

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF COLUMBIA        ) CASE NO. 94-179-J  
GAS OF KENTUCKY, INC.                    )

O R D E R

On November 1, 1994, in Case No. 94-179, the Commission approved certain adjusted rates for Columbia Gas of Kentucky, Inc. ("Columbia") and provided for their further adjustment on a quarterly basis in accordance with its gas cost adjustment ("GCA") clause.

On May 1, 1997, Columbia filed its GCA to be effective June 1, 1997 through August 31, 1997.

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

1. Columbia's notice proposed revised rates designed to pass on its expected wholesale decrease in gas costs. Columbia's proposed expected gas cost ("EGC") for the quarter beginning June 1, 1997 is \$3.8176.
2. Columbia's notice set out a rate for Banking and Balancing Service of 2.06 cents per Mcf.
3. Columbia's notice set out no take-or-pay refund adjustment.

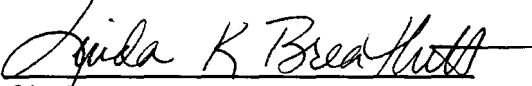
4. Columbia's notice set out no transportation take-or-pay refund adjustment.
5. Columbia's notice set out its actual cost adjustment ("ACA") of 51.48 cents per Mcf.
6. Columbia's notice set out a balancing adjustment ("BA") of 49.19 cents per Mcf.
7. Columbia's notice contained no current refund adjustment. The total refund adjustment of .63 cent per Mcf reflects previous quarter refund adjustments.
8. Columbia's notice set out a Special Agency Service refund adjustment of .03 cent per Mcf.
9. These adjustments produce a gas cost recovery rate ("GCR") of \$4.8177, 22.80 cents per Mcf less than the prior rate.

IT IS THEREFORE ORDERED that:

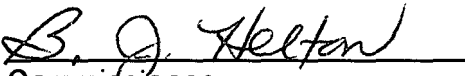
1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for gas supplied on and after June 1, 1997.
2. Within 30 days of the date of this Order, Columbia shall file with this Commission its revised tariffs setting out the rates authorized in this Order.

Done at Frankfort, Kentucky, this 30th day of May, 1997.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 94-179-J DATED MAY 30, 1997

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 Demand</u>	<u>Adjustment Commodity</u>	<u>Total Billing Rate</u>
<u>SCHEDULE GSR</u>				
First 1 Mcf or less per mo.	\$ 8.10	\$ 1.1749	\$ 3.6428	\$12.9177
Over 1 Mcf per mo.	2.1800	\$ 1.1749	\$ 3.6428	6.9977
<u>RATE SCHEDULE GSO</u>				
Commercial or Industrial				
First 1 Mcf or less	22.00	\$ 1.1749	\$ 3.6428	26.8177
Next 49 Mcf per mo.	2.1800	\$ 1.1749	\$ 3.6428	6.9977
Next 350 Mcf per mo.	2.1149	\$ 1.1749	\$ 3.6428	6.9326
Next 600 Mcf per mo.	2.0149	\$ 1.1749	\$ 3.6428	6.8326
Over 1,000 Mcf per mo.	1.8409	\$ 1.1749	\$ 3.6428	6.6586
<u>Delivery Service</u>				
Administrative Charge	65.00			65.00
<u>Standby Service Demand Charge</u>				
Demand Charge times Daily				
Firm Vol. (Mcf) in Cust.				
Serv. Agrmt.		9.1875		9.1875
<u>Delivery Rate Per Mcf</u>				
First 400 Mcf per mo.	2.1149			2.1149
Next 600 Mcf per mo.	2.0149			2.0149
Over 1,000 Mcf per mo.	1.8409			1.8409
Former IN8 Rate per Mcf	1.0575			1.0575
Banking & Balancing Service		0.0206		0.0206

RATE SCHEDULE IS

<u>Customer Charge per mo.</u>	\$135.79			\$135.79
First 30,000 Mcf	.6368		\$3.6428*	4.2796
Over 30,000 Mcf	.3384		3.6428*	3.9812

Standby Service Demand Charge

Demand Charge times Daily Firm Vol. (Mcf) in Cust. Serv. Agree.		9.1875		9.1875
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Delivery Service

Administrative Charge	65.00			65.00
First 30,000 Mcf	0.6368			0.6368
Over 30,000 Mcf	0.3384			0.3384
Banking & Balancing Service		0.0206		0.0206

RATE SCHEDULE IUS

For all Volumes Delivered Each Month	.3539	1.1749	3.6428	5.1716
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Delivery Service

Administrative Charge	65.00			65.00
Delivery Rate Per Mcf	.3539	1.1749		1.5288
Banking & Balancing Service		0.0206		0.0206

Mainline Delivery Service

Administrative Charge	65.00			65.00
Delivery Rate Per Mcf	0.1000			0.1000
Banking & Balancing Service		0.0206		0.0206

RATE SCHEDULE IN6 - INDUSTRIAL AND COMMERCIAL

Commodity Charge	1.7363	1.1749	3.6428	6.5540
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RATE SCHEDULE IN7 - SMALL COMMERCIAL

Commodity Charge	.5924	1.1749	3.6428	5.4101
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\*IS customers may be subject to the demand gas cost, under the conditions set forth on Sheets 14 and 15 of this tariff.