

## PRELIMINARY STATEMENT

KO Transmission Company is a natural gas pipeline company principally engaged in the business of transporting natural gas in interstate commerce under the authorization and the jurisdiction of the Federal Energy Regulatory Commission. The facilities owned by Transporter consist of a natural gas pipeline network located in the states of Kentucky and Ohio.

KO Transmission Company's ownership consists of:

(a)

a 48.77% interest in the pipeline system referred to herein as the "Kentucky system" previously fully owned by Columbia Gas Transmission Corporation ("Columbia"). As continuing Owner-Operator, Columbia will be fully responsible for all operations of the Kentucky system, including maintenance, inspection, replacement and repairs, and shall procure and furnish all necessary materials, equipment, services, supplies and labor. The Operating Agreement, signed between KO Transmission Company and Columbia on March 31, 1994, and subsequently amended on September 30, 2004 and January 13, 2009 is consistent with the provisions of this Tariff and provides that Columbia shall monthly bill KO Transmission Company for a share of all expenses prudently incurred. The Operating Agreement grants both parties the reciprocal right to use their undivided ownership interests and provides that the cost of operation shall be divided in accordance with their respective shares. The shared cost for operating and maintaining the Kentucky system to be borne by KO Transmission Company include: (i) Kentucky system Operation and Maintenance ("O&M") expenses, (ii) an allocable share of Columbia's Kentucky system Administrative and General ("A&G") expenses and (iii) applicable taxes. Neither party is permitted to utilize any portion of the undivided interest belonging to the other party.

(b)

In addition to its purchase of the 48.77% interest in the Kentucky system, KO Transmission has also acquired from Columbia a 100% interest in a portion of Line AM-4. This portion will be operated by personnel of Duke Energy Ohio, Inc., and/or Duke Energy Kentucky, Inc., who will allocate that portion of expense to KO Transmission.

The Company's services are provided on a non-discriminatory basis upon satisfaction of the requirements set forth in the applicable rate schedules, service agreement and general terms and conditions applicable to such services.

This tariff is filed in compliance with Part 154, Subchapter E, Chapter I, Title 18, of the Code of Federal Regulations.