

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-------------------------------|---|---------------------|
| NOTICE OF PURCHASED GAS |) | |
| ADJUSTMENT FILING OF COLUMBIA |) | CASE NO. 2002-00157 |
| 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 May 2, 2002, Columbia filed its proposed GCA to be effective June 1, 2002. On May 8 and May 15, 2002, Columbia revised its filing.

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 increase in wholesale gas costs. Columbia s expected gas cost (EGC) is \$4.8495 per Mcf, an increase of 59.13 cents per Mcf from its last EGC of \$4.2582.
2. Columbia s notice sets out a rate for Banking and Balancing Service of 2.11 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 no current refund adjustment (RA). Columbia's notice sets out a total RA of 1.09 cents per Mcf. This represents an increase of .07 cent per Mcf from the prior RA.

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 no change from the previous rate.

7. Columbia's notice sets out its 6-month balancing adjustment (BA) of 12.92 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 .01 cent per Mcf. This represents no change from the previous rate.

9. Columbia's approved gas cost recovery rate (GCR) is \$6.0353 per Mcf, which is 59.2 cents per Mcf more than its previous GCR of \$5.4433.

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 June 1, 2002.

IT IS THEREFORE ORDERED that:

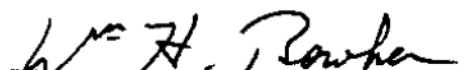
1. The rates in the Appendix to this Order are approved for gas supplied on and after June 1, 2002.

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 21st day of May, 2002.

By the Commission

ATTEST:


Deputy Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00157 DATED MAY 21, 2002

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 | \$ 1.1391 | \$4.8962 | \$14.1353 |
| Over 1 Mcf per mo. | 2.1800 | 1.1391 | 4.8962 | 8.2153 |
| <u>RATE SCHEDULE GSO</u> | | | | |
| Commercial or Industrial | | | | |
| First 1 Mcf or less per mo. | 22.00 | 1.1391 | 4.8962 | 28.0353 |
| Next 49 Mcf per mo. | 2.1800 | 1.1391 | 4.8962 | 8.2153 |
| Next 350 Mcf per mo. | 2.1149 | 1.1391 | 4.8962 | 8.1502 |
| Next 600 Mcf per mo. | 2.0149 | 1.1391 | 4.8962 | 8.0502 |
| Over 1000 Mcf per mo. | 1.8409 | 1.1391 | 4.8962 | 7.8762 |
| <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 | | 8.6483 | | 8.6483 |
| <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 | | 0.0211 | | 0.0211 |

RATE SCHEDULE IS

| | | | | |
|--|----------|---------|--|----------|
| <u>Customer Charge per mo.</u> | \$135.79 | | | \$135.79 |
| First 30,000 Mcf | .6368 | 4.8962* | | 5.5330 |
| Over 30,000 Mcf | .3384 | 4.8962 | | 5.2346 |
| <u>Standby Service Demand Charge</u> | | | | |
| Demand Charge Times Daily Firm Vol. (Mcf) in Customer Service Agreement | | 8.6483 | | 8.6483 |
| <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 | | .0211 | | .0211 |

RATE SCHEDULE IUS

| | | | | |
|---|--------|--------|--------|--------|
| For All Volumes Delivered Each Month | .3539 | 1.1391 | 4.8962 | 6.3892 |
| <u>Delivery Service</u> | | | | |
| Administrative Charge | 65.00 | | | 65.00 |
| Delivery Rate per Mcf | .3539 | 1.1391 | | 1.493 |
| Banking and Balancing Service | | 0.0211 | | 0.0211 |
| <u>Mainline Delivery Service</u> | | | | |
| Administrative Charge | 65.00 | | | 65.00 |
| Delivery Rate per Mcf | 0.1000 | | | 0.1000 |
| Banking and Balancing Service | | 0.0211 | | 0.0211 |

RATE SCHEDULE IN6 INDUSTRIAL AND COMMERCIAL

| | | | | |
|------------------|--------|--------|--------|--------|
| Commodity Charge | 1.7363 | 1.1391 | 4.8962 | 7.7716 |
|------------------|--------|--------|--------|--------|

RATE SCHEDULE IN7 SMALL COMMERCIAL

| | | | | |
|------------------|-------|--------|--------|--------|
| Commodity Charge | .5924 | 1.1391 | 4.8962 | 6.6277 |
|------------------|-------|--------|--------|--------|

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

RATE SCHEDULE SVGTS

General Service Residential

| | |
|-------------------------------|-----------------------|
| First 1 Mcf or less per month | \$8.10 (Minimum Bill) |
| Over 1 Mcf per month | 2.1800 |
| CAP Surcharge | .0150 |

General Service Other

| | |
|-------------------------------|------------------------|
| First 1 Mcf or less per month | \$22.00 (Minimum Bill) |
| Next 49 Mcf per month | 2.1800 |
| Next 350 Mcf per month | 2.1149 |
| Next 600 Mcf per month | 2.0149 |
| Over 1000 Mcf per month | 1.8409 |

Intrastate Utility Service

| | |
|---------------------------|---------|
| For all volumes per month | \$.3539 |
|---------------------------|---------|

Former Inland (IN6)

| | |
|---------------------------|----------|
| For all volumes per month | \$1.7363 |
|---------------------------|----------|

Actual Gas Cost Adjustment

| | |
|---------------------------|----------|
| For all volumes per month | \$1.1858 |
|---------------------------|----------|