

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF COLUMBIA)	CASE NO. 2004-00033
GAS OF KENTUCKY, INC.)	

O R D E R

On December 13, 2002, in Case No. 2002-00145, 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 January 30, 2004, Columbia filed its proposed GCA to be effective March 1, 2004.

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 change in wholesale gas costs.
2. Columbia's expected gas cost ("EGC") is \$7.7466 per Mcf, an increase of 2.22 cents per Mcf from its last EGC of \$7.7244.
3. Columbia's notice sets out a rate for Banking and Balancing Service of 2.10 cents per Mcf.
4. Columbia's notice sets out no take-or-pay refund adjustment.
5. Columbia's notice sets out no transportation take-or-pay refund adjustment.

6. Columbia's notice sets out a current quarter refund adjustment ("RA") of .21 cent per Mcf. Columbia's notice sets out a total RA of .33 cent per Mcf, a decrease of .09 cent from the prior RA.

7. Columbia's notice sets out an annual actual cost adjustment ("ACA") of \$2.1336 per Mcf, which is no change from the previous rate.

8. Columbia's notice sets out a balancing adjustment ("BA") of 6.4 cents per Mcf, which is an increase of 6.41 cents per Mcf from the previous rate.

9. Columbia's notice sets out a Special Agency Service refund adjustment of .02 cent per Mcf, which is no change from the previous rate.

10. Columbia's approved gas cost recovery rate ("GCR") is \$9.9407 per Mcf, which is 8.54 cents per Mcf more than its previous GCR of \$9.8553.

11. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing with the final meter readings of the first billing cycle of March 2004.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order are approved for billing with the final meter readings of the first billing cycle of March 2004.

Done at Frankfort, Kentucky, this 23rd day of February, 2004.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00033 DATED February 23, 2004

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.

Gas Cost Recovery Rate

The total Gas Cost Recovery Rate shall be \$9.9407 per Mcf during the period covered by the bill.