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November 28, 2006

Judy M. Cooper  
Director, Regulatory Services  
Columbia Gas of Kentucky, Inc.  
2001 Mercer Road  
P. O. Box 14241  
Lexington, KY 40512-4241

CERTIFICATE OF SERVICE

RE: Case No. 2006-00459  
Columbia Gas of Kentucky, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on November 28, 2006.

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Executive Director

BOD/sh  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF COLUMBIA    )  
GAS OF KENTUCKY, INC.                )            CASE NO. 2006-00459

O R D E R

On December 13, 2002, in Case No. 2002-00145,<sup>1</sup> the Commission approved rates for Columbia Gas of Kentucky, Inc. ("Columbia") and provided for their further adjustment in accordance with Columbia's gas cost adjustment ("GCA") clause.

On October 30, 2006, Columbia filed its proposed GCA to be effective November 29, 2006.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Columbia's notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Columbia's revised expected gas cost ("EGC") is \$10.4012 per Mcf, an increase of 37.73 cents per Mcf from its last EGC of \$10.0239.
3. Columbia's notice sets out a rate for Banking and Balancing Service of 2.06 cents per Mcf.
4. Columbia's notice sets out no take-or-pay refund adjustment.
5. Columbia's notice sets out no transportation take-or-pay refund adjustment.

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<sup>1</sup> Case No. 2002-00145, Adjustment of Gas Rates of Columbia Gas of Kentucky, Inc.

6. Columbia's notice sets out no current quarter refund adjustment ("RA"). Columbia's notice sets out a total RA of (1.31) cent per Mcf, which is an increase of .01 cent per Mcf from the prior RA.

7. Columbia's notice sets out an annual actual cost adjustment ("ACA") of (\$1.9761) per Mcf, which is a decrease of 30.9 cents per Mcf from the previous rate.

8. Columbia's notice sets out a balancing adjustment ("BA") of .06 cent per Mcf, which is no change from the previous rate.

9. Columbia's notice sets out a Special Agency Service refund adjustment of (.02) cent per Mcf, which is no change from the previous rate.

10. Columbia's notice sets out a Gas Cost Incentive Adjustment ("Incentive") of 2.30 cents per Mcf, which is no change from the previous rate.

11. Columbia's approved gas cost recovery rate ("GCR") is \$8.4354 per Mcf, which is 6.84 cents per Mcf more than its previous GCR of \$8.3670.

12. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing with the final meter readings of the first billing cycle of December 2006, beginning on November 29, 2006.

IT IS THEREFORE ORDERED that:

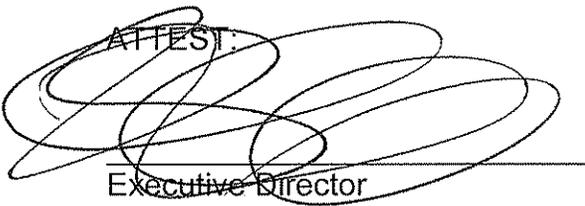
1. The rates in the Appendix to this Order are approved for billing with the final meter readings beginning on November 29, 2006.

2. Within 20 days from the date of this Order, Columbia shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 28th day of November, 2006.

By the Commission

ATTEST:



Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00459 DATED November 28, 2006.

The following rates and charges are prescribed for the customers in the area served by Columbia Gas of Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

#### Gas Cost Recovery Rate

The total Gas Cost Recovery Rate shall be \$8.4354 per Mcf effective November 29, 2006.