

Columbia Gas<sup>®</sup>  
of Kentucky  
A NiSource Company

P.O. Box 14241  
2001 Mercer Road  
Lexington, KY 40512-4241

August 17, 2011

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602

RECEIVED

AUG 17 2011

PUBLIC SERVICE  
COMMISSION

Re: Columbia Gas of Kentucky, Inc.  
Gas Cost Adjustment Case No. 2011 – 00284

Dear Mr. Derouen:

Columbia Gas of Kentucky, Inc. (“Columbia”) has become aware of an error in the calculation of its September quarterly Gas Cost Adjustment (“GCA”) filed on July 29, 2011. Columbia hereby encloses, for filing with the Commission, an original and six (6) copies of Substitute and Revised schedules to replace those previously submitted that are in error.

The miscalculation was in Schedule 2, Columbia’s Actual Cost Adjustment (“ACA”), and was an overstatement of Columbia’s Actual Cost Adjustment. Columbia’s ACA to expire August 31, 2012 should be (\$0.1605) per Mcf instead of that originally shown as (\$0.2195) per Mcf.

Please feel free to contact me at [jmcoop@nisource.com](mailto:jmcoop@nisource.com) or 859-288-0242 if there are any questions.

Sincerely,



Judy M. Cooper  
Director, Regulatory Policy

Enclosures

**Columbia Gas of Kentucky, Inc.**  
**Comparison of Current and Proposed GCAs**

**Substitute and Revised**

<u>Line No.</u>	<u>June - 11 CURRENT</u>	<u>September-11 PROPOSED</u>	<u>DIFFERENCE</u>
1 Commodity Cost of Gas	\$5.3108	\$5.3532	\$0.0424
2 Demand Cost of Gas	<u>\$1.4831</u>	<u>\$1.5477</u>	<u>\$0.0646</u>
3 Total: Expected Gas Cost (EGC)	\$6.7939	\$6.9009	\$0.1070
4 SAS Refund Adjustment	(\$0.0002)	(\$0.0002)	\$0.0000
5 Balancing Adjustment	(\$1.1047)	(\$1.1070)	(\$0.0023)
6 Supplier Refund Adjustment	(\$0.0080)	(\$0.0121)	(\$0.0041)
7 Actual Cost Adjustment	(\$0.2466)	(\$0.1605)	\$0.0861
8 Gas Cost Incentive Adjustment	<u>\$0.0207</u>	<u>\$0.0207</u>	<u>\$0.0000</u>
9 Cost of Gas to Tariff Customers (GCA)	\$5.4551	\$5.6418	\$0.1867
10 Transportation TOP Refund Adjustment	\$0.0000	\$0.0000	\$0.0000
11 Banking and Balancing Service	\$0.0207	\$0.0207	\$0.0000
12 Rate Schedule FI and GSO			
13 Customer Demand Charge	\$6.5141	\$6.7785	\$0.2644

**Columbia Gas of Kentucky, Inc.**  
**Gas Cost Adjustment Clause**  
**Gas Cost Recovery Rate**  
 Sept - Nov 11

Substitute and Revised

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC) Schedule No. 1	\$6.9009	
2	Actual Cost Adjustment (ACA) Schedule No. 2	(\$0.1605)	8-31-12
3	SAS Refund Adjustment (RA) Schedule No. 5	(\$0.0002)	8-31-12
4	Supplier Refund Adjustment (RA) Schedule No. 4		
	Line 5	(\$0.0041)	08-31-12
	Case No. 2011-00155	(\$0.0041)	05-30-12
	Case No. 2011-00033	(\$0.0020)	02-29-12
	Case No. 2010-00424	(\$0.0019)	11-30-11
	Total Refunds	<u>(\$0.0121)</u>	
5	Balancing Adjustment (BA) Schedule No. 3		
	Line 25	(\$0.0023)	2-29-12
	Case No. 2011-00033	<u>(\$1.1047)</u>	2-29-12
	Total Balancing Adjustment	(\$1.1070)	
6	Gas Cost Incentive Adjustment Schedule No. 6 Case No. 2011-00033	\$0.0207	2-29-12
7	Gas Cost Adjustment		
8	Sept - Nov 11	<u>\$5.6418</u>	
9	Expected Demand Cost (EDC) per Mcf		
10	(Applicable to Rate Schedule IS/SS and GSO) Schedule No. 1, Sheet 4	<u>\$6.7785</u>	

DATE FILED: August 17, 2011

BY: J. M. Cooper

**SUBSTITUTE AND REVISED**  
DETAIL SUPPORTING  
DEMAND/COMMODITY SPLIT

**COLUMBIA GAS OF KENTUCKY**  
**CASE NO. 2011- 00284 Effective September 2011 Billing Cycle**

**CALCULATION OF DEMAND/COMMODITY SPLIT OF GAS COST ADJUSTMENT FOR TARIFFS**

	\$/MCF	
Demand Component of Gas Cost Adjustment		
Demand Cost of Gas (Schedule No. 1, Sheet 1, Line 23)	\$1.5477	
Demand ACA (Schedule No. 2 )	(\$0.3730)	
Total Refund Adjustment ( Schedule No. 4)	(\$0.0121)	
SAS Refund Adjustment (Schedule No. 5 )	<u>(\$0.0002)</u>	
Total Demand Rate per Mcf	\$1.1624	<--- to Att. E, line 21

Commodity Component of Gas Cost Adjustment

Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 22)	\$5.3532
Commodity ACA (Schedule No. 2 )	\$0.2125
Balancing Adjustment (Schedule No. 3)	(\$1.1070)
Gas Cost Incentive Adjustment (Case No. 2011-00033)	<u>\$0.0207</u>
Total Commodity Rate per Mcf	\$4.4794

CHECK:	\$1.1624
	<u>\$4.4794</u>
COST OF GAS TO TARIFF CUSTOMERS (GCA)	\$5.6418

Calculation of Rate Schedule SVGTS - Actual Gas Cost Adjustment

Commodity ACA (Schedule No. 2 )	\$0.2125
Balancing Adjustment (Schedule No. 3)	(\$1.1070)
Gas Cost Incentive Adjustment (Case No. 2011-00033)	<u>\$0.0207</u>
Total Commodity Rate per Mcf	(\$0.8738)

**SUBSTITUTE AND REVISED**  
**ACTUAL COST ADJUSTMENT**  
**SCHEDULE NO. 2**

COLUMBIA GAS OF KENTUCKY, INC.

STATEMENT SHOWING COMPUTATION OF  
ACTUAL GAS COST ADJUSTMENT (ACA)

BASED ON THE TWELVE MONTHS ENDED JUNE 30, 2011

LINE NO.	MONTH	Total Sales Volumes		Standby Service Volumes	Net Applicable Sales Volumes	Average Expected Gas Cost Rate \$/Mcf (4) = (5/3)	Gas Cost Recovery \$ (5)	Standby Service Recovery \$ (6)	Total Gas Cost Recovery \$ (7) = (5)+(6)	Cost of Gas Purchased \$ (8)	(OVER)/ UNDER RECOVERY \$ (9) = (8)-(7)	Off System Sales (Accounting) (10)	Capacity Release Passback \$ (11)	Information Only		
		Per Books Mcf (1)	Mcf (2)											Gas Cost Recovery \$ (5)	Standby Service Recovery \$ (6)	Capacity Release Passback \$ (11)
1	July 2010	191,786	0	191,786	\$6.0217	\$1,154,876	\$35,006	\$1,189,882	\$1,161,260	\$297,360	(\$94,648)		\$6,045		(\$94,648)	
2	August 2010	175,407	112	175,295	\$6.0255	\$1,056,234	\$35,358	\$1,091,592	\$1,493,501	\$299,978	(\$92,838)		\$4,960		(\$92,838)	
3	September 2010	205,865	465	205,400	\$5.7988	\$1,191,071	\$36,468	\$1,227,538	\$996,089	\$731,020	(\$82,771)		\$2,258		(\$82,771)	
4	October 2010	241,889	2	241,687	\$7.0906	\$1,713,711	\$35,017	\$1,748,728	\$3,250,370	\$481,272	(\$81,748)		\$1,686		(\$81,748)	
5	November 2010	542,091	404	541,687	\$7.0958	\$3,843,725	\$22,082	\$3,865,807	\$7,346,997	\$381,574	(\$166,527)		\$44,173		(\$166,527)	
6	December 2010	1,665,098	1,468	1,663,630	\$7.1436	\$11,884,277	\$40,672	\$11,924,949	\$20,170,653	\$8,880	(\$129,482)		\$25,484		(\$129,482)	
7	January 2011	2,520,901	8,279	2,512,622	\$7.1607	\$17,992,146	\$78,925	\$18,071,071	\$17,232,154	\$189,724	(\$137,859)		\$25,288		(\$137,859)	
8	February 2011	2,133,609	3,495	2,130,114	\$7.1495	\$15,229,257	\$51,983	\$15,281,240	\$12,361,653	\$219,257	(\$123,714)		\$25,942		(\$123,714)	
9	March 2011	1,278,045	4,731	1,273,314	\$7.1614	\$9,118,705	\$58,944	\$9,177,648	\$8,957,600	\$207,205	(\$118,885)		\$19,737		(\$118,885)	
10	April 2011	908,938	4,125	904,813	\$7.1671	\$6,484,902	\$52,434	\$6,537,337	\$2,209,727	\$58,520	(\$94,070)		\$7,376		(\$94,070)	
11	May 2011	438,662	0	438,662	\$7.1346	\$3,129,663	\$29,183	\$3,158,845	\$1,486,495	\$254,401	(\$104,480)		\$5,256		(\$104,480)	
12	June 2011	262,000	223	261,777	\$6.7222	\$1,759,707	\$31,766	\$1,791,473	(\$102,989)	\$248,242	(\$108,869)		\$7,368		(\$108,869)	
13	TOTAL	10,564,091	23,304	10,540,787		\$74,558,272	\$507,837	\$75,066,110	\$76,563,509	\$3,377,433	(\$1,335,891)		\$175,574		(\$1,335,891)	
14	Off-System Sales															
15	Capacity Release															
16	Gas Cost Audit															
17	TOTAL (OVER)/UNDER-RECOVERY															
18	Demand Revenues Received															
19	Demand Cost of Gas 1/															
20	Demand (Over)/Under Recovery															
21	Expected Sales Volumes for the Twelve Months End Aug. 31, 2012															
22	DEMAND ACA TO EXPIRE AUGUST 31, 2012															
23	Commodity Revenues Received															
24	Commodity Cost of Gas															
25	Commodity (Over)/Under Recovery															
26	Gas Cost Uncollectible ACA															
27	Total Commodity (Over)/Under Recovery															
28	Expected Sales Volumes for the Twelve Months End Aug. 31, 2012															
29	COMMODITY ACA TO EXPIRE AUGUST 31, 2012															
30	TOTAL ACA TO EXPIRE AUGUST 31, 2012															

1/ Per final order in case no. 2004-00462 dated March 29, 2005, Demand Cost of Gas shown is net of customer sharing credits of 50% of Capacity Release and Off System Sales profits, and credit for recovery through the SVAS Balancing Charge on Sheet 7a of the tariff.

Columbia Gas of Kentucky, Inc.  
 Gas Cost Uncollectible Charge - Actual Cost Adjustment  
 For the 12 Months Ending June 30, 2011

Substitute and Revised Schedule No. 2  
 Sheet 3 of 3

Line	Class	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Total
1	Actual Cost	45,507.87	(1,507.54)	5,222.38	4,344.41	18,471.82	140,734.26	187,335.05	142,161.74	87,517.61	70,752.13	47,737.61	6,749.27	755,026.61
2	Actual Recovery	<u>12,709.69</u>	<u>11,634.04</u>	<u>13,950.81</u>	<u>19,672.27</u>	<u>43,663.52</u>	<u>133,548.09</u>	<u>202,675.45</u>	<u>171,277.21</u>	<u>102,460.21</u>	<u>72,903.89</u>	<u>35,077.11</u>	<u>19,366.36</u>	<u>838,958.65</u>
3	(Over)/Under Activity	32,798.18	(13,141.58)	(8,728.43)	(15,327.86)	(25,211.70)	7,186.17	(15,340.40)	(29,115.47)	(14,942.60)	(2,151.76)	12,660.50	(12,617.09)	(83,932.04)



**SUBSTITUTE AND REVISED  
PROPOSED TARIFF SHEETS**

COLUMBIA GAS OF KENTUCKY, INC.

**CURRENTLY EFFECTIVE BILLING RATES**

<u>SALES SERVICE</u>	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup></u>		<u>Total Billing Rate</u> \$
		<u>Demand</u> \$	<u>Commodity</u> \$	
<b><u>RATE SCHEDULE GSR</u></b>				
Customer Charge per billing period	12.35			12.35
Delivery Charge per Mcf	1.8715	1.1624	4.4794	7.5133
<b><u>RATE SCHEDULE GSO</u></b>				
<u>Commercial or Industrial</u>				
Customer Charge per billing period	25.13			25.13
Delivery Charge per Mcf -				
First 50 Mcf or less per billing period	1.8715	1.1624	4.4794	7.5133
Next 350 Mcf per billing period	1.8153	1.1624	4.4794	7.4571
Next 600 Mcf per billing period	1.7296	1.1624	4.4794	7.3714
Over 1,000 Mcf per billing period	1.5802	1.1624	4.4794	7.2220
<b><u>RATE SCHEDULE IS</u></b>				
Customer Charge per billing period	583.39			583.39
Delivery Charge per Mcf				
First 30,000 Mcf per billing period	0.5467		4.4794 <sup>2/</sup>	5.0261
Over 30,000 Mcf per billing period	0.2905		4.4794 <sup>2/</sup>	4.7699
Firm Service Demand Charge				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		6.7785		6.7785
<b><u>RATE SCHEDULE IUS</u></b>				
Customer Charge per billing period	331.50			331.50
Delivery Charge per Mcf				
For All Volumes Delivered	0.7750	1.1624	4.4794	6.4168
<p><sup>1/</sup> The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff. The Gas Cost Adjustment applicable to a customer who is receiving service under Rate Schedule GS or IUS and received service under Rate Schedule SVGTS shall be \$6.9009 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS</p> <p><sup>2/</sup> IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.</p>				
<p><b>I – Increase      R - Reduction</b></p>				

DATE OF ISSUE: August 17, 2011

DATE EFFECTIVE: August 29, 2011  
(September Unit 1 Billing)

ISSUED BY: *Herbert A. Miller*

President

COLUMBIA GAS OF KENTUCKY, INC.

**CURRENTLY EFFECTIVE BILLING RATES**

(Continued)

<u>TRANSPORTATION SERVICE</u>	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup></u> <u>Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$
<b><u>RATE SCHEDULE SS</u></b>				
Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		6.7785		6.7785
Standby Service Commodity Charge per Mcf			4.4794	4.4794
<b><u>RATE SCHEDULE DS</u></b>				
Administrative Charge per account per billing period				55.90
Customer Charge per billing period <sup>2/</sup>				583.39
Customer Charge per billing period (GDS only)				25.13
Customer Charge per billing period (IUDS only)				331.50
<u>Delivery Charge per Mcf<sup>2/</sup></u>				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
– Grandfathered Delivery Service				
First 50 Mcf or less per billing period				1.8715
Next 350 Mcf per billing period				1.8153
Next 600 Mcf per billing period				1.7296
All Over 1,000 Mcf per billing period				1.5802
– Intrastate Utility Delivery Service				
All Volumes per billing period				0.7750
Banking and Balancing Service				
Rate per Mcf		0.0207		0.0207
<b><u>RATE SCHEDULE MLDS</u></b>				
Administrative Charge per account each billing period				55.90
Customer Charge per billing period				200.00
Delivery Charge per Mcf				0.0858
Banking and Balancing Service				
Rate per Mcf		0.0207		0.0207
1/ The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff.				
2/ Applicable to all Rate Schedule DS customers except those served under Grandfathered Delivery Service or Intrastate Utility Delivery Service.				
I – Increase		R - Reduction		

DATE OF ISSUE: August 17, 2011

DATE EFFECTIVE: August 29, 2011  
 (September Unit 1 Billing)

ISSUED BY: *Herbert A. Miller Jr.*

President

**COLUMBIA GAS OF KENTUCKY, INC.**

**CURRENTLY EFFECTIVE BILLING RATES**

<u>RATE SCHEDULE SVGTS</u>	<u>Billing Rate</u>
	\$
<u>General Service Residential</u>	
Customer Charge per billing period	12.35
Delivery Charge per Mcf	1.8715
<u>General Service Other - Commercial or Industrial</u>	
Customer Charge per billing period	25.13
Delivery Charge per Mcf -	
First 50 Mcf or less per billing period	1.8715
Next 350 Mcf per billing period	1.8153
Next 600 Mcf per billing period	1.7296
Over 1,000 Mcf per billing period	1.5802
<u>Intrastate Utility Service</u>	
Customer Charge per billing period	331.50
Delivery Charge per Mcf	\$ 0.7750
<u>Actual Gas Cost Adjustment <sup>1/</sup></u>	
For all volumes per billing period per Mcf	(\$ 0.8738)
<u>RATE SCHEDULE SVAS</u>	
Balancing Charge – per Mcf	\$ 0.9919

I  
R

**I – Increase      R - Reduction**

1/ The Gas Cost Adjustment is applicable to a customer who is receiving service under Rate Schedule SVGTS and received service under Rate Schedule GS, IS, or IUS for only those months of the prior twelve months during which they were served under Rate Schedule GS, IS or IUS.

**DATE OF ISSUE:** August 17, 2011

**DATE EFFECTIVE:** August 29, 2011  
(September Unit 1 Billing)

**ISSUED BY:** *Herbert A. Miller*

President