

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF COLUMBIA)	CASE NO. 94-179-BB
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 in accordance with Columbia's gas cost adjustment ("GCA") clause.

On May 2, 2001, Columbia filed its GCA to be effective June 1, 2001 to June 30, 2001.

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

1. Columbia's notice proposes rates designed to pass on its expected decreased wholesale gas costs to its customers. Columbia's proposed expected gas cost ("EGC") for the period beginning June 1, 2001 is \$8.2796 per Mcf, a decrease of 1.47 cents per Mcf from Columbia's last EGC of \$8.2943.

2. Columbia's notice sets out a rate for Banking and Balancing Service of 2.08 cents per Mcf.

3. Columbia's notice sets 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 a current refund adjustment ("RA") of .07 cents per Mcf. The total RA of .45 cents per Mcf reflects previous quarter adjustments and is a .43 cent per Mcf increase from the previous total RA in effect.
6. Columbia's notice sets out an annual actual cost adjustment ("ACA") of 59.91 cents per Mcf to collect under-recovered gas cost from the 12 months ended June 30, 2000.
7. Columbia's notice sets out its 6-month balancing adjustment ("BA") of 5.56 cents per Mcf to reconcile variances from previous refund and balancing adjustments. This represents no change from the previous rate.
8. Columbia's notice sets out a Special Agency Service refund adjustment of 0 cents per Mcf. This represents no change from the prior rate.
9. The combined effect of the above adjustments is Columbia's gas cost recovery rate ("GCR") of \$8.9298 per Mcf, which is 1.04 cents per Mcf less than its previous GCR of \$8.9402 per Mcf.
10. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, are in the public interest, and should be approved for gas supplied on and after June 1, 2001.

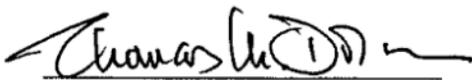
IT IS THEREFORE ORDERED that:

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, 2001.
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 21st day of May, 2001.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. (T) H.", written over a horizontal line.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-179-BB DATED MAY 21, 2001

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	\$1.3919	\$7.5379	\$17.0298
Over 1 Mcf per mo.	2.1800	1.3919	7.5379	11.1098
<u>RATE SCHEDULE GSO</u>				
Commercial or Industrial				
First 1 Mcf or less per mo.	22.00	1.3919	7.5379	30.9298
Next 49 Mcf per mo.	2.1800	1.3919	7.5379	11.1098
Next 350 Mcf per mo.	2.1149	1.3919	7.5379	11.0447
Next 600 Mcf per mo.	2.0149	1.3919	7.5379	10.9447
Over 1000 Mcf per mo.	1.8409	1.3919	7.5379	10.7707
<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		8.6601		8.6601
<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		0.0208		0.0208

RATE SCHEDULE IS

<u>Customer Charge per mo.</u>	\$135.79			\$135.79
First 30,000 Mcf	.6368	7.5379*		8.1747
Over 30,000 Mcf	.3384	7.5379		7.8763
<u>Standby Service Demand Charge</u>				
Demand Charge Times Daily Firm Vol. (Mcf) in Customer Service Agreement		8.6601		8.6601
<u>Delivery Service</u>				
Administrative Charge	65.00			65.00
First 30,000 Mcf	.6368			.6368
Over 30,000 Mcf	.3384			.3384
Banking and Balancing Service		.0208		.0208

RATE SCHEDULE IUS

For All Volumes Delivered Each Month	.3539	1.3919	7.5379	9.2837
<u>Delivery Service</u>				
Administrative Charge	65.00			65.00
Delivery Rate per Mcf	.3539	1.3919		1.7458
Banking and Balancing Service		0.0208		0.0208
<u>Mainline Delivery Service</u>				
Administrative Charge	65.00			65.00
Delivery Rate per Mcf	0.1000			0.1000
Banking and Balancing Service		0.0208		0.0208

RATE SCHEDULE IN6 – INDUSTRIAL AND COMMERCIAL

Commodity Charge	1.7363	1.3919	7.5379	10.6661
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RATE SCHEDULE IN7 – SMALL COMMERCIAL

Commodity Charge	.5924	1.3919	7.5379	9.5222
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*IS customers may be subject to the demand gas cost, under the conditions set forth on Sheets 48 and 51 of this tariff.