

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                           |   |            |
|---------------------------|---|------------|
| PURCHASED GAS ADJUSTMENT  | ) |            |
| FILING OF COLUMBIA GAS OF | ) | CASE NO.   |
| KENTUCKY, INC.            | ) | 2016-00166 |

ORDER

On December 13, 2013, in Case No. 2013-00167,<sup>1</sup> 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 April 29, 2016, Columbia filed its proposed GCA to be effective May 31, 2016. On May 13, 2016, Columbia supplemented its application with additional information concerning the calculation of its Performance Based Ratemaking ("PBR") Rate Adjustment.

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 \$3.8536 per Mcf, which is a decrease of \$.4526 per Mcf from its previous EGC of \$4.3062 per Mcf.

---

<sup>1</sup> Case No. 2013-00167, *Application of Columbia Gas of Kentucky, Inc. for an Adjustment in Rates for Gas Service* (Ky. PSC Dec. 13, 2013).

3. Columbia's notice sets out a rate for Banking and Balancing Service of \$.0209 per Mcf, which is no change from its previous Banking and Balancing Service rate.

4. Columbia's notice sets out no current quarter supplier Refund Adjustment ("RA"). Columbia's total RA is (\$.0016) per Mcf, which is no change from its previous total RA.

5. Columbia's notice sets out an Actual Cost Adjustment ("ACA") of (\$1.9527) per Mcf, which is an increase of \$.0233 per Mcf from its previous ACA (\$1.9760) per Mcf.

6. Columbia's notice sets out a Balancing Adjustment ("BA") of (\$.0755) per Mcf, which is an increase of \$.0280 per Mcf from its previous BA of (\$.1035) per Mcf.

7. Columbia's notice sets out a Special Agency Service ("SAS") refund adjustment of \$.0000 per Mcf, which is no change from its previous SAS refund adjustment.

8. Columbia's notice sets out a PBR rate of \$.3668 per Mcf, which is an increase of \$.3668 per Mcf from its previous PBR rate of \$.0000 per Mcf.

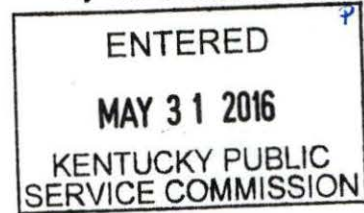
9. Columbia's GCA is \$2.1906 per Mcf, which is a decrease of \$.0345 per Mcf from the previous GCA of \$2.2251 per Mcf. The GCA consists of a \$1.4487 per Mcf demand component and a \$.7419 per Mcf commodity component.

10. The rates as proposed by Columbia and set forth in the Appendix to this Order are fair, just, and reasonable and should be approved for billing for the June 2016 billing cycle beginning on May 31, 2016.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Columbia and set forth in the Appendix to this Order are approved for billing for the June 2016 billing cycle beginning on May 31, 2016.
2. Within 20 days of the date of this Order, Columbia shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates and ACA and BA mechanism revisions approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:

  
Acting Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2016-00166 DATED **MAY 31 2016**

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 the Commission prior to the effective date of this Order.

CURRENTLY EFFECTIVE BILLING RATES

|  | Base Rate<br>Charge<br>\$ | Gas Cost Adjustment <sup>1/</sup><br>Demand<br>\$ | Commodity<br>\$     | Total<br>Billing<br>Rate<br>\$ |
|--|---------------------------|---|---------------------|--------------------------------|
| <b><u>SALES SERVICE</u></b>                |                           |   |                     |                                |
| <b><u>RATE SCHEDULE GSR</u></b>            |                           |   |                     |                                |
| Delivery Charge per Mcf                    | 2.2666                    | 1.4487  | .7419               | 4.4572                         |
| <b><u>RATE SCHEDULE GSO</u></b>            |                           |   |                     |                                |
| <b><u>Commercial or Industrial</u></b>     |                           |   |                     |                                |
| First 50 Mcf or less per billing period    | 2.2666                    | 1.4487  | .7419               | 4.4572                         |
| Next 350 Mcf per billing period            | 1.7520                    | 1.4487  | .7419               | 3.9426                         |
| Next 600 Mcf per billing period            | 1.6659                    | 1.4487  | .7419               | 3.8565                         |
| Over 1,000 Mcf per billing period          | 1.5164                    | 1.4487  | .7419               | 3.7070                         |
| <b><u>RATE SCHEDULE IS</u></b>             |                           |   |                     |                                |
| First 30,000 Mcf per billing period        | 0.5443                    |   | .7419 <sup>2/</sup> | 1.2862                         |
| Over 30,000 Mcf per billing period         | 0.2890                    |   | .7419 <sup>2/</sup> | 1.0309                         |
| Firm Service Demand Charge                 |                           |   |                     |                                |
| Demand Charge times Daily Firm             |                           |   |                     |                                |
| Volume (Mcf) in Customer Service Agreement |                           | 6.8121  |                     | 6.8121                         |
| <b><u>RATE SCHEDULE IUS</u></b>            |                           |   |                     |                                |
| Delivery Charge per Mcf                    | 0.8150                    | 1.4487  | .7419               | 3.0056                         |

<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 Columbia's 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 \$3.8536 per Mcf only for those months of the prior 12 months during which they were served under Rate Schedule SVGTS.

<sup>2/</sup> IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of Columbia's tariff.

TRANSPORTATION SERVICE

RATE SCHEDULE SS

|  |        |       |        |
|--|--------|-------|--------|
| Standby Service Demand Charge per Mcf      |        |       |        |
| Demand Charge times Daily Firm             |        |       |        |
| Volume (Mcf) in Customer Service Agreement | 6.8121 |       | 6.8121 |
| Standby Service Commodity Charge per Mcf   |        | .7419 | .7419  |

RATE SCHEDULE DS

|                               |        |  |        |
|-------------------------------|--------|--|--------|
| Banking and Balancing Service |        |  |        |
| Rate per Mcf                  | 0.0209 |  | 0.0209 |

RATE SCHEDULE MLDS

|                               |        |  |        |
|-------------------------------|--------|--|--------|
| Banking and Balancing Service |        |  |        |
| Rate per Mcf                  | 0.0209 |  | 0.0209 |

RATE SCHEDULE SVGTS

|   | <u>Base Rate</u>    |
|---|---------------------|
|   | \$                  |
| <u>General Service Residential (SGVTS GSR)</u>                    |                     |
| Delivery Charge per Mcf   | 2.2666              |
| <u>General Service Other—Commercial or Industrial (SVGTS GSO)</u> |                     |
| First 50 Mcf or less per billing period                           | 2.2666              |
| Next 350 Mcf per billing period                                   | 1.7520              |
| Next 600 Mcf per billing period                                   | 1.6659              |
| Over 1,000 Mcf per billing period                                 | 1.5164              |
| <u>Intrastate Utility Service</u>                                 |                     |
| Delivery Charge per Mcf   | 0.8150              |
|   | <u>Billing Rate</u> |
|   | \$                  |
| <u>Actual Gas Cost Adjustment</u> <sup>3/</sup>                   | (1.6395)            |

RATE SCHEDULE SVAS

|                          |        |
|--------------------------|--------|
| Balancing Charge—per Mcf | 1.2483 |
|--------------------------|--------|

<sup>3/</sup> 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 12 months during which they were served under Rate Schedule GS, IS, or IUS.

\*Judy M Cooper  
Director, Regulatory Services  
Columbia Gas of Kentucky, Inc.  
2001 Mercer Road  
P. O. Box 14241  
Lexington, KY 40512-4241

\*Columbia Gas of Kentucky, Inc.  
2001 Mercer Road  
P. O. Box 14241  
Lexington, KY 40512-4241