

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF COLUMBIA)	CASE NO. 90-063-I
GAS OF KENTUCKY, INC.)	

O R D E R

On October 10, 1990, the Commission issued its Order in Case No. 90-063 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a periodic basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On August 2, 1993, Columbia Gas of Kentucky, Inc. ("Columbia") filed for an adjustment to its gas cost pursuant to its GCA clause to be effective September 1, 1993. On August 20, 1993, the Commission issued its Order requesting additional information concerning Tennessee Gas Pipeline ("Tennessee") transition costs.

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

1. Columbia's notice of August 2, 1993 set out certain revisions in rates which Columbia proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale decrease in gas costs from its suppliers in the amount of 10.68 cents per Mcf excluding take-or-pay billings. Columbia's proposed expected gas cost ("EGC") for the period beginning September 1 is \$4.1446.

Columbia proposed to include a Tennessee Gas Supply Realignment ("GSR") demand surcharge in its EGC. The Commission is in the process of considering the issue of appropriate recovery of transition costs such as this in Administrative Case No. 346.¹ Columbia's EGC should be adjusted to remove the Tennessee GSR demand surcharge of \$2.60 per Dth pending the Commission's decision on the appropriate treatment of pipeline transition costs. Columbia's EGC should be \$4.1102 per Mcf.

2. Columbia's notice set out no fixed charge recovery rate.

3. Columbia's notice set out a total actual cost adjustment ("ACA") in the amount of (4.94) cents per Mcf. This reflects a current ACA of (6.37) cents per Mcf as well as a previous ACA of 1.43 cents per Mcf.

4. Columbia's notice set out a balancing adjustment in the amount of 0 cents per Mcf.

5. Columbia's notice contained no refund adjustment.

6. Columbia's notice set out a Special Agency Service refund adjustment in the amount of .06 cents per Mcf.

7. Columbia's approved gas cost recovery rate of \$4.0602, which includes no fixed charge recovery component, represents a decrease in retail rates of 10.90 cents per Mcf.

8. Columbia's adjustment in rates, pursuant to the gas cost adjustment provisions approved by the Commission in its Order in

¹ Administrative Case No. 346, An Investigation of the Impact of the Federal Energy Regulatory Commission's Order 636 on Kentucky Consumers and Suppliers of Natural Gas.

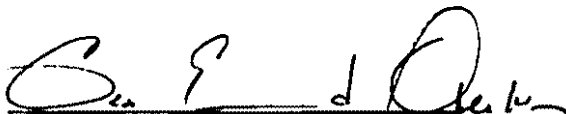
Case No. 90-063, dated October 10, 1990, is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after September 1, 1993.


IT IS THEREFORE ORDERED that:

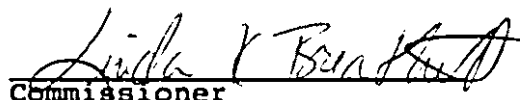
1. Columbia's proposed rates be and they hereby are denied.
2. The rates in the Appendix to this Order, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with gas supplied on and after September 1, 1993.
3. Within 30 days of the date of this Order, Columbia shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of September, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-063-I DATED SEPTEMBER 1, 1993.

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.

CURRENTLY EFFECTIVE BILLING RATES

	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment</u> \$ 1/	<u>Total Billing Rate</u> \$
<u>RATE SCHEDULE GS</u>			
First 1 Mcf or less per Mo.			
Residential	7.45	4.0602	11.5102
Commercial or Industrial	16.34	4.0602	20.4002
Next 49 Mcf per Mo.	1.6872	4.0602	5.7474
Next 150 Mcf per Mo.	1.6378	4.0602	5.6980
Over 200 Mcf per Mo.	1.5886	4.0602	5.6488
<u>Delivery Service</u>			
<u> Demand Charge</u>			
Demand Charge times Firm Mcf Volume in Customer Service Agreement		10.5255	10.5255
Volumetric	1.5886		1.5886
<u>RATE SCHEDULE FI</u>			
Customer Charge	135.79		135.79
<u>Customer Demand Charge</u>			
Demand Charge times Firm Mcf Volume in Customer Service Agreement		10.5255	10.5255
Commodity Charge-All Volume	.5573	4.0602	4.6175
<u>Delivery Service</u>			
Interruptible	.4861		.4861

RATE SCHEDULE IS

Customer Charge	135.79		135.79
Commodity Charge	.5573	4.0602	4.6175
<u>Delivery Service</u>			
Interruptible	.4861		.4861

RATE SCHEDULE IUS

For all Volumes Delivered			
Each Month	.1735	4.0602	4.2337
<u>Delivery Service</u>	.1735	1.4119	1.5854
<u>Delivery Service - Mainline</u>	.1000		.1000

- 1/ The Gas Cost Recovery Rate, as shown, is an adjustment per Mcf determined in accordance with the "Semi-Annual Gas Cost Adjustment Clause" as set forth on Sheets 80 through 82 of this tariff.