

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF COLUMBIA GAS OF) CASE NO. 2010-00424
KENTUCKY, INC.)

O R D E R

On October 26, 2009, in Case No. 2009-00141,¹ 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 29, 2010, Columbia filed its proposed GCA to be effective November 29, 2010.

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 Expected Gas Cost ("EGC") is \$7.2208 per Mcf, an increase of \$.0446 per Mcf from its last EGC of \$7.1762 per Mcf.
3. Columbia's notice sets out a rate for Banking and Balancing Service of \$.0207 per Mcf.

¹ Case No. 2009-00141, Application of Columbia Gas of Kentucky, Inc. for an Adjustment in Rates (Ky. PSC Oct. 26, 2009).

4. Columbia's notice sets out a current quarter supplier Refund Adjustment ("RA") of (\$.0019) per Mcf. Columbia's notice sets out a total RA of (\$.0100) per Mcf, which represents a decrease of \$.0019 per Mcf from the prior RA of (\$.0081) per Mcf.

5. Columbia's notice sets out its previously approved annual Actual Cost Adjustment of (\$.2466) per Mcf.

6. Columbia's notice sets out its previously approved Balancing Adjustment of \$.0299 per Mcf.

7. Columbia's notice sets out a Special Agency Service Refund Adjustment of (\$.0002) per Mcf, which represents no change from the previous rate.

8. Columbia's notice sets out its Gas Cost Incentive Adjustment of \$.0042 per Mcf, which represents no change from the previous rate.

9. Columbia's approved Gas Cost Recovery ("GCR") rate is \$6.9981 per Mcf, which is an increase of \$.0427 per Mcf from the previous GCR of \$6.9554 per Mcf.

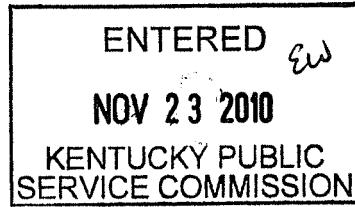
10. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for the billing cycle of December 2010, beginning on November 29, 2010.

IT IS THEREFORE ORDERED that:

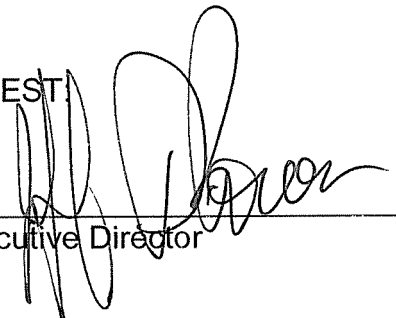
1. The rates in the Appendix to this Order are approved for billing with the final meter readings beginning on November 29, 2010.

2. Within 20 days of the date of this Order, Columbia shall file its revised tariffs with this Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00424 DATED **NOV 23 2010**

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 the Commission prior to the effective date of this Order.

Gas Cost Recovery Rate

The total Gas Cost Recovery Rate shall be \$6.9981 per Mcf effective November 29, 2010.

Judy M Cooper
Director, Regulatory Services
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