

P.O. Box 14241 2001 Mercer Road Lexington, KY 40512-4241

Lexington-Fayette Urban County Government Division of Central Purchasing 200 East Main Street Room 338 Lexington, KY 40507

July 2, 2012

HAND-DELIVERED

To Whom It May Concern:

Please find enclosed the bid of Columbia Gas of Kentucky, Inc. in response to the request for bids for a natural gas franchise as advertised in the June 22, 2012 issue of *The Lexington Herald-Leader*. Pursuant to Ordinance No. 77-2012, Section 18, the bid is submitted with a check in the amount of \$500.00.

If you have any questions please contact me at 288-0242 or e-mail jmcoop@nisource.com. Thank you for your assistance.

Sincerely,

Judy M. Cooper

Director, Regulatory Policy

Enclosures (Sealed Envelope)

BID OF COLUMBIA GAS OF KENTUCKY, INC.

To the Mayor and Urban County Council of Lexington-Fayette County, Kentucky:

Upon the terms and conditions hereinafter set forth, Columbia Gas of Kentucky, Inc., ("Columbia") submits the following bid for the gas distribution franchise authorized by the Lexington-Fayette Urban County Government ("Government") in Ordinance No. 77-2012 on June 21, 2012 and advertised in The Lexington Herald-Leader on June 22, 2012.

Columbia hereby accepts the terms and conditions of Ordinance No. 77-2012. In consideration of the granting of the franchise for sale, distribution, and/or delivery of natural gas within Fayette County, Columbia agrees to pay to the Government a sum equal to three percent (3%) of the gross annual revenues received from the sale, distribution, and/or delivery of gas within Fayette County.

Columbia represents and warrants that it has obtained a Certificate of Public Convenience and Necessity from the Kentucky Public Service Commission dated July 2, 2012, which authorizes it to bid on the subject franchise offered by the Government, as required under KRS 278.020 (3).

Columbia further represents and warrants that it presently owns plant, facilities and equipment within the corporate limits of the Government sufficient to render the service required by Ordinance 77-2012.

COLUMBIA GAS OF KENTUCKY, INC.

BY: Herbert A Miller, Jr.

President

COLUMBIA GAS OF KENTUCKY

PO BOX 30130 COLLEGE STATION, TX 77842 (877)629-6286

LEXINGTON-FAYETTE URBAN CO GO 200 E MAIN STREET LEXINGTON, KY 40507-1310

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PAGE:

VENDOR NO: VOUCHER NO:	00000080000194 0032002966		VOUCHER DATE: 06/20/12			
REF. DOC.	REFERENCE NUMBER		REF. DATE	DOCUMENT AMOUNT	DISCOUNT/ADJ AMOUNT	NET AMOUN
/6T196 1428196 TOTALS	14281	06-13-12	500.00 500.00	.00	500.00 500.00	

COLUMBIA GAS OF KENTUCKY

PAY...FIVE HUNDRED DOLLARS OO CENTS

LEXINGTON-FAYETTE URBAN CO GO 200 E MAIN STREET LEXINGTON, KY 40507-1310

PO BOX 30130 COLLEGE STATION, TX 77842 (877)629-6286

то THE ORDER OF

60-160/433

CHECK DATE 06/20/2012

ON BOX, TO RIGHT OF ARROW HOLD BETWEEN THUMB AND LATED WATERMARK ON THE BACK.

CHECK NUMBER 0032002966

VALID FOR 180 DAYS

\$*****500.00

THE BANK OF NEW YORK MELLON

PITTSBURGH, PENNSYLVANIA