

May 14, 2007

Ms. Beth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602

**RECEIVED**

MAY 14 2007

**PUBLIC SERVICE  
COMMISSION**

Re: Columbia Gas of Kentucky, Inc.  
Gas Cost Adjustment Case No. 2007 - 00173

Dear Ms. O'Donnell:

On May 1, 2007, Columbia Gas of Kentucky, Inc., ("Columbia") filed its quarterly gas cost adjustment filing to be effective with its June 2007 billing cycle. The volumes shown on the Refund Adjustment (Schedule 4) of the filing were inadvertently in Dth rather than Mcf. Please find enclosed a substitute and revised Schedule 4 and accompanying schedules to reflect the revised Refund Adjustment. The result is an increase in the Refund Adjustment of (\$0.0004) per Mcf resulting in a reduction of (\$0.0004) per Mcf. The total revised increase to tariff sales customers is \$0.8349 per Mcf.

Please feel free to contact me at 859-288-0242 if there are any questions.

Sincerely,

  
Judy M. Cooper  
Director, Regulatory Policy

Enclosures

**Columbia Gas of Kentucky, Inc.**  
**Comparison of Current and Proposed GCAs**

REVISED

<u>Line</u> <u>No.</u>	<u>March-07</u> <u>CURRENT</u>	<u>June-07</u> <u>PROPOSED</u>	<u>DIFFERENCE</u>
1 Commodity Cost of Gas	\$8.0468	\$8.9201	\$0.8733
2 Demand Cost of Gas	<u>\$1.3663</u>	<u>\$1.3567</u>	<u>(\$0.0096)</u>
3 Total: Expected Gas Cost (EGC)	\$9.4131	\$10.2768	\$0.8637
4 SAS Refund Adjustment	(\$0.0002)	(\$0.0002)	\$0.0000
5 Balancing Adjustment	(\$1.1408)	(\$1.1408)	\$0.0000
6 Supplier Refund Adjustment	(\$0.0007)	(\$0.0065)	(\$0.0058)
7 Actual Cost Adjustment	(\$1.9761)	(\$1.9761)	\$0.0000
8 Gas Cost Incentive Adjustment	<u>\$0.0281</u>	<u>\$0.0051</u>	<u>(\$0.0230)</u>
9 Cost of Gas to Tariff Customers (GCA)	\$6.3234	\$7.1583	\$0.8349
10 Transportation TOP Refund Adjustment	\$0.0000	\$0.0000	\$0.0000
11 Banking and Balancing Service	\$0.0206	\$0.0208	\$0.0002
12 Rate Schedule FI and GSO			
13 Customer Demand Charge	\$6.5662	\$6.5814	\$0.0152

**Columbia Gas of Kentucky, Inc.**  
**Gas Cost Adjustment Clause**  
**Gas Cost Recovery Rate**  
**June - Aug. 07**

REVISED

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC)	Schedule No. 1	\$10.2768	
2	Actual Cost Adjustment (ACA)	Schedule No. 2	(\$1.9761)	8-31-07
3	SAS Refund Adjustment (RA)	Schedule No. 5	(\$0.0002)	8-31-07
4	Supplier Refund Adjustment (RA)	Schedule No. 4	(\$0.0065)	05-31-08
		Total Refunds	<u>(\$0.0065)</u>	
5	Balancing Adjustment (BA)	Schedule No. 3	(\$1.1408)	8-31-07
6	Gas Cost Incentive Adjustment	Schedule No. 6	\$0.0051	2-28-08
		Total GCIA	<u>\$0.0051</u>	
7	Gas Cost Adjustment			
8	June - Aug. 07		<u>\$7.1583</u>	
9	Expected Demand Cost (EDC) per Mcf			
10	(Applicable to Rate Schedule IS/SS and GSO) Schedule No. 1, Sheet 4		<u>\$6.5814</u>	

DATE FILED: May 1, 2007

BY: J. M. Cooper

**COLUMBIA GAS OF KENTUCKY, INC.**

**SUPPLIER REFUND ADJUSTMENT**

<b>Line No.</b>	<b><u>Description</u></b>	<b><u>Amount</u></b>
1	Supplier Refund from Columbia Gulf Transmission (Jan. 2007)	\$2,568
2	To Be Passed Back to Customers	
3	Interest on Refund Balances	\$120
4	REFUND INCLUDING INTEREST	\$2,688
5	Divided By:	
6	Projected Sales for the Twelve Months Ended May 31, 2008	10,930,650
7	<b>SUPPLIER REFUND TO EXPIRE May 31, 2008</b>	<b><u>(\$0.0002)</u></b>
8	Supplier Refund from Columbia Gas Transmission (Jan. 2007)	\$11,082
	To Be Passed Back to Customers	
	Interest on Refund Balances	\$518
	REFUND INCLUDING INTEREST	\$11,599
	Divided By:	
	Projected Sales for the Twelve Months Ended May 31, 2008	10,930,650
	<b>SUPPLIER REFUND TO EXPIRE May 31, 2008</b>	<b><u>(\$0.0011)</u></b>
	Supplier Refund from Columbia Gas Transmission (Jan. 2007)	\$54,411
	To Be Passed Back to Customers	
	Interest on Refund Balances	\$2,542
	REFUND INCLUDING INTEREST	\$56,953
	Divided By:	
	Projected Sales for the Twelve Months Ended May 31, 2008	10,930,650
	<b>SUPPLIER REFUND TO EXPIRE May 31, 2008</b>	<b><u>(\$0.0052)</u></b>
	<b>TOTAL SUPPLIER REFUND TO EXPIRE May 31, 2008</b>	<b><u><u>(\$0.0065)</u></u></b>

**COLUMBIA GAS OF KENTUCKY**  
**CASE NO. 2007- 00173 Effective June 2007 Billing Cycle**

CALCULATION OF DEMAND/COMMODITY SPLIT OF GAS COST ADJUSTMENT FOR TARIFFS

	\$/MCF	
Demand Component of Gas Cost Adjustment		
Demand Cost of Gas (Schedule No. 1, Sheet 1, Line 19)	\$1.3567	
Demand ACA (Schedule No. 2, Sheet 1, Line 26)	0.0503	
Refund Adjustment (Schedule No. 4)	-0.0065	
SAS Refund Adjustment (Schedule No. 5)	<u>-0.0002</u>	
Total Demand Rate per Mcf	\$1.4003	<--- to Att. E, line 21

Commodity Component of Gas Cost Adjustment

Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 18)	\$8.9201
Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	-\$2.0264
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	-\$1.1408
Gas Cost Incentive Adjustment (Schedule No. 6)	<u>\$0.0051</u>
Total Commodity Rate per Mcf	\$5.7580

CHECK:	\$1.4003
	<u>\$5.7580</u>
COST OF GAS TO TARIFF CUSTOMERS (GCA)	\$7.1583

Calculation of Rate Schedule SVGTS - Actual Gas Cost Adjustment

Commodity ACA (Schedule No. 2, Sheet 1, Line 28)	-\$2.0264
Balancing Adjustment (Schedule No. 3, Sheet 1, Line 21)	-\$1.1408
Gas Cost Incentive Adjustment (Schedule No. 6)	<u>\$0.0051</u>
Total Commodity Rate per Mcf	-\$3.1621



**CURRENTLY EFFECTIVE BILLING RATES**

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup> Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$	
<b><u>RATE SCHEDULE GSR</u></b>					
First 1 Mcf or less per billing period	6.95	1.4003	5.7580	14.1083	
Over 1 Mcf per billing period	1.8715	1.4003	5.7580	9.0298	
<b><u>RATE SCHEDULE GSO</u></b>					
<u>Commercial or Industrial</u>					
First 1 Mcf or less per billing period	18.88	1.4003	5.7580	26.0383	
Next 49 Mcf per billing period	1.8715	1.4003	5.7580	9.0298	
Next 350 Mcf per billing period	1.8153	1.4003	5.7580	8.9736	
Next 600 Mcf per billing period	1.7296	1.4003	5.7580	8.8879	
Over 1000 Mcf per billing period	1.5802	1.4003	5.7580	8.7385	
<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.		6.5814		6.5814	
<u>Delivery Rate Per Mcf</u>					
First 400 Mcf per billing period	1.8153			1.8153	
Next 600 Mcf per billing period	1.7296			1.7296	
All Over 1000 Mcf per billing period	1.5802			1.5802	
Former IN8 Rate Per Mcf	1.0575			1.0575	
Banking and Balancing Service		0.0208		0.0208	

(continued on following sheet)

<sup>1/</sup> 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, IN6, or IUS and received service under Rate Schedule SVGTS shall be \$9.9678 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS

(I) Increase

DATE OF ISSUE: May 14, 2007

DATE EFFECTIVE: June 2007 Billing Cycle  
(May 31, 2007)

ISSUED BY: Herbert A. Miller, Jr.

President

**CURRENTLY EFFECTIVE BILLING RATES**

(Continued)

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup> Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$	
<b><u>RATE SCHEDULE IUS</u></b>					
For All Volumes Delivered Per Mcf <u>Delivery Service</u>	0.3038	1.4003	5.7580	7.4621	I
Administrative Charge	55.90			55.90	
Delivery Rate Per Mcf	0.3038	1.4003		1.7041	R
Banking and Balancing Service		0.0208		0.0208	I
<b><u>MAINLINE DELIVERY SERVICE</u></b>					
Administrative Charge	55.90			55.90	
Delivery Rate Per Mcf	0.0858			0.0858	
Banking and Balancing Service		0.0208		0.0208	I

<sup>1/</sup> 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.

R – Reduction    I – Increase

DATE OF ISSUE: May 14, 2007

DATE EFFECTIVE: June 2007 Billing Cycle  
(May 31, 2007)

ISSUED BY: Herbert A. Miller, Jr.

President

**CURRENTLY EFFECTIVE BILLING RATES**

**RATE SCHEDULE SVGTS**

**Delivery Charge per Mcf**

General Service Residential

First 1 Mcf or less per billing period	\$ 6.95 (Minimum Bill)
Over 1 Mcf per billing period	1.8715

General Service Other

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

Intrastate Utility Service

For all volumes per billing period	\$ 0.038
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Actual Gas Cost Adjustment

For all volumes per billing period	\$ (3.1621)
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Rate Schedule SVAS

Balancing Charge – per Mcf	\$ 1.3056
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R

R

DATE OF ISSUE: May 14, 2007

DATE EFFECTIVE: June 2007 Billing Cycle  
(May 31, 2007)

ISSUED BY: Herbert A. Miller, Jr.

President