

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

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 March 2, 2001, Columbia filed its GCA to be effective April 1, 2001 to April 30, 2001.

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") beginning April 1, 2001 is \$7.7060 per Mcf, a decrease of 54.63 cents per Mcf from Columbia's last EGC of \$8.2523.

2. Columbia's notice set out a rate for Banking and Balancing Service of 2.07 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 refund adjustment ("RA"). The total RA of .88 cents per Mcf reflects previous quarter adjustments.
6. Columbia's notice set 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 set 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 set 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 \$8.3519 per Mcf, which is 54.63 cents per Mcf less than its previous GCR of \$8.8982 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 April 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 April 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 23rd day of March, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-179-Z DATED MARCH 23, 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	\$1.3140	\$7.0379	\$16.4519
Over 1 Mcf per mo.	2.1800	1.3140	7.0379	10.5319
<u>RATE SCHEDULE GSO</u>				
Commercial or Industrial				
First 1 Mcf or less per mo.	22.00	1.3140	7.0379	30.3519
Next 49 Mcf per mo.	2.1800	1.3140	7.0379	10.5319
Next 350 Mcf per mo.	2.1149	1.3140	7.0379	10.4668
Next 600 Mcf per mo.	2.0149	1.3140	7.0379	10.3668
Over 1000 Mcf per mo.	1.8409	1.3140	7.0379	10.1928
<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		8.5917		8.5917
<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		0.0207		0.0207

RATE SCHEDULE IS

<u>Customer Charge per mo.</u>	\$135.79			\$135.79
First 30,000 Mcf	.6368	7.0379*		7.6747
Over 30,000 Mcf	.3384	7.0379*		7.3763
<u>Standby Service Demand Charge</u>				
Demand Charge Times Daily Firm Vol. (Mcf) in Customer Service Agreement		8.5917		8.5917
<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		.0207		.0207

RATE SCHEDULE IUS

For All Volumes Delivered Each Month	.3539	1.3140	7.0379	8.7058
<u>Delivery Service</u>				
Administrative Charge	65.00			65.00
Delivery Rate per Mcf	.3539	1.3140		1.6679
Banking and Balancing Service		0.0207		0.0207
<u>Mainline Delivery Service</u>				
Administrative Charge	65.00			65.00
Delivery Rate per Mcf	0.1000			0.1000
Banking and Balancing Service		0.0207		0.0207

RATE SCHEDULE IN6 – INDUSTRIAL AND COMMERCIAL

Commodity Charge	1.7363	1.3140	7.0379	10.0882
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RATE SCHEDULE IN7 – SMALL COMMERCIAL

Commodity Charge	.5924	1.3140	7.0379	8.9443
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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.