

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF AN )  
ADJUSTMENT OF GAS RATES OF ) CASE NO. 2013-00167  
COLUMBIA GAS 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.; 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 \$7,660,000 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 December 29, 2013. The increased revenue requirement shall be reflected in increases to the customer charges associated with Columbia's various rate schedules as well as in changes to Columbia's volumetric rates. For residential customers Columbia's customer charge will be \$15 per month,

and the volumetric rate will be \$2.2666/MCF. For commercial customers Columbia's customer charge will be \$37.50 per month and the volumetric rate will be \$2.2666 per MCF for the first block, \$1.7520 per MCF for the second block, \$1.6659 per MCF for the third block and \$1.5164 for the fourth block. For DS customers Columbia's customer charge will be \$1,007.05 and the volumetric rate will be \$.5443 per MCF for the first block and \$.2890 per MCF for the second block. 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 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.

2. Columbia's Accelerated Main Replacement Program ("AMRP") rates will be set to \$0.00. For purposes of Columbia's AMRP, the specified ROE is 10.125%. Columbia will utilize an 8.00% weighted average cost of capital grossed up for federal and state income taxes.

3. Columbia will deploy its Automated Meter Reading program ("AMR") in 2014 as detailed in its application. Columbia will provide the Attorney General's office with annual reports in 2015, 2016, and for each year after, detailing the costs and savings associated with the implementation of the AMR until Columbia files its next rate case base increase.

4. Columbia will continue the CHOICE program as proposed in its application.

5. All of the other tariff changes proposed in Columbia's Application shall be adopted.

6. The aforementioned 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 will withdraw its proposed Revenue Normalization Adjustment tariff and rate design.

9. The direct testimony of Mark Katko sought recovery/amortization of a regulatory asset related to other postretirement employee benefits ("OPEB") costs in the amount of \$294,734. Columbia will be permitted to amortize and recover this cost as proposed.

10. Columbia's actual rate case expenses will be deferred, amortized and recovered over a three-year period.

11. Columbia will guarantee an additional \$10,000 annually in Wintercare contributions over its current funding of approximately \$50,000 annually.

12. Columbia will internally conduct and maintain studies, analyses, reports, quantifications, etc. that demonstrate the threat of by-pass of its special contract customers.

13. 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.

14. The intervenors in this case reserve the right to file rebuttal testimony to intervenor testimony and sur-rebuttal testimony as authorized by the Commission in the Order dated September 27, 2013 and Columbia reserves the right to file rebuttal testimony pursuant to the June 17, 2013 procedural schedule should the Commission not approve this Stipulation and Recommendation.

15. 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. The parties also agree that if the Commission issues an order adopting this Stipulation and Recommendation in its entirety there will be no need for any party to file a post-hearing brief.

16. 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.

17. Stand Energy Corporation ("Stand") maintains that the Commission's order determining Stand's intervention in this case is erroneous given the limitations placed on the company. However, Stand waives the right to an appeal of that order in this case. This waiver does not preclude Stand from preserving its rights in future cases to contest, by way of reconsideration or appeal, any Commission order which does not grant Stand Energy the right to full intervention.

18. 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.

19. 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.

20. 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 October, 2013

A handwritten signature in cursive script, reading "Brooke E. Leslie", positioned above a horizontal line.

Hon. Brooke E. Leslie

On behalf of Columbia Gas of Kentucky, Inc.



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Hon. Dennis G. Howard, II

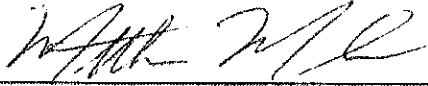
On behalf of the Attorney General of the Commonwealth of Kentucky



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Hon. David F. Boehm

On behalf of the Kentucky Industrial Utility Customers

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Hon. Matthew Malone  
On behalf of Interstate Gas Supply, Inc.



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Hon. Iris Skidmore

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

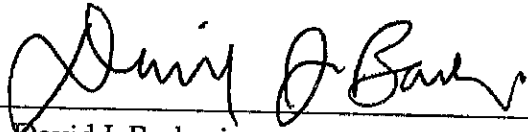
*John M. Dosker*

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Hon. John M. Dosker

10/20/13

On behalf of Stand Energy Corporation



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Hon. David J. Barberie

On behalf of the Lexington-Fayette Urban County Government

*Subject to approval by Urban County Council*

# **ATTACHMENT A**

## **TARIFFS**

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**CURRENTLY EFFECTIVE BILLING RATES**

<u>SALES SERVICE</u>	<u>Base Rate</u>	<u>Gas Cost Adjustment<sup>1/</sup></u>		<u>Total</u>	
	<u>Charge</u>	<u>Demand</u>	<u>Commodity</u>	<u>Billing</u>	
	\$	\$	\$	\$	
<b><u>RATE SCHEDULE GSR</u></b>					
Customer Charge per billing period	15.00			15.00	I
Delivery Charge per Mcf	2.2666	1.1374	5.4954	8.8994	I
<b><u>RATE SCHEDULE GSO</u></b>					
<u>Commercial or Industrial</u>					
Customer Charge per billing period	37.50			37.50	I
Delivery Charge per Mcf -					
First 50 Mcf or less per billing period	2.2666	1.1374	5.4954	8.8994	I
Next 350 Mcf per billing period	1.7520	1.1374	5.4954	8.3848	R
Next 600 Mcf per billing period	1.6659	1.1374	5.4954	8.2987	R
Over 1,000 Mcf per billing period	1.5164	1.1374	5.4954	8.1492	R
<b><u>RATE SCHEDULE IS</u></b>					
Customer Charge per billing period	1,007.05			1007.05	I
Delivery Charge per Mcf					
First 30,000 Mcf per billing period	0.5443		5.4954 <sup>2/</sup>	6.0397	R
Over 30,000 Mcf per billing period	0.2890		5.4954 <sup>2/</sup>	5.7844	R
Firm Service Demand Charge					
Demand Charge times Daily Firm					
Volume (Mcf) in Customer Service Agreement		6.6097		6.6097	
<b><u>RATE SCHEDULE IUS</u></b>					
Customer Charge per billing period	477.00			477.00	I
Delivery Charge per Mcf					
For All Volumes Delivered	0.8150	1.1374	5.4954	7.4478	I

- 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 \$6.1632 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS.
- 2/ IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.

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TITLE President

**CURRENTLY EFFECTIVE BILLING RATES**  
 (Continued)

<u>TRANSPORTATION SERVICE</u>	<u>Base Rate</u> <u>Charge</u> \$	<u>Gas Cost Adjustment</u> <sup>1/</sup> <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		6.6097		6.6097	
Standby Service Commodity Charge per Mcf			5.4954	5.4954	
<b><u>RATE SCHEDULE DS</u></b>					
Administrative Charge per account per billing period				55.90	
Customer Charge per billing period <sup>2/</sup>				1007.05	I
Customer Charge per billing period (GDS only)				37.50	I
Customer Charge per billing period (IUDS only)				477.00	I
<u>Delivery Charge per Mcf</u> <sup>2/</sup>					
First 30,000 Mcf	0.5443			0.5443	R
Over 30,000 Mcf	0.2890			0.2890	R
– Grandfathered Delivery Service					
First 50 Mcf or less per billing period				2.2666	I
Next 350 Mcf per billing period				1.7520	R
Next 600 Mcf per billing period				1.6659	R
All Over 1,000 Mcf per billing period				1.5164	R
– Intrastate Utility Delivery Service					
All Volumes per billing period				0.8150	
Banking and Balancing Service					
Rate per Mcf		0.0205		0.0205	I
<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		0.0205		0.0205	I

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/ Applicable to all Rate Schedule DS customers except those served under Grandfathered Delivery Service or Intrastate Utility Delivery Service.

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**CURRENTLY EFFECTIVE BILLING RATES**  
 (Continued)

<u><b>RATE SCHEDULE SVGTS</b></u>	<u><b>Base Rate Charge</b></u>	<b>T</b>
	\$	
<u>General Service Residential (SGVTS GSR)</u>		<b>T</b>
Customer Charge per billing period	15.00	<b>I</b>
Delivery Charge per Mcf	2.2666	<b>I</b>
<u>General Service Other - Commercial or Industrial (SVGTS GSO)</u>		<b>T</b>
Customer Charge per billing period	37.50	<b>I</b>
Delivery Charge per Mcf -		
First 50 Mcf or less per billing period	2.2666	<b>I</b>
Next 350 Mcf per billing period	1.7520	<b>R</b>
Next 600 Mcf per billing period	1.6659	<b>R</b>
Over 1,000 Mcf per billing period	1.5164	<b>R</b>
<u>Intrastate Utility Service</u>		
Customer Charge per billing period	477.00	<b>I</b>
Delivery Charge per Mcf	\$ 0.8150	<b>I</b>
	<u><b>Billing Rate</b></u>	<b>T</b>
<u>Actual Gas Cost Adjustment <sup>1/</sup></u>		
For all volumes per billing period per Mcf	\$0.7787	
<u><b>RATE SCHEDULE SVAS</b></u>		
Balancing Charge – per Mcf	\$0.9780	

1/ 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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**GENERAL STATEMENT OF TERRITORY SERVED  
BY COLUMBIA GAS OF KENTUCKY, INC.**

**APPLICABLE TO ALL RATE SCHEDULES**

The service area of Company includes the following Kentucky communities:

Ashland	Greenup	Raceland
Bellefonte	Hindman	Ravenna
Catlettsburg	Inez	Russell
Cynthiana	Irvine	South Williamson
Flatwoods	Lexington	Versailles
Foster	Louisa	Warfield
Frankfort	Maysville	Washington
Fullerton	Midway	Winchester
Georgetown	Mt. Sterling	Worthington
Germantown	Paris	

and rural communities and areas served by Company in the Kentucky counties of:

Bath	Greenup	Mason	Magoffin	D
Bourbon	Harrison	Montgomery	Menifee	D
Boyd	Jessamine	Nicholas	Morgan	D
Bracken	Johnson	Owsley	Pendleton	D
Carter	Knott	Pike	Perry	D
Clark	Lawrence	Robertson		
Clay	Lee	Scott		
Estill	Letcher	Woodford		
Fayette	Lewis			
Floyd	Madison			
Franklin	Martin			

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**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 for all purposes.

**BASE RATES**

Residential (GSR)

Customer Charge per billing period @ \$15.00  
Delivery Charge per Mcf @ \$2.2666 per Mcf

Commercial or Industrial (GSO)

Customer Charge per billing period @ \$37.50  
Delivery Charge per Mcf -  
First 50 or less Mcf per billing period @ \$2.2666 per Mcf  
Next 350 Mcf per billing period @ \$1.7520 per Mcf  
Next 600 Mcf per billing period @ \$1.6659 per Mcf  
Over 1,000 Mcf per billing period @ \$1.5164 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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**GENERAL SERVICE (GS) AND GENERAL PROPANE SERVICE (GPS)  
SALES SERVICE 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 Rider – Sheets 51d – 51h (Applies to Residential and Commercial Customers only)

AMRP Rider– Sheet No. 58

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**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 CHARGE**

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

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**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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**INTERRUPTIBLE SERVICE (IS)  
 SALES SERVICE 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**

<u>Customer Charge</u>		I
\$1,007.05 per billing period		
<u>Delivery Charge per Mcf -</u>		
First 30,000 Mcf per billing period	@ \$ 0.5443 per Mcf	R
Over 30,000 Mcf per billing period	@ \$ 0.2890 per Mcf	R

**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 \$1,007.05, **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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 TITLE

President



**INTRASTATE UTILITY SALES 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, among other things, 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**

Customer Charge per billing period	\$477.00	
Delivery Charge per Mcf –		
For all gas delivered each billing period	\$0.8150 per Mcf.	

**MINIMUM CHARGE**

The minimum charge shall be the Customer Charge.

**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. 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

DATE OF ISSUE

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TITLE                      President

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

**APPLICABILITY**

Entire service territory of Columbia Gas of Kentucky through March 31, 2017. See Sheet No. 8 for a list of communities.

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**AVAILABILITY**

Available to any customer that meets the following requirements:

- (1) Customer must be part of a Marketer's Aggregation Pool as the term is defined herein, and
  - (a) The Aggregation Pool consists of either: (1) a minimum of 100 customers; or (2) a customer or group of customers with a minimum annual throughput of 10,000 Mcf. The Aggregation Pool must be served by a single Marketer approved by Columbia; and the Marketer must have executed a Small Volume Aggregation Service agreement with Columbia; and,
  - (b) The Marketer must have acquired, or agreed to acquire, an adequate supply of natural gas of quality acceptable to Columbia, including allowances for (1) retention required by applicable upstream transporters; and (2) lost and unaccounted-for gas to be retained by Columbia. The Marketer must also have made, or have caused to be made, arrangements by which gas supply can be transported directly to specified receipt points on Columbia's distribution system; and,
- (2) Customer has normal annual requirements of less than 25,000 Mcf at any delivery point, and
- (3) Customer is currently a customer under the GS, IN6 or IUS Rate Schedule or in the case of a new customer would be considered a GS customer.

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DATE OF ISSUE

DATE EFFECTIVE      December 29, 2013

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**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 Charges for the applicable Rate Schedule as set forth below:

General Service Residential (SVGTS GSR)

Customer Charge per billing period	\$15.00	T
Delivery Charge	\$2.2666 per Mcf	I I

General Service Other -- Commercial or Industrial (SVGTS GSO)

Customer Charge per billing period	\$37.50	T
First 50 Mcf or less per billing period	\$2.2666 per Mcf	I
Next 350 Mcf per billing period	\$1.7520 per Mcf	I
Next 600 Mcf per billing period	\$1.6659 per Mcf	R
Over 1,000 Mcf per billing period	\$1.5164 per Mcf	R

Intrastate Utility Service

Customer Charge per billing period	\$477.00	I
Delivery Charge per Mcf	\$0.8150	I

**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 Rider – Sheets 51d – 51h (Applies to Residential and Commercial Customers only)
- AMRP Rider – Sheet No. 58

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

**APPLICABILITY**

Entire service territory of Columbia Gas of Kentucky through March 31, 2017. See Sheet No. 8 for a list of communities. T

**AVAILABILITY**

Available to Marketers certified to deliver natural gas, on a firm basis, to the Company's city gates on behalf of customers receiving transportation service under Columbia's Small Volume Transportation Service Rate Schedule provided Marketer has an Aggregation Pool consisting of either: (a) a minimum of 100 customers; or (b) a customer or a group of customers with a minimum annual throughput of 10,000 Mcf. Service hereunder allows Marketers to deliver to Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the requirements of customers participating in Columbia's small volume transportation service program.

**MARKETER CERTIFICATION**

Marketers will be certified by Columbia to offer supply of natural gas to customers choosing service under Rate Schedule SVGTS provided they meet the following requirements:

1. Satisfactory determination of adequate managerial, financial and technical abilities to provide the service Marketer intends to offer;
2. Satisfactory completion of a determination of credit worthiness by Columbia;
3. Execution of a contract with Columbia for Small Volume Aggregation Service;
4. Marketer agrees to accept assignment of upstream pipeline firm transportation services capacity (FTS) in an amount equal to the Marketer's Daily Delivery Requirement as defined herein;
5. Marketer agrees to abide by the Code of Conduct as set forth herein; Columbia agrees to abide by the Standards of Conduct as set forth herein;
6. Marketer agrees to flow gas in accordance with the Marketer's Daily Delivery Requirement provided by Columbia.

**AGGREGATION POOL**

Marketers will be required to establish at least one Aggregation Pool for aggregation purposes.

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

**SCHEDULING DELIVERIES**

Marketers must schedule all daily deliveries using the Company's nomination web site.

**ANNUAL IMBALANCE RECONCILIATION**

Once each year Columbia will reconcile each Marketer's imbalance that has accumulated since the prior reconciliation by determining the difference between: (1) the Marketer's deliveries to Columbia during the reconciliation period, adjusted for Btu value and Company Use and Unaccounted For gas; and, (2) the actual consumption of the Marketer's Aggregation Pool, inclusive of all adjustments applicable to the reconciliation period.

If the reconciliation shows that the Marketer delivered more than what was consumed during the period, then Columbia will pay the Marketer for the excess deliveries. If the reconciliation shows that the Marketer delivered less than what was consumed during the period, then the Marketer will pay Columbia for the under deliveries. Columbia will perform the reconciliation, including associated payment or billing, in the month following the end of the reconciliation period.

The price to be paid for gas to resolve any such imbalance will be the average price during the reconciliation period reported in PLATTS *Inside FERC's Gas Market Report* in the monthly report titled "Prices of Spot Gas Delivered to Pipelines," under the column heading "Index" for "Columbia Gas Transmission Corp., Appalachia", adjusted for Columbia Gas Transmission Corporation's FTS Retainage and commodity charges.

The first reconciliation period shall be the eight-month period ending March 31, 2005. The second reconciliation period shall be the sixteen-month period ending July 31, 2006. Thereafter, the reconciliation period shall end on July 31 of each year, except that, should the effective date of this tariff not continue past March 31, 2017, the final reconciliation period will be an eight-month period ending on March 31, 2017.

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**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 Customers Maximum Daily Volume and Annual Transportation Volume will be automatically adjusted to the Customers actual Maximum Daily Volume and actual Annual Transportation Volume based on the Customers highest daily and annual volumetric consumption experienced during the preceding 12-month periods ending with March billings. Upon a Customers request, the Company shall have the discretion to further adjust a Customers 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	\$1,007.05	I
Customer Charge per billing period (GDS only)	\$37.50	I
Customer Charge per billing period (IUDS only)	\$477.00	I
Delivery Charge per Mcf -		
First 30,000 Mcf	\$0.5443 per Mcf for all gas delivered each billing month.	R
Over 30,000 Mcf	\$0.2890 per Mcf for all gas delivered each billing month.	R
Grandfathered Delivery Service		
First 50 Mcf per billing period	\$2.2666	I
Next 350 Mcf per billing period	\$1.7520	R
Next 600 Mcf per billing period	\$1.6659	R
All Over 1,000 Mcf per billing period	\$1.5164	R
Intrastate Utility Delivery Service		
All volumes per billing period	\$0.8150	I
Banking and Balancing Service		
Rate per Mcf	See Sheet No. 6	T

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**AMRP RIDER  
 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;
- e. Property taxes related to the AMRP; and
- f. Reduction for savings in Account No. 887 – Maintenance of Mains.

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**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 expected impact on the Company's revenue requirements of forecasted net plant additions and subsequently adjusted to true up the actual costs with the projected costs. A filing to update the projected costs for the upcoming calendar year will be submitted annually by October 15 to become effective with meter readings on and after the first billing cycle of January. The allocation of the program costs shall be based on the revenue distribution approved by the Commission. Company will submit a balancing adjustment annually by March 31 to true-up the actual costs, as offset by operations and maintenance expense reductions, during the most recent twelve months ended December with the projected program costs for the same period. The balancing adjustment true-up to the rider will become effective with meter readings on and after the first billing cycle of June.

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The charges for the respective gas service schedules for the revenue month beginning January 2014 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

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

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**ATTACHMENT B**

**PROOF OF REVENUE**



Columbia Gas of Kentucky, Inc.  
Case No. 2013-00167  
Revenue Proof

Rate Code	Class Description	Number of Bills	Volumes (Mcf)	Present Rates (\$/Mcf)	Present Revenue (\$)	D-2.4 Ratemaking Adjustment (\$)	Revenue Adjusted (\$)	Proposed Rates (\$/Mcf)	Proposed Revenue (\$)	Revenue Increase (\$)
GSR	General Service - Residential	1,121,480			\$13,850,278		\$13,850,278	\$15.00	\$16,822,200	\$2,971,922
	Customer Charge:				\$11,413,140		\$11,413,140	\$2.2666	\$13,822,615	\$2,409,475
	All Gas Consumed		6,098,391.7	\$1.8715	\$11,413,140		\$11,413,140	\$2.2666	\$13,822,615	\$2,409,475
	AMRP			\$1.0600	\$1,188,769		\$1,188,769	\$0.0000	\$0	(\$1,188,769)
	EECP			(\$0.2400)	(\$269,155)		(\$269,155)	(\$0.2400)	(\$269,155)	\$0
	EAP Revenue			\$0.0615	\$375,051		\$375,051	\$0.0615	\$375,051	\$0
	Gas Cost Uncollectible Accounts in GCA			\$0.0603	\$367,733		\$367,733	\$0.0243	\$148,191	\$0
	Gas Cost Recovery (Per filed Schedule M)			\$4.0634	\$24,780,205	(\$219,542)	\$24,780,205	\$4.0634	\$24,780,205	\$0
	Total				\$51,706,021		\$31,486,479		\$55,679,106	\$4,192,628
G1C	LG&E Commercial	48			\$1,680		\$1,680	\$35.00	\$1,680	\$0
	Customer Charge:				\$5,722		\$5,722	\$2.1136	\$5,722	\$0
	All Gas Consumed		2,707.3	\$2.1136	\$5,722		\$5,722	\$2.1136	\$5,722	\$0
	Gas Cost Recovery (Per filed Schedule M)			\$4.0634	\$11,001		\$11,001	\$4.0634	\$11,001	\$0
	Total				\$18,403		\$18,403		\$18,403	\$0
G1R	LG&E Residential	200			\$2,700		\$2,700	\$13.50	\$2,700	\$0
	Customer Charge:				\$5,076		\$5,076	\$2.8128	\$5,076	\$0
	All Gas Consumed		1,804.5	\$2.8128	\$5,076		\$5,076	\$2.8128	\$5,076	\$0
	Gas Cost Recovery (Per filed Schedule M)			\$4.0634	\$7,332		\$7,332	\$4.0634	\$7,332	\$0
	Total				\$15,108		\$15,108		\$15,108	\$0
IN3	Inland Gas General Service - Residential	108			\$0		\$0	\$0.00	\$0	\$0
	Customer Charge:				\$378		\$378	\$0.4000	\$378	\$0
	All Gas Consumed		945.4	\$0.4000	\$378		\$378	\$0.4000	\$378	\$0
	Total				\$378		\$378		\$378	\$0
IN3	Inland Gas General Service - Commercial	12			\$0		\$0	\$0.00	\$0	\$0
	Customer Charge:				\$23		\$23	\$0.4000	\$23	\$0
	All Gas Consumed		58.2	\$0.4000	\$23		\$23	\$0.4000	\$23	\$0
	Total				\$23		\$23		\$23	\$0
IN4	Inland Gas General Service - Residential	12			\$0		\$0	\$0.00	\$0	\$0
	Customer Charge:				\$65		\$65	\$0.5500	\$65	\$0
	All Gas Consumed		117.4	\$0.5500	\$65		\$65	\$0.5500	\$65	\$0
	Total				\$65		\$65		\$65	\$0
IN5	Inland Gas General Service - Residential	47			\$0		\$0	\$0.00	\$0	\$0
	Customer Charge:				\$226		\$226	\$0.6000	\$226	\$0
	All Gas Consumed		376.1	\$0.6000	\$226		\$226	\$0.6000	\$226	\$0
	Total				\$226		\$226		\$226	\$0

Columbia Gas of Kentucky, Inc.  
Case No. 2013-00167  
Revenue Proof

Rate Code	Class Description	Number of Bills	Volumes (Mcf)	Present Rates (\$/Mcf)	Present Revenue (\$)	D-2.4		Revenue Adjusted (\$)	Proposed Rates (\$/Mcf)	Proposed Revenue (\$)	Revenue Increase (\$)
						Rate-making Adjustment (\$)	Revenue (\$)				
<b>Sales Service</b>											
LG2	LG&E Residential	12		\$0.00	\$0			\$0	\$0.00	\$0	\$0
	Customer Charge:			\$0.3500	\$196			\$196	\$0.3500	\$196	\$0
	All Gas Consumed		560.5		\$196			\$196		\$196	\$0
	Total										
LG2	LG&E Commercial	12		\$0.00	\$0			\$0	\$0.00	\$0	\$0
	Customer Charge:			\$0.3500	\$256			\$256	\$0.3500	\$256	\$0
	All Gas Consumed		731.5		\$256			\$256		\$256	\$0
	Total										
LG3	LG&E Residential	12		\$1.20	\$14			\$14	\$1.20	\$14	\$0
	Customer Charge:			\$0.0000	\$0			\$0	\$0.0000	\$0	\$0
	First 2 Mcf		24.0		\$174			\$174	\$0.3500	\$174	\$0
	Over 2 Mcf		495.8		\$188			\$188		\$188	\$0
	Total		519.8								
LG4	LG&E Residential	12		\$0.00	\$0			\$0	\$0.00	\$0	\$0
	Customer Charge:			\$0.4000	\$114			\$114	\$0.4000	\$114	\$0
	All Gas Consumed		284.8		\$114			\$114		\$114	\$0
	Total										
GSO	General Service - Commercial	114,076		\$25.13	\$2,866,730			\$2,866,730	\$37.50	\$4,277,850	\$1,411,120
	Customer Charge:			\$1.8715	\$2,590,494			\$2,590,494	\$2.2666	\$3,137,384	\$546,890
	First 50 Mcf		1,384,180.8		\$2,074,222			\$2,074,222	\$1.7320	\$2,001,893	(\$72,329)
	Next 350 Mcf		1,142,633.2		\$416,842			\$416,842	\$1.6659	\$401,490	(\$15,352)
	Next 600 Mcf		241,004.8		\$96,006			\$96,006	\$1.5164	\$92,130	(\$3,876)
	Over 1,000 Mcf		60,755.8		\$454,022			\$454,022	\$0.0000	\$0	(\$454,022)
	AMRP			\$3.9800	\$68,734			\$68,734	\$0.0243	\$68,734	\$0
	Gas Cost Uncollectible Accounts in GCA			\$0.0603	\$170,563		(\$101,829)	\$68,734	\$0.0243	\$11,493,630	\$0
	Gas Cost Recovery (Per filed Schedule M)			\$4.0634	\$11,493,630			\$11,493,630	\$4.0634	\$21,473,112	\$0
	Total		2,828,574.6		\$20,162,510			\$20,060,681		\$21,473,112	\$1,412,431
GSO	General Service - Industrial	467		\$25.13	\$11,736			\$11,736	\$37.50	\$17,513	\$5,777
	Customer Charge:			\$1.8715	\$24,530			\$24,530	\$2.2666	\$29,708	\$5,179
	First 50 Mcf		13,107.0		\$80,945			\$80,945	\$1.7320	\$78,122	(\$2,823)
	Next 350 Mcf		44,590.2		\$47,048			\$47,048	\$1.6659	\$45,315	(\$1,733)
	Next 600 Mcf		27,201.6		\$112,860			\$112,860	\$1.5164	\$108,303	(\$4,557)
	Over 1,000 Mcf		71,421.3		\$1,859			\$1,859	\$0.0000	\$0	(\$1,859)
	AMRP			\$3.9800	\$3,799		(\$5,628)	\$3,799	\$0.0243	\$3,799	\$0
	Gas Cost Uncollectible Accounts in GCA			\$0.0603	\$9,426			\$9,426	\$0.0243	\$635,191	\$0
	Gas Cost Recovery (Per filed Schedule M)			\$4.0634	\$635,191			\$635,191	\$4.0634	\$917,951	(\$15)
	Total		156,320.1		\$923,594			\$917,966		\$917,951	(\$15)

Columbia Gas of Kentucky, Inc.  
Case No. 2013-00167  
Revenue Proof

D-2.4

Rate Code	Class Description	Number of Bills	Volumes (Mcf)	Present Rates (\$/Mcf)	Present Revenue (\$)	Rate-making Adjustment (\$)	Revenue Adjusted (\$)	Proposed Rates (\$/Mcf)	Proposed Revenue (\$)	Revenue Increase (\$)
<b>Sales Service</b>										
IS	Interruptible Service - Industrial	12								
	Customer Charge:				\$7,001		\$7,001	\$1,007.05	\$12,085	\$5,084
	First 30,000 Mcf		33,099.0	\$0.5467	\$18,095		\$18,095	\$0.5443	\$18,016	(\$79)
	Over 30,000 Mcf		0.0	\$0.2905	\$0		\$0	\$0.2890	\$0	\$0
	AMRP			\$2,851	\$2,851	(\$1,192)	\$2,851	\$0.0000	\$0	(\$2,851)
	Gas Cost Uncollectible Accounts in GCA			\$0.0603	\$1,996		\$804	\$0.0243	\$804	\$0
	Gas Cost Recovery (Per filed Schedule M)			\$4.0634	\$134,494		\$134,494	\$4.0634	\$134,494	\$0
	Total		33,099.0		\$164,457		\$163,246		\$165,399	\$2,153
IUS	Intrastate Utility Service - Wholesale	24								
	Customer Charge:				\$7,956		\$7,956	\$477.00	\$11,448	\$3,492
	All Gas Consumed		13,844.0	\$0.7750	\$10,729		\$10,729	\$0.8150	\$11,283	\$554
	AMRP			\$41,380	\$993	(\$498)	\$993	\$0.0000	\$0	(\$993)
	Gas Cost Uncollectible Accounts in GCA			\$0.0603	\$835		\$336	\$0.0243	\$336	\$0
	Gas Cost Recovery (Per filed Schedule M)			\$4.0634	\$56,254		\$56,254	\$4.0634	\$56,254	\$0
	Total				\$76,767		\$76,268		\$79,321	\$3,053
GTR	Transportation Service									
	GTS Choice - Residential	317,826								
	Customer Charge:				\$3,925,151		\$3,925,151	\$15.00	\$4,767,390	\$842,239
	All Gas Consumed		1,897,000.0	\$1.8715	\$3,550,236		\$3,550,236	\$2.2666	\$4,299,740	\$749,505
	AMRP			\$1,060	\$336,896		\$336,896	\$0.0000	\$0	(\$336,896)
	EECP			(\$0.2400)	(\$76,278)		(\$76,278)	(\$0.2400)	(\$76,278)	\$0
	EAP Revenue			\$0.0615	\$116,666		\$116,666	\$0.0615	\$116,666	\$0
	Total				\$7,852,669		\$7,852,669		\$9,107,517	\$1,254,848
GTO	GTS Choice - Commercial	49,717								
	Customer Charge:				\$1,249,388		\$1,249,388	\$37.50	\$1,864,388	\$614,999
	First 50 Mcf		779,024.2	\$1.8715	\$1,457,944		\$1,457,944	\$2.2666	\$1,765,736	\$307,792
	Next 350 Mcf		785,615.4	\$1.8153	\$1,426,128		\$1,426,128	\$1.7520	\$1,376,398	(\$49,729)
	Next 600 Mcf		169,715.0	\$1.7296	\$293,539		\$293,539	\$1.6659	\$282,728	(\$10,811)
	Over 1,000 Mcf		109,632.2	\$1.5802	\$173,241		\$173,241	\$1.5164	\$166,246	(\$6,995)
	AMRP			\$3,980	\$197,874		\$197,874	\$0.0000	\$0	(\$197,874)
	Total		1,843,986.8		\$4,798,113		\$4,798,113		\$5,455,496	\$657,383
GTO	GTS Choice - Industrial	145								
	Customer Charge:				\$3,644		\$3,644	\$37.50	\$5,438	\$1,794
	First 50 Mcf		4,309.4	\$1.8715	\$8,065		\$8,065	\$2.2666	\$9,768	\$1,703
	Next 350 Mcf		17,120.6	\$1.8153	\$31,079		\$31,079	\$1.7520	\$29,995	(\$1,084)
	Next 600 Mcf		14,468.8	\$1.7296	\$25,025		\$25,025	\$1.6659	\$24,104	(\$922)
	Over 1,000 Mcf		12,101.3	\$1.5802	\$19,122		\$19,122	\$1.5164	\$18,350	(\$772)
	AMRP			\$3,980	\$577		\$577	\$0.0000	\$0	(\$577)
	Total		48,000.1		\$87,513		\$87,513		\$87,654	\$142

Columbia Gas of Kentucky, Inc.  
Case No. 2013-00167

Revenue Proof

D-2.4

Rate Code	Class Description	Number of Bills	Volumes (Mcf)	Present Rates (\$/Mcf)	Present Revenue (\$)	Ratemaking Adjustment (\$)	Revenue Adjusted (\$)	Proposed Rates (\$/Mcf)	Proposed Revenue (\$)	Revenue Increase (\$)
<b>Transportation Service</b>										
DS	GTS Delivery Service - Commercial	348		\$583.39	\$203,020		\$203,020	\$1,007.05	\$350,453	\$147,434
	Customer Charge:	348		\$55.90	\$19,453		\$19,453	\$55.90	\$19,453	\$0
	Administrative Charge:			\$0.5467	\$970,697		\$970,697	\$0.5443	\$966,436	(\$4,261)
	First 30,000 Mcf		1,775,557.2		\$0		\$0	\$0.2890	\$0	\$0
	Over 30,000 Mcf		0.0	\$237.59	\$82,681		\$82,681	\$0.0000	\$0	(\$82,681)
	AMRP				\$1,275,851		\$1,275,851		\$1,336,342	\$60,491
	Total		1,775,557.2							
DS	GTS Delivery Service - Industrial	444		\$583.39	\$259,025		\$259,025	\$1,007.05	\$447,130	\$188,105
	Customer Charge:	444		\$55.90	\$24,820		\$24,820	\$55.90	\$24,820	\$0
	Administrative Charge:			\$0.5467	\$2,112,242		\$2,112,242	\$0.5443	\$2,102,969	(\$9,273)
	First 30,000 Mcf		3,863,621.4		\$511,048		\$511,048	\$0.2890	\$508,409	(\$2,639)
	Over 30,000 Mcf		1,759,200.0	\$237.59	\$105,490		\$105,490	\$0.0000	\$0	(\$105,490)
	AMRP				\$3,012,624		\$3,012,624		\$3,083,328	\$70,704
	Total		5,622,821.4							
GDS	GTS Grandfathered Delivery Service - Commercial	194		\$25.13	\$4,875		\$4,875	\$37.50	\$7,275	\$2,400
	Customer Charge:	194		\$55.90	\$10,845		\$10,845	\$55.90	\$10,845	\$0
	Administrative Charge:			\$1.8715	\$16,844		\$16,844	\$2.2666	\$20,399	\$3,556
	First 50 Mcf		9,000.0		\$109,506		\$109,506	\$1.7520	\$105,688	(\$3,819)
	Next 350 Mcf		60,324.1	\$1.8153	\$151,162		\$151,162	\$1.6659	\$145,595	(\$5,567)
	Next 600 Mcf		87,397.1	\$1.7296	\$249,587		\$249,587	\$1.5164	\$239,510	(\$10,077)
	Over 1,000 Mcf		157,946.3	\$1.5802	\$772		\$772	\$0.0000	\$0	(\$772)
	AMRP			\$3,9800	\$543,591		\$543,591		\$529,311	(\$14,279)
	Total		314,667.5							
GDS	GTS Grandfathered Delivery Service - Industrial	209		\$25.13	\$5,252		\$5,252	\$37.50	\$7,838	\$2,585
	Customer Charge:	209		\$55.90	\$11,683		\$11,683	\$55.90	\$11,683	\$0
	Administrative Charge:			\$1.8715	\$16,219		\$16,219	\$2.2666	\$19,643	\$3,424
	First 50 Mcf		8,666.2		\$92,708		\$92,708	\$1.7520	\$89,476	(\$3,233)
	Next 350 Mcf		51,070.6	\$1.8153	\$110,510		\$110,510	\$1.6659	\$106,440	(\$4,070)
	Next 600 Mcf		63,893.2	\$1.7296	\$140,060		\$140,060	\$1.5164	\$134,405	(\$5,655)
	Over 1,000 Mcf		88,634.2	\$1.5802	\$832		\$832	\$0.0000	\$0	(\$832)
	AMRP			\$3,9800	\$377,264		\$377,264		\$369,484	(\$7,780)
	Total		212,264.2							

Columbia Gas of Kentucky, Inc.  
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D-2.4

Rate Code	Class Description	Number of Bills	Volumes (Mcf)	Present Rates (\$/Mcf)	Present Revenue (\$)	Ratemaking Adjustment (\$)	Revenue Adjusted (\$)	Proposed Rates (\$/Mcf)	Proposed Revenue (\$)	Revenue Increase (\$)
<b>Transportation Service</b>										
DS3	GTS Main Line Service - Industrial									
	Customer Charge:	36		\$200.00	\$7,200		\$7,200	\$200.00	\$7,200	\$0
	Administrative Charge:	36		\$55.90	\$2,012		\$2,012	\$55.90	\$2,012	\$0
	All Gas Consumed		767,283.0	\$0.0858	\$65,833		\$65,833	\$0.0858	\$65,833	\$0
	Total				\$75,045		\$75,045		\$75,045	\$0
FX1	GTS Flex Rate - Commercial									
	Customer Charge:	12		\$583.39	\$7,001		\$7,001	\$583.39	\$7,001	\$0
	Administrative Charge:	12		\$55.90	\$671		\$671	\$55.90	\$671	\$0
	All Gas Consumed		378,925.0	\$0.1250	\$47,366		\$47,366	\$0.1250	\$47,366	\$0
	Total				\$55,037		\$55,037		\$55,037	\$0
FX2	GTS Flex Rate - Commercial									
	Customer Charge:	12		\$583.39	\$7,001		\$7,001	\$583.39	\$7,001	\$0
	Administrative Charge:	12		\$55.90	\$671		\$671	\$55.90	\$671	\$0
	All Gas Consumed		366,000.0	\$0.1250	\$45,750		\$45,750	\$0.1250	\$45,750	\$0
	Total				\$53,421		\$53,421		\$53,421	\$0
FX5	GTS Flex Rate - Industrial									
	Customer Charge:	36		\$200.00	\$7,200		\$7,200	\$200.00	\$7,200	\$0
	Administrative Charge:	36		\$55.90	\$2,012		\$2,012	\$55.90	\$2,012	\$0
	All Gas Consumed		3,491,291.0	\$0.0858	\$299,553		\$299,553	\$0.0858	\$299,553	\$0
	Total				\$308,765		\$308,765		\$308,765	\$0
FX7	GTS Flex Rate - Industrial									
	Customer Charge:	12		\$583.39	\$7,001		\$7,001	\$583.39	\$7,001	\$0
	Administrative Charge:	12		\$55.90	\$671		\$671	\$55.90	\$671	\$0
	First 30,000 Mcf		300,000.0	\$0.4900	\$147,000		\$147,000	\$0.4900	\$147,000	\$0
	Over 30,000 Mcf		180,000.0	\$0.2700	\$48,600		\$48,600	\$0.2700	\$48,600	\$0
	Total		480,000.0		\$203,271		\$203,271		\$203,271	\$0
SAS	GTS Special Agency Service									
	Customer Charge:	0		\$583.39	\$0		\$0	\$1,007.05	\$0	\$0
	Administrative Charge:	0		\$55.90	\$0		\$0	\$55.90	\$0	\$0
	First 30,000 Mcf		0.0	\$0.5467	\$0		\$0	\$0.5443	\$0	\$0
	Over 30,000 Mcf		0.0	\$0.2905	\$0		\$0	\$0.2890	\$0	\$0
	AMRP			\$237.59	\$0		\$0	\$0	\$0	\$0
	Total		0.0		\$0		\$0		\$0	\$0

Columbia Gas of Kentucky, Inc.  
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Revenue Proof

Rate Code	Class Description	Number of Bills	Volumes (Mcf)	D-2.4 Revenue Proof				Proposed Revenue (\$)	Revenue Increase (\$)
				Present Rates (\$/Mcf)	Present Revenue (\$)	Ratemaking Adjustment (\$)	Adjusted Revenue (\$)		
<b>Transportation Service</b>									
SC3	GTS Special Rate - Industrial Customer Charge:	12		\$583.39	\$7,001		\$7,001	\$0	
	Administrative Charge:	12		\$55.90	\$671		\$671	\$0	
	First 30,000 Mcf		1,800,000.0	\$0.2900	\$522,000		\$522,000	\$0	
	Over 30,000 Mcf		2,209,476.0	\$0.1600	\$353,516		\$353,516	\$0	
	Total		4,009,476.0		\$883,188		\$883,188	\$0	
<b>Other Gas Department Revenues</b>									
	Acct 487 Forfeited Discounts				\$356,864		\$356,864	\$28,147	
	Acct 488 Miscellaneous Service Revenue				\$139,623		\$139,623	\$0	
	Acct 493 Rent from Gas Property				\$16,623		\$16,623	\$0	
	Acct 495 Non-Traditional Sales				\$0		\$0	\$0	
	Acct 495 Prior Yr. Rate Refund - Net.				\$0		\$0	\$0	
	Acct 495 Other Gas Revenues - Other				\$368,597		\$368,597	\$0	
	Total				\$881,707		\$881,707	\$28,147	
<b>Summary</b>									
	Base Revenue				\$52,060,646		\$52,060,646	\$10,005,373	
	Gas Cost Uncollectible Accounts in GCA				\$550,553		\$221,865	\$0	
	Gas Cost Recovery (Per filed Schedule M)				\$37,118,107		\$37,118,107	\$0	
	AMRP				\$2,373,616		\$2,373,616	(\$2,373,616)	
	EAP Revenue				\$491,717		\$491,717	\$0	
	Other Gas Department Revenue				\$881,707		\$909,854	\$28,147	
	TOTAL REVENUE				\$93,476,346		\$100,807,562	\$7,659,905	
<b>Summary by Rate Class</b>									
	General Service - Residential	1,439,709	8,000,000.2		59,574,965		64,802,898	\$5,447,476	
	General Service - Other	164,880	5,407,310.3		26,911,266		28,851,691	2,047,881	
	Intrastate Utility Service	24	13,844.0		76,767		79,321	3,053	
	Mainline Delivery Service / Special Contract	84	4,738,574.0		587,082		587,082	0	
	Delivery Service / Interruptible Service	840	12,185,878.6		5,444,559		5,576,716	133,348	
	Total	1,605,537	30,345,607.1		\$92,594,639		\$99,897,708	\$7,651,758	
<b>Average Monthly Customer Bill Increase</b>									
	General Service - Residential @ 5.5 Mcf				\$46.56		\$50.13	\$3.57	
	General Service - Commercial @ 25 Mcf				\$179.18		\$196.53	\$17.35	

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Stipulation and Recommendation was served upon all parties of record by regular U. S. mail this       th day of October, 2013.

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