51c to provide for funding of the Gas Technology Institute as further described in paragraph number 4 below.

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

3. Columbia will withdraw the proposed funding mechanism for the Energy Assistance Program ("EAP"), but will retain the proposed EAP to be funded instead by a surcharge with a true-up for actual cost recovery and by a contribution from Columbia. Details of the EAP program will be determined collaboratively with the parties to this proceeding, but the program will be designed to assist 850 customers annually with a total budget not to exceed \$675,000 annually. The EAP will operate as a continuation of the current Customer Assistance Program ("CAP") until the EAP program details are agreed upon by the parties, or October 1, 2003, whichever occurs first. The EAP surcharge will be effective with bills rendered in Columbia's second billing cycle following the Commission's Order approving this Stipulation and Recommendation. The initial EAP surcharge will be calculated as the existing CAP surcharge, plus the true-up of CAP costs for the year 2001-2002. The CAP surcharge will expire at the time of the initial EAP surcharge. Subsequent EAP surcharge calculations shall be made annually to generate \$500,000 for the program budget plus a true-up for the prior year. The Columbia contribution shall not exceed \$175,000 annually.

4. Columbia will fund the Gas Technology Institute at \$300,000 per year by means of line item accounting which shall include a true up to prevent over or under recovery. The annual

expenditure will be recovered from all distribution service customers except those served under the Alternate Fuel Displacement Service rate schedule or the flex rate provisions of the Delivery Service rate schedule.

5. Columbia will implement new depreciation rates using the average service life procedure and the remaining life basis. The parties do not agree as to the procedures, methods, techniques or parameters underlying these rates, but in the interests of settlement, stipulate the depreciation rates set forth in Attachment B hereto.

6. To deal with the treatment of other post-retirement employee benefits ("OPEB"), the Prepared Direct Testimony of Columbia witness Gore is accepted, with the following modifications: (a) Columbia will continue to amortize the OPEB transition obligation pursuant to the Commission's Order approving the stipulation in Columbia's last rate case, Commission Case No. 94-179; and, (b) Columbia will reclassify the entire \$1,966,111 OPEB gain to a regulatory asset and amortize the gain over the remaining portion of the original transition period.

7. Columbia withdraws its proposal to fund, and to implement at this time, the Automated Meter Reading Program. Columbia will, however, continue to consider implementation of an automated meter reading program as part of its normal review of budgets and capital expenditures.

8. The parties agree that Columbia should no longer be required to make the post-merger filings required by the Commission's Order in Case No. 2000-129 to the extent that such filings are duplicated by SEC filings, as set forth in the filing that Columbia made on January 30, 2001 in Case No. 2000-129.

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

10. Each party hereto waives all cross-examination of the witnesses of the other parties hereto 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.

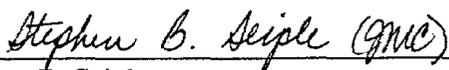
11. This Stipulation and Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving Columbia or any other utility.

12. 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.

13. If this Stipulation and Recommendation is not adopted in its entirety, each party reserves the right to withdraw from it and require that hearings go forward upon any or all matters involved herein, and that 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, the Commission, or its Staff in any such hearing.

14. 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.

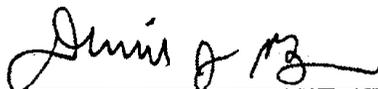
AGREED, this 30th day of September, 2002.



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

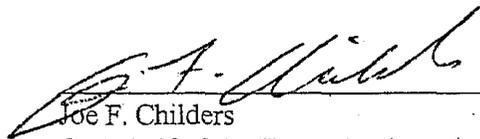


Elizabeth E. Blackford
On behalf of the Attorney General of the Commonwealth of Kentucky



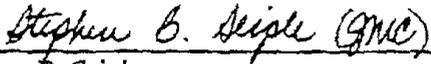
David J. Barberie
On behalf of the Lexington-Fayette Urban County Government

David F. Boehm
On behalf of the Kentucky Industrial Utility Customers



Joe F. Childers
On behalf of the Kentucky Associations for Community Action and the Community Action Council
for Lexington-Fayette, Bourbon, Nicholas, and Harrison Counties, Inc.

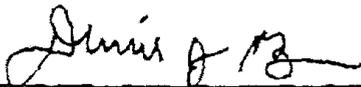
AGREED, this 30th day of September, 2002.



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

Elizabeth E. Blackford

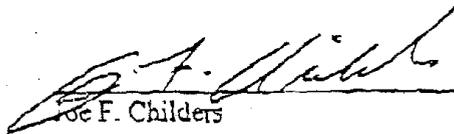
On behalf of the Attorney General of the Commonwealth of Kentucky



David I. Barberie
On behalf of the Lexington-Fayette Urban County Government



David F. Boehm
On behalf of the Kentucky Industrial Utility Customers



Joe F. Childers
On behalf of the Kentucky Associations for Community Action and the Community Action Council
for Lexington-Fayette, Bourbon, Nicholas, and Harrison Counties, Inc.

ATTACHMENT A

TARIFFS

COLUMBIA GAS OF KENTUCKY, INC.

CURRENTLY EFFECTIVE BILLING RATES

| | <u>Base Rate Charge</u> \$ | <u>Gas Cost Adjustment^{1/} Demand</u> \$ | <u>Commodity</u> \$ | <u>Total Billing Rate</u> \$ |
|--|-----------------------------------|--|------------------------|---|
| <u>RATE SCHEDULE GSR</u> | | | | |
| First 1 Mcf or less per Mo. | 6.95 | 1.7923 | 2.9893 | 11.7316 |
| Over 1 Mcf per Mo. | 1.8715 | 1.7923 | 2.9893 | 6.6531 |
| <u>RATE SCHEDULE GSO</u> | | | | |
| <u>Commercial or Industrial</u> | | | | |
| First 1 Mcf or less per Mo. | 18.88 | 1.7923 | 2.9893 | 23.6616 |
| Next 49 Mcf per Mo. | 1.8715 | 1.7923 | 2.9893 | 6.6531 |
| Next 350 Mcf per Mo. | 1.8153 | 1.7923 | 2.9893 | 6.5969 |
| Next 600 Mcf per Mo. | 1.7296 | 1.7923 | 2.9893 | 6.5112 |
| Over 1000 Mcf per Mo. | 1.5802 | 1.7923 | 2.9893 | 6.3518 |
| <u>Delivery Service</u> | | | | |
| Administrative Charge | 55.90 | | | 55.90 |
| <u>Standby Service Demand Charge</u> | | | | |
| Demand Charge times Daily Firm Vol. (Mcf) in Cust. Serv. Agrmt. | | 8.6481 | | 8.6481 |
| <u>Delivery Rate Per Mcf</u> | | | | |
| First 400 Mcf per Mo. | 1.8153 | | | 1.8153 |
| Next 600 Mcf per Mo. | 1.7296 | | | 1.7296 |
| All Over 1000 Mcf per Mo. | 1.5802 | | | 1.5802 |
| Former IN8 Rate Per Mcf | 1.0575 | | | 1.0575 |
| Banking and Balancing Service | | 0.0211 | | 0.0211 |

(continued on following sheet)

^{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.

DATE OF ISSUE:

DATE EFFECTIVE: March 1, 2003

Issued by: J. W. Kelly

Executive Vice President and Chief Operating Officer

COLUMBIA GAS OF KENTUCKY, INC.

CURRENTLY EFFECTIVE BILLING RATES

(Continued)

| | <u>Base Rate Charge</u> \$ | <u>Gas Cost Adjustment^{1/} Demand</u> \$ | <u>Commodity</u> \$ | <u>Total Billing Rate</u> \$ |
|--|-----------------------------------|--|------------------------|---|
| <u>RATE SCHEDULE GPR^{3/}</u> | | | | |
| First 1 Mcf or less per Mo. | 6.95 | N/A | N/A | N/A |
| Over 1 Mcf per Mo. | 1.8715 | N/A | N/A | N/A |
| <u>RATE SCHEDULE GPO^{3/}</u> | | | | |
| <u>Commercial or Industrial</u> | | | | |
| First 1 Mcf or less per Mo. | 18.88 | N/A | N/A | N/A |
| Next 49 Mcf per Mo. | 1.8715 | N/A | N/A | N/A |
| Next 350 Mcf per Mo. | 1.8153 | N/A | N/A | N/A |
| Next 600 Mcf per Mo. | 1.7296 | N/A | N/A | N/A |
| Over 1000 Mcf per Mo. | 1.5802 | N/A | N/A | N/A |
| <u>RATE SCHEDULE IS</u> | | | | |
| <u>Customer Charge per Mo.</u> | 116.55 | | | 116.55 |
| First 30,000 Mcf | 0.5467 | | 2.9893 ^{2/} | 3.5360 |
| Over 30,000 Mcf | 0.2905 | | 2.9893 ^{2/} | 3.2798 |
| <u>Standby Service Demand Charge</u> | | | | |
| Demand Charge times Daily Firm Volume (Mcf) in Customer Service Agreement | | 8.6481 | | 8.6481 |
| <u>Delivery Service¹</u> | | | | |
| Administrative Charge | 55.90 | | | 55.90 |
| First 30,000 Mcf | 0.5467 | | | 0.5467 |
| Over 30,000 Mcf | 0.2905 | | | 0.2905 |
| Banking and Balancing Service | | 0.0211 | | 0.0211 |

(continued on following sheet)

- 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.
- 2/ IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.
- 3/ Currently, there are no customers on this rate schedule.

DATE OF ISSUE:

DATE EFFECTIVE: March 1, 2003

Issued by: J. W. Kelly

Executive Vice President and Chief Operating Officer

COLUMBIA GAS OF KENTUCKY, INC.

CURRENTLY EFFECTIVE BILLING RATES

RATE SCHEDULE SVGTS

Delivery Charge per Mcf

General Service Residential

| | |
|-------------------------------|------------------------|
| First 1 Mcf or less per month | \$ 6.95 (Minimum Bill) |
| Over 1 Mcf per month | 1.8715 |

General Service Other

| | |
|-------------------------------|------------------------|
| First 1 Mcf or less per month | \$18.88 (Minimum Bill) |
| Next 49 Mcf per month | 1.8715 |
| Next 350 Mcf per month | 1.8153 |
| Next 600 Mcf per month | 1.7296 |
| Over 1000 Mcf per month | 1.5802 |

Intrastate Utility Service

| | |
|---------------------------|-----------|
| For all volumes per month | \$ 0.3038 |
|---------------------------|-----------|

Actual Gas Cost Adjustment

| | |
|---------------------------|-----------|
| For all volumes per month | \$ 0.2553 |
|---------------------------|-----------|

DATE OF ISSUE:

DATE EFFECTIVE: March 1, 2003

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Executive Vice President and Chief Operating Officer

COLUMBIA GAS OF KENTUCKY, INC.

**GENERAL SERVICE (GS) AND GENERAL PROPANE SERVICE (GPS)
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 service.

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

BASE RATES

Residential

| | | |
|-------|-----------------------|---------------------|
| First | 1 Mcf or less per Mo. | @ \$6.95 |
| Over | 1 Mcf per Mo. | @ \$ 1.8715 per Mcf |

Commercial or Industrial

| | | |
|-------|-----------------------|---------------------|
| First | 1 Mcf or less per Mo. | @ \$ 18.88 |
| Next | 49 Mcf per Mo. | @ \$ 1.8715 per Mcf |
| Next | 350 Mcf per Mo. | @ \$ 1.8153 per Mcf |
| Next | 600 Mcf per Mo. | @ \$ 1.7296 per Mcf |
| Over | 1000 Mcf per Mo. | @ \$ 1.5802 per Mcf |

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be:

| | |
|--------------------------|----------|
| Residential | \$ 6.95 |
| Commercial or Industrial | \$ 18.88 |

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.

RIDER FOR NATURAL GAS RESEARCH & DEVELOPMENT

Volumes delivered to customers under this rate schedule are subject to a Rider for Natural Gas Research and Development as stated on Sheet No. 51c.

DATE OF ISSUE:

DATE EFFECTIVE: March 1, 2003

Issued by: J. W. Kelly

Executive Vice President and Chief Operating Officer

COLUMBIA GAS OF KENTUCKY, INC.

GENERAL SERVICE (GS) AND GENERAL PROPANE SERVICE (GPS)

RATE SCHEDULES

(Continued)

WEATHER NORMALIZATION ADJUSTMENT

Gas sold to Residential and Commercial Customers under this rate schedule is subject to a Weather Normalization Adjustment as stated on currently effective Sheet No. 51a of this tariff which is hereby incorporated into this rate schedule.

ENERGY ASSISTANCE PROGRAM SURCHARGE

Gas sold to Residential Customers under this rate schedule and rates prescribed herein is subject to a Energy Assistance Program Surcharge as stated on currently effective Sheet No. 51b of this tariff which is hereby incorporated into this rate schedule.

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.

DATE OF ISSUE:

Issued by: J. W. Kelly

DATE EFFECTIVE:

Executive Vice President and Chief Operating Officer

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

\$116.55 per delivery point per month.

Commodity Charge

First 30,000 Mcf @ \$ 0.5467 per Mcf
Over 30,000 Mcf @ \$ 0.2905 per Mcf

MINIMUM MONTHLY CHARGE

The minimum monthly charge each billing month for gas delivered or the right of the Customer to receive same shall be the sum of the Customer Charge of \$116.55, plus the Customer Demand Charge as contracted for under the Standby Service Rate Schedule (Daily Firm Volume as specified in the Customer's service agreement multiplied by the demand rate (See Sheet No. 6)).

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 monthly 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 Monthly 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 month. Provided, however, that in cases of Customer's force majeure, the Minimum Monthly Charge shall not be reduced to less than the Customer Charge.

RIDER FOR NATURAL GAS RESEARCH & DEVELOPMENT

Volumes delivered to customers under this rate schedule are subject to a Rider for Natural Gas Research and Development as stated on Sheet No. 51c.

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

DATE OF ISSUE:

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Executive Vice President and Chief Operating Officer

COLUMBIA GAS OF KENTUCKY, INC.

**INTRASTATE UTILITY SERVICE (IUS)
RATE SCHEDULE**

APPLICABILITY

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

AVAILABILITY OF SERVICE

Available for service to intrastate utilities purchasing gas for resale for consumption solely within the Commonwealth of Kentucky when:

- (1) Company's existing facilities have sufficient capacity and gas supply to provide the quantities of gas requested by said Customer, and
- (2) Customer has executed a Sales Agreement with Company specifying a Maximum Daily Volume.

CHARACTER OF SERVICE

Gas delivered by Company to Customer under this rate schedule shall be firm and shall not be subject to curtailment or interruption, except as provided in Section 32 of the General Terms, Conditions, Rules and Regulations.

BASE RATE

For all gas delivered each month \$0.3038 per Mcf.

MINIMUM MONTHLY CHARGE

The Maximum Daily Volume specified in the Sales Agreement multiplied by \$0.3038 per Mcf, plus applicable gas cost.

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, which are hereby incorporated into this rate schedule.

The charges set forth herein, exclusive of those pertaining to the Customer Charge, shall be subject to a Gas Cost Adjustment as shown on Sheet No. 7 of this tariff.

RIDER FOR NATURAL GAS RESEARCH & DEVELOPMENT

Volumes delivered to customers under this rate schedule are subject to a Rider for Natural Gas Research and Development as stated on Sheet No. 51c.

DATE OF ISSUE:

DATE EFFECTIVE: March 1, 2003

Issued by: J. W. Kelly

Executive Vice President and Chief Operating Officer

COLUMBIA GAS OF KENTUCKY, INC.

**ORIGINAL SHEET NOS. 26 THROUGH 29 HAVE BEEN CANCELLED
AND RESERVED FOR FUTURE USE.**

DATE OF ISSUE:

DATE EFFECTIVE: March 1, 2003

Issued by: J. W. Kelly

Executive Vice President and Chief Operating Officer

COLUMBIA GAS OF KENTUCKY, INC.

**SMALL VOLUME GAS TRANSPORTATION SERVICE
(SVGTS)
RATE SCHEDULE (Continued)**

CHARACTER OF SERVICE

Service provided under this schedule shall be considered firm service.

DELIVERY CHARGE

The Delivery Charge shall be the Base Rate Charge for the applicable Rate Schedule as set forth below:

General Service Residential

| | |
|-------------------------------|-----------------------|
| First 1 Mcf or less per month | \$6.95 (Minimum Bill) |
| All over 1 Mcf per month | 1.8715 per Mcf |

General Service Other

| | |
|-------------------------------|------------------------|
| First 1 Mcf or less per month | \$18.88 (Minimum Bill) |
| Next 49 Mcf per month | 1.8715 per Mcf |
| Next 350 Mcf per month | 1.8153 per Mcf |
| Next 600 Mcf per month | 1.7296 per Mcf |
| Over 1,000 Mcf per month | 1.5802 per Mcf |

Intrastate Utility Service

| | |
|---------------------------|------------------|
| For all volumes per month | \$0.3038 per Mcf |
|---------------------------|------------------|

WEATHER NORMALIZATION ADJUSTMENT

Volumes delivered to Residential and Commercial customers under this rate schedule are subject to a Weather Normalization Adjustment as stated on Sheet No. 51a.

CUSTOMER ASSISTANCE PROGRAM SURCHARGE

Volumes delivered to Residential customers under this rate schedule are subject to a Customer Assistance Program Surcharge as stated on Sheet No. 51b.

RIDER FOR NATURAL GAS RESEARCH & DEVELOPMENT

Volumes delivered to customers under this rate schedule are subject to a Rider for Natural Gas Research and Development as stated on Sheet No. 51c.

DATE OF ISSUE:
Issued by: Joseph W. Kelly

DATE EFFECTIVE: March 1, 2003
Executive Vice President and Chief Operating Officer

COLUMBIA GAS OF KENTUCKY, INC.

**DELIVERY SERVICE (DS)
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 contract with Company for Delivery Service, and
- (2) Customer has normal annual requirements of not less than 25,000 Mcf at any delivery point, and
- (3) Customer currently is a sales Customer under the GS, IS or IUS Rate Schedule.

Customers Grandfathered

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.

BASE RATE

| | |
|-----------------------------|--|
| General Service: | |
| First 400 Mcf | \$1.8153 per Mcf for all gas delivered each billing month. |
| Next 600 Mcf | \$1.7296 per Mcf for all gas delivered each billing month. |
| Over 1,000 Mcf | \$1.5802 per Mcf for all gas delivered each billing month. |
| Interruptible Service: | |
| 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. |
| Intrastate Utility Service: | \$0.3038 per Mcf for all gas delivered each billing month. |
| Former IN8: | \$1.0575 per Mcf for all gas delivered each billing month. |

ADMINISTRATIVE CHARGE

The monthly administrative charge shall be \$55.90.

GAS COST ADJUSTMENT

Recovery of Direct Bill Take-or-Pay

Delivery service Customers shall be subject to a Gas Cost Adjustment as shown on Sheet Nos. 5 and 6.

RIDER FOR NATURAL GAS RESEARCH & DEVELOPMENT

Volumes delivered to customers under this rate schedule are subject to a Rider for Natural Gas Research and Development as stated on Sheet No. 51c.

DATE OF ISSUE:

DATE EFFECTIVE: March 1, 2003

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Executive Vice President and Chief Operating Officer

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 contract with Company for delivery service, 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) Customer currently is a sales Customer under the GS or IS Rate Schedule.

RATE

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

ADMINISTRATIVE CHARGE

The monthly administrative charge shall be \$55.90.

GAS COST ADJUSTMENT

Banking and Balancing Service

The rate for the Banking and Balancing Service is set forth on Sheet No. 7. 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, Volume Bank, for the terms and conditions of the Balancing and Banking Service.

RIDER FOR NATURAL GAS RESEARCH & DEVELOPMENT

Volumes delivered to customers under this rate schedule are subject to a Rider for Natural Gas Research and Development as stated on Sheet No. 51c.

NOMINATION AND SCHEDULING OF TRANSPORTATION DELIVERIES

All transportation deliveries must be nominated and scheduled through the Company's electronic nomination system. Any customer that transports gas under this schedule may elect to have its marketer or broker make the required nominations, or the customer may elect to connect to the Company's electronic nomination system to make monthly and daily nominations of transportation gas. If the customer transporting under this rate schedule elects to nominate and schedule transportation deliveries directly with the Company rather than through the customer's marketer or broker, the customer will pay a fee of \$50 per month, plus a charge of 12¢ per minute for online time while connected to the electric nomination system.

DATE OF ISSUE:

DATE EFFECTIVE: March 1, 2003

Issued by: J. W. Kelly

Executive Vice President and Chief Operating Officer

COLUMBIA GAS OF KENTUCKY, INC.

**ENERGY ASSISTANCE PROGRAM RIDER
APPLICABLE TO GSR RATE SCHEDULE**

Energy Assistance Program

The Energy Assistance Program provides a bill credit to enrolled customers during the five heating season months of November through March. It is available to eligible residential customers in Company's service territory subject to enrollment by the Program Administrator. The surcharge is applicable to all residential customers under the General Service and Small Volume Gas Transportation Service Rate Schedules.

Rate:

The surcharge shall be \$0.xxxx per Mcf.

DATE OF ISSUE

DATE EFFECTIVE:

Issued by: J. W. Kelly

Executive Vice President and Chief Operating Officer

Rider for Natural Gas Research & Development

Applicable

Applicable to Rate Schedules GS, IS, SS, IUS, SVGTS, MLDS, and DS except customers served under the Flex Provision.

Purpose

The purpose of this rider is to replace funding of natural gas research and development that previously was included in purchased gas cost pursuant to the authority of the Federal Energy Regulatory Commission. The rider will be calculated annually to produce \$300,000 annually to fund natural gas research and development.

Unit Charge

The Unit Charge shall be \$0.0078 per Mcf. This amount will be recalculated annually and will include a true-up for the prior year.

Remittance of Funds

Funds collected up to the amount of \$300,000 per annum under this rider will be remitted to the Gas Technology Institute on an annual basis. The amounts so remitted shall be reported to the Commission along with a statement setting forth the manner in which the remitted funds have been invested in research and development.

Termination of Rider

Participation in the Natural Gas Research and Development funding program is voluntary on the part of the Company. This rider may be terminated at any time by the Company on filing a notice of rescission with the Commission.

DATE OF ISSUE

DATE EFFECTIVE: March 1, 2003

Issued by: J. W. Kelly

Executive Vice President and Chief Operating Officer

COLUMBIA GAS OF KENTUCKY, INC.

GENERAL TERMS, CONDITIONS, RULES AND REGULATIONS
(Continued)

10. EXTENSION OF DISTRIBUTION MAIN - (Continued)

to the distribution main extension who will utilize gas for base load purposes and as the major source of energy. The classification of Customer shall be determined by Company at the time Customer is connected to the distribution main extension. No refunds shall be paid after the expiration of ten (10) years from the date of the agreement.

Where a distribution main extension of more than one hundred (100) feet is requested for commercial or industrial purposes and all or part of such distribution main extension is not deemed economically justified at Company's expense, based on a cost-benefit study, Company shall require the applicant or applicants to provide a contribution in aid of construction and/or enter into a line extension agreement and contribute or deposit with Company the estimated cost of that portion of the distribution main extension which is not deemed economically justified at Company's expense, based on such study. The line extension agreement deposit will be refunded annually, based upon the incremental volumes, if any, sold directly from the distribution main extension which are over and above those volumes used to determine the portion of the distribution main extension to be done at Company's expense. The refund shall be determined by multiplying such incremental volumes by the applicable base rates. No refunds shall be paid after the expiration of ten (10) years from the date of the agreement.

In no case shall the total of refunds exceed the amount deposited for the distribution main extension. Deposits will not draw interest. All distribution main extensions shall be the property of Company.

Where a distribution main extension is deemed economically justified at Company's expense, based upon a cost-benefit study, no deposit shall be required.

11. EXTENSION OF SERVICE LINES

When Company initiates service to a new Residential or Commercial Customer, Company will install, own, operate and maintain the service line at the premises of Residential and Commercial Customers, if such premises are not connected to a Company main by a service line.

With respect to Residential and Commercial Customers that occupy premises already connected to a Company main by a service line, Company shall be responsible for operating and maintaining the Customer Service Line, and when Company determines that replacement of such Customer Service Lines is necessary, Company shall be responsible for installing the service line, and shall thereafter own the service line. If it becomes necessary for Company to replace a service line, Company shall use its best efforts to replace the line, during normal working hours and as soon as practical, after Company is made aware of the need for the replacement of the service line.

When the length of the service line required between the property line and the meter is 100 feet or less, and the customer has agreed to use natural gas as its major source of energy, Company will assess no charge for the service line installation. If the customer is not using natural gas as its major energy source, customer will be required to contribute a portion of the cost of the service line in the form of a contribution in aid of construction. This amount will vary depending upon the installed appliances but will not exceed the Company's annual average cost of a service line.

When the length of required service line exceeds the 100 feet, Company may require Customer to contribute toward the cost of the service line installation an amount equal to the estimated cost per foot for each lineal foot of service line beyond the 100 feet. Contributions by

DATE OF ISSUE

DATE EFFECTIVE: November 1, 2002

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Executive Vice President and Chief Operating Officer

COLUMBIA GAS OF KENTUCKY, INC.

GLOSSARY

Company is "Columbia Gas of Kentucky, Inc.," the entity who owns, controls, operates and manages facilities used in connection with the distribution or transportation of natural gas service.

Company's Billing Cycle means the Company's accounting revenue month.

Customer is any person, firm, corporation or body politic applying for or receiving service from the Company.

Customer's Billing Cycle means the monthly period that occurs between monthly meter readings taken by Company for billing purposes at Customer's facilities.

Customer's Facilities means the Customer's property, factories, and buildings where natural gas is being consumed.

Customer's Maximum Daily Requirement means Customer's maximum estimated usage during any 24-hour period as determined by Company.

Daily Firm Volume is the portion of a Customer's Maximum Daily Volume requirements that Customer has chosen to purchase under a published rate schedule from Company which will make gas available at all times except when interruption is necessary due to Force Majeure conditions or where service to Human Needs Customers is threatened.

Day is a period of twenty-four (24) consecutive hours, beginning at 10:00 a.m.

Dekatherm or Dth means one million British thermal units (Btu's).

Firm Sales Volumes means the portion of a Customer's requirements that Customer has chosen to purchase gas under a published sales rate schedule from Company on a firm regular basis.

Human Needs refers to residential Customers and all Customers whose facilities are used for residential dwellings on either a permanent or temporary basis (such as, but not limited to, apartment buildings, correctional institutions, hospitals, nursing homes, hotels and motels).

Industrial Customer is a customer using gas primarily in a process which either involves the extraction of raw materials from the earth, or a change of raw or unfinished materials into another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, extraction, drying, distilling, etc.

DATE OF ISSUE:

DATE EFFECTIVE: November 1, 2002

Issued by: J. W. Kelly

Executive Vice President and Chief Operating Officer

ATTACHMENT B

DEPRECIATION RATES

COLUMBIA GAS OF KENTUCKY, INC.

STIPULATED ANNUAL DEPRECIATION ACCRUAL RATES RELATED TO GAS PLANT
AT DECEMBER 31, 2001
(AVERAGE SERVICE LIFE AND GENERAL PLANT AMORTIZATION)

| | <u>Depreciable Group</u> (1) | <u>Stipulated Annual Accrual Rate</u> (2) |
|--------------------|-------------------------------------|--|
| DEPRECIABLE PLANT | | |
| DISTRIBUTION PLANT | | |
| | Land and Land Rights | |
| 374.4 | Land Rights | 1.53 |
| 374.5 | Rights-of-Way | 1.22 |
| | <i>Total Account 374</i> | 1.29 |
| | Structures and Improvements | |
| 375.34 | Measuring and Regulating | 1.96 |
| 375.7 | Other Distribution System | |
| | Distribution System Structures | 1.99 |
| | Other Buildings | 3.03 |
| | <i>Total Account 375.70</i> | 2.00 |
| 375.7 | Other Structures - Leased | 12.75 |
| 375.8 | Communication Structures | 5.32 |
| | <i>Total Account 375</i> | 2.10 |
| 376 | Mains | 1.57 |
| 378 | Meas and Reg Equipment - General | 2.35 |
| 379.1 | Meas and Reg Equipment - City Gate | 2.27 |
| 380 | Services | 2.59 |
| 381 | Meters | 2.59 |
| 382 | Meter Installations | 2.30 |
| 383 | House Regulators | 1.39 |
| 384 | House Regulator Installations | 1.10 |
| 385 | Industrial Meas and Reg Equipment | 2.09 |
| | Other Equipment | |
| 387.2 | Odorization | 4.22 |
| 387.4 | Customer Information Services | 2.34 |
| | <i>Total Account 387</i> | 2.53 |
| | <i>Total Distribution Plant</i> | 1.99 |
| GENERAL PLANT | | |
| | Office Furniture and Equipment | |
| 391.1 | Furniture | 7.29 |
| 391.11 | Equipment | 19.81 |
| 391.12 | Information Systems | 20.25 |
| | <i>Total Account 391</i> | 10.35 |
| 392.2 | Transportation Equipment - Trailers | 6.34 |
| 393 | Stores Equipment | - |
| | Tools, Shop and Garage Equipment | |
| 394 | Equipment | 3.79 |
| 394.11 | CNG Facilities | 13.77 |
| | <i>Total Account 394</i> | 7.13 |
| 395 | Laboratory Equipment | 4.87 |
| 396 | Power Operated Equipment | - |
| 398 | Miscellaneous Equipment | 7.36 |
| | <i>Total General Plant</i> | 7.55 |
| | Total Depreciable Plant | 2.12 |

ATTACHMENT C
PROOF OF REVENUE

Columbia Gas of Kentucky
Case No. 2002-00145
Revenue Proof

| Rate Code | Class Description | Number of Bills | Volumes (Mcf) | Present Rates | Proposed Rates | Present Revenue | Proposed Revenue |
|-----------------------------|--|-----------------|---------------|---------------|----------------|-----------------|------------------|
| <u>Sales Service</u> | | | | | | | |
| AP | Residential Customer Assistance Program | | | | | | |
| | First 1 Mcf | 0 | | \$8.10 | \$6.95 | \$0 | \$0 |
| | Over 1 Mcf | | 0.0 | \$2.1800 | \$1.8715 | \$0 | \$0 |
| 5R | General Service - Residential | | | | | | |
| | First 1 Mcf | 1,127,434 | | \$8.10 | \$6.95 | \$9,132,215 | \$7,835,666 |
| | Over 1 Mcf | | 7,397,219.5 | \$2.1800 | \$1.8715 | \$16,125,939 | \$13,843,896 |
| 1C | LG&E Commercial | | | | | | |
| | Customer Charge: | 94 | | \$16.50 | \$16.50 | \$1,551 | \$1,551 |
| | All Gas Consumed | | 9,578.2 | \$0.8213 | \$0.8213 | \$7,867 | \$7,867 |
| 1R | LG&E Residential | | | | | | |
| | Customer Charge: | 696 | | \$7.00 | \$7.00 | \$4,872 | \$4,872 |
| | All Gas Consumed | | 9,047.6 | \$0.8213 | \$0.8213 | \$7,431 | \$7,431 |
| 13 | Inland Gas General Service - Residential | | | | | | |
| | Customer Charge: | 118 | | \$0.00 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 1,754.9 | \$0.4000 | \$0.4000 | \$702 | \$702 |
| 13 | Inland Gas General Service - Commercial | | | | | | |
| | Customer Charge: | 11 | | \$0.00 | \$0.0000 | \$0 | \$0 |
| | All Gas Consumed | | 76.4 | \$0.4000 | \$0.4000 | \$31 | \$31 |
| 14 | Inland Gas General Service - Residential | | | | | | |
| | Customer Charge: | 12 | | \$0.00 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 102.5 | \$0.5500 | \$0.5500 | \$56 | \$56 |
| 15 | Inland Gas General Service - Residential | | | | | | |
| | Customer Charge: | 60 | | \$0.00 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 526.3 | \$0.6000 | \$0.6000 | \$316 | \$316 |
| G2 | LG&E Residential | | | | | | |
| | Customer Charge: | 12 | | \$0.00 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 639.6 | \$0.3500 | \$0.3500 | \$224 | \$224 |
| G2 | LG&E Commercial | | | | | | |
| | Customer Charge: | 12 | | \$0.00 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 863.5 | \$0.3500 | \$0.3500 | \$302 | \$302 |
| G3 | LG&E Residential | | | | | | |
| | Customer Charge: | 12 | | \$1.20 | \$1.20 | \$14 | \$14 |
| | First 2 Mcf | | 20.9 | \$0.6000 | \$0.6000 | \$13 | \$13 |
| | Over 2 Mcf | | 547.8 | \$0.3500 | \$0.3500 | \$192 | \$192 |
| G4 | LG&E Residential | | | | | | |
| | Customer Charge: | 12 | | \$0.00 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 311.0 | \$0.4000 | \$0.4000 | \$124 | \$124 |
| 3SO | General Service - Commercial | | | | | | |
| | First 1 Mcf | | 123,991.0 | \$22.00 | \$18.88 | \$2,727,802 | \$2,340,950 |
| | Next 49 Mcf | | 1,305,581.5 | \$2.1800 | \$1.8715 | \$2,846,168 | \$2,443,396 |
| | Next 350 Mcf | | 1,505,869.2 | \$2.1149 | \$1.8153 | \$3,184,763 | \$2,733,604 |
| | Next 600 Mcf | | 477,385.9 | \$2.0149 | \$1.7296 | \$961,885 | \$825,687 |
| | Over 1,000 Mcf | | 452,184.3 | \$1.8409 | \$1.5802 | \$832,426 | \$714,542 |
| 3SO | General Service - Industrial | | | | | | |
| | First 1 Mcf | | 424.0 | \$22.00 | \$18.88 | \$9,328 | \$8,005 |
| | Next 49 Mcf | | 12,314.4 | \$2.1800 | \$1.8715 | \$26,845 | \$23,046 |
| | Next 350 Mcf | | 55,351.3 | \$2.1149 | \$1.8153 | \$117,062 | \$100,479 |
| | Next 600 Mcf | | 29,733.8 | \$2.0149 | \$1.7296 | \$59,911 | \$51,428 |
| | Over 1,000 Mcf | | 39,650.3 | \$1.8409 | \$1.5802 | \$72,992 | \$62,655 |
| GST | General Service-Trans Fallback-Comm | | | | | | |
| | First 1 Mcf | | 276.0 | \$22.00 | \$18.88 | \$6,072 | \$5,211 |
| | Next 49 Mcf | | 1,977.5 | \$2.1800 | \$1.8715 | \$4,311 | \$3,701 |
| | Next 350 Mcf | | 9,700.5 | \$2.1149 | \$1.8153 | \$20,516 | \$17,609 |
| | Next 600 Mcf | | 10,120.8 | \$2.0149 | \$1.7296 | \$20,392 | \$17,505 |
| | Over 1,000 Mcf | | 18,107.6 | \$1.8409 | \$1.5802 | \$33,334 | \$28,614 |
| GST | General Service - Trans Fallback - Ind | | | | | | |
| | First 1 Mcf | | 204.0 | \$22.00 | \$18.88 | \$4,488 | \$3,852 |
| | Next 49 Mcf | | 2,191.0 | \$2.1800 | \$1.8715 | \$4,776 | \$4,100 |

Columbia Gas of Kentucky
Case No. 2002-00145
Revenue Proof

| Rate Code | Class Description | Number of Bills | Volumes (Mcf) | Present Rates | Proposed Rates | Present Revenue | Proposed Revenue |
|-----------|--|-----------------|---------------|---------------|----------------|-----------------|------------------|
| | Next 350 Mcf | | 8,795.0 | \$2.1149 | \$1.8153 | \$18,601 | \$15,966 |
| | Next 600 Mcf | | 5,501.0 | \$2.0149 | \$1.7296 | \$11,084 | \$9,515 |
| | Over 1,000 Mcf | | 66.0 | \$1.8409 | \$1.5802 | \$121 | \$104 |
| | Interruptible Service - Commercial | | | | | | |
| | Customer Charge: | 132 | | \$135.79 | \$116.55 | \$17,924 | \$15,385 |
| | First 30,000 Mcf | | 33,374.7 | \$0.6368 | \$0.5467 | \$21,253 | \$18,246 |
| | Over 30,000 Mcf | | 0.0 | \$0.3384 | \$0.2905 | \$0 | \$0 |
| | Interruptible Service - Industrial | | | | | | |
| | Customer Charge: | 548 | | \$135.79 | \$116.55 | \$74,413 | \$63,869 |
| | First 30,000 Mcf | | 56,877.0 | \$0.6368 | \$0.5467 | \$36,219 | \$31,095 |
| | Over 30,000 Mcf | | | \$0.3384 | \$0.2905 | \$0 | \$0 |
| IS | Intrastate Utility Service - Wholesale | | | | | | |
| | Customer Charge: | 24 | | \$0.00 | \$0.00 | \$0 | \$0 |
| | All Gas Consumed | | 21,201.0 | \$0.3539 | \$0.3038 | \$7,503 | \$6,441 |
| S | Standby Service - Commercial - Firm | | | | | | |
| | Customer Charge: | 228 | | \$135.79 | \$116.55 | \$30,960 | \$26,573 |
| | First 30,000 Mcf | | 28,277.7 | \$0.6368 | \$0.5467 | \$18,007 | \$15,459 |
| | Over 30,000 Mcf | | 0.0 | \$0.3384 | \$0.2905 | \$0 | \$0 |
| S | Standby Service - Industrial - Firm | | | | | | |
| | Customer Charge: | 191 | | \$135.79 | \$116.55 | \$25,936 | \$22,261 |
| | First 30,000 Mcf | | 33,451.3 | \$0.6368 | \$0.5467 | \$21,302 | \$18,288 |
| | Over 30,000 Mcf | | 0.0 | \$0.3384 | \$0.2905 | \$0 | \$0 |
| S | Standby Service - Commercial - Interr | | | | | | |
| | First 30,000 Mcf | | 9,987.9 | \$0.6368 | \$0.5467 | \$6,360 | \$5,460 |
| | Over 30,000 Mcf | | 0.0 | \$0.3384 | \$0.2905 | \$0 | \$0 |
| S | Standby Service - Industrial - Interr | | | | | | |
| | First 30,000 Mcf | | 4,464.0 | \$0.6368 | \$0.5467 | \$2,843 | \$2,440 |
| | Over 30,000 Mcf | | 0.0 | \$0.3384 | \$0.2905 | \$0 | \$0 |
| | <u>Transportation Service</u> | | | | | | |
| AP | GTS Choice Res Cust Assist Program | | | | | | |
| | First 1 Mcf | 4,601 | | \$8.10 | \$6.95 | \$37,268 | \$31,977 |
| | Over 1 Mcf | | 43,512.4 | \$2.1800 | \$1.8715 | \$94,857 | \$81,433 |
| TR | GTS Choice - Residential | | | | | | |
| | First 1 Mcf | 388,764 | | \$8.10 | \$6.95 | \$3,148,988 | \$2,701,910 |
| | Over 1 Mcf | | 2,015,994.0 | \$2.1800 | \$1.8715 | \$4,394,867 | \$3,772,933 |
| TO | GTS Choice - Commercial | | | | | | |
| | First 1 Mcf | 49,323 | | \$22.00 | \$18.88 | \$1,085,106 | \$931,218 |
| | Next 49 Mcf | | 611,737.0 | \$2.1800 | \$1.8715 | \$1,333,587 | \$1,144,865 |
| | Next 350 Mcf | | 688,776.0 | \$2.1149 | \$1.8153 | \$1,456,692 | \$1,250,335 |
| | Next 600 Mcf | | 221,642.4 | \$2.0149 | \$1.7296 | \$446,587 | \$383,353 |
| | Over 1,000 Mcf | | 222,242.8 | \$1.8409 | \$1.5802 | \$409,127 | \$351,188 |
| TO | GTS Choice - Industrial | | | | | | |
| | First 1 Mcf | 115 | | \$22.00 | \$18.88 | \$2,530 | \$2,171 |
| | Next 49 Mcf | | 5,263.8 | \$2.1800 | \$1.8715 | \$11,475 | \$9,851 |
| | Next 350 Mcf | | 21,964.7 | \$2.1149 | \$1.8153 | \$46,453 | \$39,873 |
| | Next 600 Mcf | | 17,453.0 | \$2.0149 | \$1.7296 | \$35,166 | \$30,187 |
| | Over 1,000 Mcf | | 8,230.5 | \$1.8409 | \$1.5802 | \$15,152 | \$13,006 |
| IS | GTS Interruptible Service - Commercial | | | | | | |
| | Administrative Charge: | 384 | | \$65.00 | \$55.90 | \$24,960 | \$21,466 |
| | First 30,000 Mcf | | 1,421,562.5 | \$0.6368 | \$0.5467 | \$905,251 | \$777,168 |
| | Over 30,000 Mcf | | 0.0 | \$0.3384 | \$0.2905 | \$0 | \$0 |
| IS | GTS Interruptible Service - Industrial | | | | | | |
| | Administrative Charge: | 588 | | \$65.00 | \$55.90 | \$38,220 | \$32,869 |
| | First 30,000 Mcf | | 4,552,557.0 | \$0.6368 | \$0.5467 | \$2,899,068 | \$2,488,883 |
| | Over 30,000 Mcf | | 3,044,882.0 | \$0.3384 | \$0.2905 | \$1,030,388 | \$884,538 |
| IS-SMITH | GTS Special Rate - Industrial | | | | | | |
| | Administrative Charge: | 12 | | \$65.00 | \$65.00 | \$780 | \$780 |

Columbia Gas of Kentucky
Case No. 2002-00145
Revenue Proof

| Rate Code | Class Description | Number of Bills | Volumes (Mcf) | Present Rates | Proposed Rates | Present Revenue | Proposed Revenue |
|-----------|---|-----------------|---------------|---------------|----------------|-----------------|------------------|
| | First 30,000 Mcf | | 135,593.0 | \$0.6368 | \$0.6368 | \$86,346 | \$86,346 |
| | Over 30,000 Mcf | | 0.0 | \$0.3384 | \$0.3384 | \$0 | \$0 |
| i1 | GTS General Service - Commercial | | | | | | |
| | Administrative Charge: | 240 | | \$65.00 | \$55.90 | \$15,600 | \$13,416 |
| | First 400 Mcf | | 72,960.3 | \$2.1149 | \$1.8153 | \$154,304 | \$132,445 |
| | Next 600 Mcf | | 78,952.2 | \$2.0149 | \$1.7296 | \$159,081 | \$136,556 |
| | Over 1,000 Mcf | | 40,977.9 | \$1.8409 | \$1.5802 | \$75,436 | \$64,753 |
| 31 | GTS General Service - Industrial | | | | | | |
| | Administrative Charge: | 204 | | \$65.00 | \$55.90 | \$13,260 | \$11,404 |
| | First 400 Mcf | | 67,099.0 | \$2.1149 | \$1.8153 | \$141,908 | \$121,805 |
| | Next 600 Mcf | | 79,667.0 | \$2.0149 | \$1.7296 | \$160,521 | \$137,792 |
| | Over 1,000 Mcf | | 45,109.0 | \$1.8409 | \$1.5802 | \$83,041 | \$71,281 |
| 33 | GTS Main Line Service - Industrial | | | | | | |
| | Administrative Charge: | 24 | | \$65.00 | \$55.90 | \$1,560 | \$1,342 |
| | All Gas Consumed | | 226,713.0 | \$0.1000 | \$0.0858 | \$22,671 | \$19,452 |
| (1 | GTS Flex Rate - Commercial | | | | | | |
| | Administrative Charge: | 12 | | \$65.00 | \$65.00 | \$780 | \$780 |
| | First 25,000 Mcf | | 134,053.1 | \$0.1250 | \$0.1250 | \$16,757 | \$16,757 |
| | Over 25,000 Mcf | | 0.0 | \$0.1000 | \$0.1000 | \$0 | \$0 |
| K2 | GTS Flex Rate - Industrial | | | | | | |
| | Administrative Charge: | 12 | | \$65.00 | \$65.00 | \$780 | \$780 |
| | All Gas Consumed | | 5,384.0 | \$0.4311 | \$0.4311 | \$2,321 | \$2,321 |
| X4 | GTS Flex Rate - Industrial | | | | | | |
| | Administrative Charge: | 12 | | \$65.00 | \$65.00 | \$780 | \$780 |
| | All Gas Consumed | | 96,026.0 | \$0.5806 | \$0.5806 | \$55,753 | \$55,753 |
| K5 | GTS Flex Rate - Industrial | | | | | | |
| | Administrative Charge: | 24 | | \$65.00 | \$55.90 | \$1,560 | \$1,342 |
| | All Gas Consumed | | 3,008,127.0 | \$0.1000 | \$0.0858 | \$300,813 | \$258,097 |
| X6 | GTS Flex Rate - Industrial | | | | | | |
| | Administrative Charge: | 12 | | \$65.00 | \$55.90 | \$780 | \$671 |
| | All Gas Consumed | | 324,306.0 | \$0.1000 | \$0.0858 | \$32,431 | \$27,825 |
| i8 | GTS Inland Gas - Industrial | | | | | | |
| | Administrative Charge: | 12 | | \$65.00 | \$65.00 | \$780 | \$780 |
| | All Gas Consumed | | 59,145.0 | \$1.0575 | \$1.0575 | \$62,546 | \$62,546 |
| C1 | GTS Special Rate - Industrial | | | | | | |
| | Administrative Charge: | 12 | | \$65.00 | \$65.00 | \$780 | \$780 |
| | First 30,000 Mcf | | 360,000.0 | \$0.2500 | \$0.2500 | \$90,000 | \$90,000 |
| | Next 20,000 Mcf | | 171,347.0 | \$0.1600 | \$0.1600 | \$27,416 | \$27,416 |
| | Over 50,000 Mcf | | 14,583.0 | \$0.1000 | \$0.1000 | \$1,458 | \$1,458 |
| iC2 | GTS Special Rate - Industrial | | | | | | |
| | Administrative Charge: | 12 | | \$65.00 | \$65.00 | \$780 | \$780 |
| | All Gas Consumed | | 335,615.0 | \$0.1300 | \$0.1300 | \$43,630 | \$43,630 |
| iC3 | GTS Special Rate - Industrial | | | | | | |
| | Administrative Charge: | 12 | | \$65.00 | \$65.00 | \$780 | \$780 |
| | All Gas Consumed | | 2,582,573.0 | \$0.1300 | \$0.1300 | \$335,734 | \$335,734 |
| | Total Revenue, excluding gas costs | | | | | \$55,814,354 | \$48,014,348 |
| | Gas Costs | | | | | \$53,773,884 | \$53,773,884 |
| | TOTAL REVENUE | | | | | \$109,588,238 | \$101,788,232 |