

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

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 October 26, 1998, Columbia filed its GCA to be effective December 1, 1998 to February 28, 1999.

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

1. Columbia's notice proposed revised rates designed to pass on its expected decreased wholesale gas costs to its customers. Columbia's proposed expected gas cost ("EGC") for the quarter beginning December 1, 1998 is \$3.9934 per Mcf, a decrease of .78 cents per Mcf from Columbia's last EGC.
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 no current quarter refund adjustment ("RA").

The total RA of .82 cents per Mcf reflects the current as well as previous quarter adjustments, and represents a .81 cent per Mcf increase over the total RA last approved for Columbia.

6. Columbia's notice set out its annual actual cost adjustment ("ACA") of 4.98 cents per Mcf to collect under-recovered gas cost from the twelve months ended June 30, 1998, which remains unchanged from the prior rate.

7. Columbia's notice set out its six-month balancing adjustment ("BA") of (.17) cent per Mcf to reconcile variances from previous refund and balancing adjustments, which remains unchanged from the prior rate.

8. Columbia's notice set out a Special Agency Service refund adjustment of .01 cent per Mcf, which remains unchanged from the prior rate.

9. The combined effect of the above adjustments is Columbia's gas cost recovery rate ("GCR") of \$4.0332 per Mcf, which is .03 cent per Mcf more than its previous GCR of \$4.0329 per Mcf.

10. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for gas supplied on and after December 1, 1998.

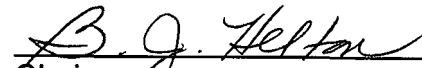
IT IS THEREFORE ORDERED that:

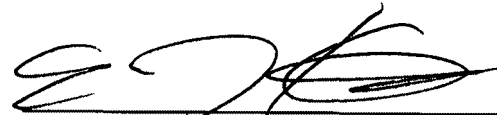
1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for gas supplied on and after December 1, 1998.

2. Within 30 days of the date of this Order, Columbia shall file with this Commission its revised tariffs setting out the rates authorized herein.

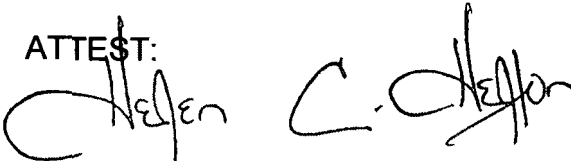
Done at Frankfort, Kentucky, this 25th day of November, 1998.

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-P DATED NOVEMBER 25, 1998

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 Demand</u>	<u>Commodity</u>	<u>Total Billing Rate</u>
<u>SCHEDULE GSR</u>				
First 1 Mcf or less per mo.	\$8.10	\$1.4095	\$2.6237	\$12.1332
Over 1 Mcf per mo.	2.1800	1.4095	2.6237	6.2132
<u>RATE SCHEDULE GSO</u>				
Commercial or Industrial				
First 1 Mcf or less per mo.	22.00	1.4095	2.6237	26.0332
Next 49 Mcf per mo.	2.1800	1.4095	2.6237	6.2132
Next 350 Mcf per mo.	2.1149	1.4095	2.6237	6.1481
Next 600 Mcf per mo.	2.0149	1.4095	2.6237	6.0481
Over 1000 Mcf per mo.	1.8409	1.4095	2.6237	5.8741
<u>Delivery Service</u>				
Administrative Charge	65.00			65.00
<u>Standby Service Demand Charge</u>				
Demand Charge Times Daily Firm Vol. (Mcf) In Customer Service Agreement		8.9517		8.9517
<u>Delivery Rate Per Mcf</u>				
First 400 Mcf per mo.	2.1149			2.1149
Next 600 Mcf per mo.	2.0149			2.0149
All Over 1000 Mcf per mo.	1.8409			1.8409
Former IN8 Rate	1.0575			1.0575
Banking and Balancing Service		0.0206		0.0206

RATE SCHEDULE IS

<u>Customer Charge per mo.</u>	\$135.79			\$135.79
First 30,000 Mcf	.6368		2.6237*	3.2605
Over 30,000 Mcf	.3384		2.6237*	2.9621

Standby Service Demand Charge

Demand Charge Times Daily Firm Vol. (Mcf) in Customer Service Agreement		8.9517		8.9517
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Delivery Service

Administrative Charge	65.00			65.00
First 30,000 Mcf	.6368			.6368
Over 30,000 Mcf	.3384			.3384
Banking and Balancing Service		.0206		.0206

RATE SCHEDULE IUS

For All Volumes Delivered Each Month	.3539	1.4095	2.6237	4.3871
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Delivery Service

Administrative Charge	65.00			65.00
Delivery Rate per Mcf	.3539	1.4095		1.7634
Banking and Balancing Service		0.0206		0.0206

Mainline Delivery Service

Administrative Charge	65.00			65.00
Delivery Rate per Mcf	0.1000			0.1000
Banking and Balancing Service		0.0206		0.0206

RATE SCHEDULE IN6 – INDUSTRIAL AND COMMERCIAL

Commodity Charge	1.7363	1.4095	2.6237	5.7695
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RATE SCHEDULE IN7 – SMALL COMMERCIAL

Commodity Charge	.5924	1.4095	2.6237	4.6256
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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.