

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF COLUMBIA) CASE NO. 2004-00153
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.¹

On April 30, 2004, Columbia filed its proposed GCA to be effective May 28, 2004. Columbia requests a waiver of the 30-day notice period because the information needed to complete the price forecast was not received in time to permit an earlier filing. As KRS 278.180 permits the Commission to shorten the required notice period for good cause, the Commission finds the request should be granted.

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.

¹ Case No. 2002-00145, Adjustment of Gas Rates of Columbia Gas of Kentucky, Inc., Order dated December 13, 2002.

2. Columbia's expected gas cost ("EGC") is \$7.2177 per Mcf, a decrease of 52.89 cents per Mcf from its last EGC of \$7.7466.

3. Columbia's notice sets out a rate for Banking and Balancing Service of 2.49 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 .10 cent per Mcf. Columbia's notice sets out a total RA of .31 cent per Mcf, an increase of .02 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 no change 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 \$9.4120 per Mcf, which is 52.87 cents per Mcf less than its previous GCR of \$9.9407.

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 June 2004, beginning on May 28, 2004.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order are approved for billing with the final meter readings beginning on May 28, 2004.

Done at Frankfort, Kentucky, this 26th day of May, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the bottom.

Executive Director

Case No. 2004-00153

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00153 DATED May 26, 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 \$9.4120 per Mcf effective May 28, 2004.