

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On November 1, 1994, in Case No. 94-179, the Commission approved 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 August 2, 2001, Columbia filed its GCA to be effective September 1, 2001.

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

1. Columbia's notice includes rates designed to pass on to its customers its expected decrease in wholesale gas costs. Columbia's expected gas cost ("EGC") is \$6.3578 per Mcf, a decrease of 12.94 cents per Mcf from Columbia's last EGC of \$6.4872.
2. Columbia's notice sets out a rate for Banking and Balancing Service of 2.14 cents per Mcf.
3. Columbia's notice sets out no take-or-pay refund adjustment.
4. Columbia's notice sets out no transportation take-or-pay refund adjustment.

5. Columbia's notice sets out a current refund adjustment ("RA") of 1.09 cents per Mcf. The total RA of 1.16 cents per Mcf is a decrease of .71 cents per Mcf from the previous rate.

6. Columbia's notice sets out an annual actual cost adjustment ("ACA") of \$1.0676 per Mcf to collect under-recovered gas cost from the 12 months ended June 30, 2001. This represents an increase of 46.85 cents per Mcf from the previous rate.

7. Columbia's notice sets out its 6-month balancing adjustment ("BA") of (.05) cent per Mcf to reconcile variances from previous refund and balancing adjustments. This represents a decrease of 5.61 cents per Mcf from the previous rate.

8. Columbia's notice sets out a Special Agency Service refund adjustment of .01 cent per Mcf. This represents a decrease of .01 cents per Mcf from the previous rate.

9. Columbia's gas cost recovery rate ("GCR") is \$7.4132 per Mcf, which is 27.58 cents per Mcf more than its previous GCR of \$7.1374.

10. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for gas supplied by Columbia on and after September 1, 2001.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for gas supplied on and after September 1, 2001.

2. Within 20 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 13th day of August, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-179-EE DATED AUGUST 13, 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	\$1.1572	\$6.2560	\$15.5132
Over 1 Mcf per mo.	2.1800	1.1572	6.2560	9.5932
<u>RATE SCHEDULE GSO</u>				
Commercial or Industrial				
First 1 Mcf or less per mo.	22.00	1.1572	6.2560	29.4132
Next 49 Mcf per mo.	2.1800	1.1572	6.2560	9.5932
Next 350 Mcf per mo.	2.1149	1.1572	6.2560	9.5281
Next 600 Mcf per mo.	2.0149	1.1572	6.2560	9.4281
Over 1000 Mcf per mo.	1.8409	1.1572	6.2560	9.2541
<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		8.6602		8.6602
<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		0.0214		0.0214

RATE SCHEDULE IS

<u>Customer Charge per mo.</u>	\$135.79			\$135.79
First 30,000 Mcf	.6368	6.2560*		6.8928
Over 30,000 Mcf	.3384	6.2560		6.5944
<u>Standby Service Demand Charge</u>				
Demand Charge Times Daily Firm Vol. (Mcf) in Customer Service Agreement		8.6602		8.6602
<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		.0214		.0214

RATE SCHEDULE IUS

For All Volumes Delivered Each Month	.3539	1.1572	6.2560	7.7671
<u>Delivery Service</u>				
Administrative Charge	65.00			65.00
Delivery Rate per Mcf	.3539	1.1572		1.5111
Banking and Balancing Service		0.0214		0.0214
<u>Mainline Delivery Service</u>				
Administrative Charge	65.00			65.00
Delivery Rate per Mcf	0.1000			0.1000
Banking and Balancing Service		0.0214		0.0214

RATE SCHEDULE IN6 – INDUSTRIAL AND COMMERCIAL

Commodity Charge	1.7363	1.1572	6.2560	9.1495
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RATE SCHEDULE IN7 – SMALL COMMERCIAL

Commodity Charge	.5924	1.1572	6.2560	8.0056
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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.