

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF COLUMBIA GAS OF)
KENTUCKY FOR AUTHORITY TO)
ADJUST RATES IN ACCORDANCE) CASE NO. 8281-M
WITH THE PURCHASED GAS)
ADJUSTMENT PROCEDURE)

O R D E R

On December 30, 1981, the Commission issued its Order in Case No. 8281, approving certain adjustments in the rates of Columbia and providing under certain conditions for the further adjustments of rates when the wholesale cost of gas is increased or decreased.

On February 8, 1983, Columbia Gas of Kentucky, Inc., ("Columbia") notified the Commission that its wholesale cost of gas would be increased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective March 1, 1983, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

This is another one of those federally-mandated pass-throughs of higher gas prices in which upon the record this Commission has no discretion. Columbia will not realize even one cent of profit but simply will turn over to its supplier,

Transmission, the increased amount which it must collect from its consumers.

After reviewing the notice filed in this case and being advised, the Commission is of the opinion and finds that:

(1) Columbia's notice of February 8, 1983, set out certain revisions in rates which Columbia proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$5,703,000 or 22.8 cents per Mcf.

(2) The Public Service Commission is being asked to authorize a pass-through of price increase that has been filed with the Federal Energy Regulatory Commission ("FERC"). Failure to allow this increase to be passed through to its retail consumers on a timely basis would be unfair and unjust to Columbia and would ultimately result in higher rates to its consumers. The Commission has (in writing) indicated its opposition to the procedures and regulations used by FERC since 1975 to approve these supplier increases.

We are also actively presenting our views to FERC and to our Kentucky Congressional delegation concerning revisions to the Natural Gas Policy Act formulas allowing producers to so raise their prices and because of the action of FERC in allowing such increases to pass through to the transmission company and through it to the distributing company, in this case Columbia, this Commission has no real authority in the matter. Under federal law and actions, this Commission

serves merely as the conduit for the final pass-through of the increased cost of gas to the consumers when, as here, that distributing utility makes no profit from the increased prices which it must pay for gas purchased from the transmission company.

(3) Columbia's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8281 dated December 30, 1981, is fair, just and reasonable and in the public interest and should be approved effective with gas supplied on and after March 1, 1983, subject to refund.


IT IS THEREFORE ORDERED that the purchased gas adjustment sought by Columbia be and it hereby is approved effective with gas supplied on and after March 1, 1983, subject to refund.

IT IS FURTHER ORDERED that Columbia shall maintain its records in such manner as will enable it, any of its customers, or the Commission to determine the amount to be refunded and to whom due in the event a refund is ordered by the Commission.

IT IS FURTHER ORDERED that within 30 days after the date of this Order Columbia shall file with this Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 28th day of
February, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC
SERVICE COMMISSION IN CASE NO. 8281-M
DATED FEBRUARY 28, 1983

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 date of this Order.

RATES:

Rate Schedule GS

Rate per Mcf

Residential

First	1 Mcf or less per month	\$7.558
Next	49 Mcf per month	6.282
Next	50 Mcf per month	6.232
Next	100 Mcf per month	6.202
Next	800 Mcf per month	6.172
Over	1,000 Mcf per month	6.152
	Minimum Monthly Charge	7.56

Commercial and Industrial

First	1 Mcf or less per month	\$7.783
Next	49 Mcf per month	6.433
Next	50 Mcf per month	6.383
Next	100 Mcf per month	6.353
Next	800 Mcf per month	6.323
Over	1,000 Mcf per month	6.303
	Minimum Monthly Charge	7.78

Rate Schedule Ac-1: (Cancelled)

Rate Schedule FC-1

Firm

First	1,000 Mcf per month	\$6.234
Over	1,000 Mcf per month	6.184

Rate Schedule (Continued)

Rate per Mcf

Curtaillable

All Volume

\$6.034

Rate Schedule FI-1

Firm

First 5,000 Mcf per month

\$6.181

Over 5,000 Mcf per month

6.151

Interruptible

All Volume

\$5.971

Rate Schedule FI-2

Firm

First 50,000 Mcf per month

\$6.081

Over 50,000 Mcf per month

6.011

Interruptible

All Volume

\$5.921

Rate Schedule IS-I

April through November

For all Volumes delivered each month
up to and including average monthly
Winter Volumes

\$6.383

For all Volumes in excess of the
average monthly Winter Volumes

5.983

December through March

All Mcf

\$6.383

Rate Schedule IUS-1

All Volumes

\$6.016

The base rates for the future application of the purchased gas adjustment clause are:

Columbia Gas Transmission Corporation

Zone 1 and Zone 3 Rate per Dth

	<u>Demand</u>	<u>Commodity</u>
Schedule CDS	\$4.74	457.88¢
Schedule WS		
Demand	\$1.39	
Winter Contract Quantity	2.44	

Columbia LNG Corporation

LNG - Rate per Mcf		\$5.61
Transportation - Rate per Dth		
Zone 1 and Zone 3		47.01¢