

August 15, 2016

Ms. Talina Mathews
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

RECEIVED

AUG 15 2016

PUBLIC SERVICE
COMMISSION

Re: Gas Cost Adjustment Case No. 2016 – 00285

Dear Ms. Mathews:

Columbia Gas of Kentucky, Inc., (“Columbia”) hereby submits an original and six (6) copies of Substitute Revised Schedule 2, Revised Schedule 3 and other impacted pages previously filed in support of its Gas Cost Adjustment to be effective on August 29, 2016 (September Unit 1 billing). The Substitute corrects the calculation of the current quarter Actual Cost Adjustment to reflect the elimination of the previous Annual Actual Cost Adjustment that was authorized in Case No. 2015-00270 and will expire at the end of Columbia’s August 2016 billing cycle.

Pursuant to Case No. 2016-00060, Columbia implemented quarterly Actual Cost and Balancing Adjustments effective with its June 2016 billing cycle in Case No. 2016-00166. The Balancing Adjustment included in September rates should reconcile prior adjustments that expired at the end of Columbia’s May 2016 billing cycle. Due to the conversion beginning only in June, there were no adjustments expiring on May 31, 2016 so the proposed Balancing Adjustment for the September 2016 quarterly filing is \$0.0000 per Mcf as shown on Revised Schedule 3.

Please feel free to contact me at jmcoop@nisource.com if there are any questions.

Sincerely,



Judy M. Cooper
Director, Regulatory Policy

Enclosures

Columbia Gas of Kentucky, Inc.
Actual Cost Adjustment Summary of Rates
For the Period Beginning Billing Unit 1 September 2016

<u>Line</u>	<u>No.</u>	<u>Effective Month</u>	<u>Expiration Month</u>	<u>Case Number</u>	<u>ACA Rate</u>
	1	September-2015	August-2016	2015-00270	\$ (1.9760)
	2	June 2016	May 2017	2016-00166	\$ 0.0233
	2	September 2016	August 2017	2016-xxxxx	\$ <u>(0.4021)</u>
	3	Cumulative Rate			\$ (0.3788)

COLUMBIA GAS OF KENTUCKY, INC.

**CALCULATION OF BALANCING ADJUSTMENT
 Effective Billing Unit 1 September 2016**

<u>Line</u>	<u>Description</u>	<u>Detail</u>	<u>Amount</u>
<u>No.</u>		\$	\$
1	<u>RECONCILIATION OF PREVIOUS ACTUAL COST ADJUSTMENT</u>		
2	Total adjustment to have been collected from		
3	customers in Case No.	\$0	
4	Less: actual amount collected	\$0	
5	REMAINING AMOUNT		\$0
	<u>RECONCILIATION OF A PREVIOUS REFUND ADJUSTMENT</u>		
6	Total adjustment to have been distributed to		
7	customers in Case No.	\$0	
8	Less: actual amount distributed	\$0	
9	REMAINING AMOUNT		\$0
10	<u>RECONCILIATION OF A PREVIOUS BALANCING ADJUSTMENT</u>		
11	Total adjustment to have been distributed to		
12	customers in Case No.	\$0	
13	Less: actual amount distributed	\$0	
14	REMAINING AMOUNT		\$0
15	TOTAL BALANCING ADJUSTMENT AMOUNT		\$0
16	Divided by: Projected Sales Volumes for the three months		
17	ending November 30, 2016		
18			
19	BALANCING ADJUSTMENT (BA) TO EXPIRE November 30, 2016		0.0000
20			

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

Line No.	June-16 <u>CURRENT</u>	September-16 <u>PROPOSED</u>	<u>DIFFERENCE</u>	
1	Commodity Cost of Gas	\$2.3814	\$3.0437	\$0.6623
2	Demand Cost of Gas	\$1.4722	\$1.4727	\$0.0005
3	Total: Expected Gas Cost (EGC)	\$3.8536	\$4.5164	\$0.6628
4	SAS Refund Adjustment	\$0.0000	\$0.0000	\$0.0000
5	Balancing Adjustment	(\$0.0755)	\$0.0000	\$0.0755
6	Supplier Refund Adjustment	(\$0.0016)	(\$0.0010)	\$0.0006
7	Actual Cost Adjustment	(\$1.9527)	(\$0.3788)	\$1.5739
8	Performance Based Rate Adjustment	\$0.3668	\$0.3668	\$0.0000
9	Cost of Gas to Tariff Customers (GCA)	\$2.1906	\$4.5034	\$2.3128
10	Transportation TOP Refund Adjustment	\$0.0000	\$0.0000	\$0.0000
11	Banking and Balancing Service	\$0.0209	\$0.0209	\$0.0000
12	Rate Schedule FI and GSO			
13	Customer Demand Charge	\$6.8121	\$6.8133	\$0.0012

Columbia Gas of Kentucky, Inc.
 Revised Gas Cost Adjustment Clause
 Revised Gas Cost Recovery Rate
 Sep - Nov 16

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC) - Schedule No. 1	\$4.5164	11-30-16
2	Actual Cost Adjustment (ACA) Schedule No. 2	(\$0.3788)	Various
3	Supplier Refund Adjustment (RA) Schedule No. 4	(\$0.0010)	08-31-17
4	Balancing Adjustment (BA) Schedule No. 3	\$0.0000	11-30-16
5	Performance Based Rate Adjustment (PBRA) Schedule No. 6 Case No. 2016-00166	\$0.3668	05-31-17
6	Gas Cost Adjustment		
7	Sep - Nov 16	<u>\$4.5034</u>	
8	Expected Demand Cost (EDC) per Mcf		
9	(Applicable to Rate Schedule IS/SS and GSO) Schedule No. 1, Sheet 4	<u>\$6.8133</u>	

DATE FILED: August 15, 2016

BY: J. M. Cooper

COLUMBIA GAS OF KENTUCKY
CASE NO. 2016-⁰⁰²⁸⁵ Effective September 2016 Billing Cycle
CALCULATION OF DEMAND/COMMODITY SPLIT OF GAS COST ADJUSTMENT FOR TARIFFS

Substitute Revised

Demand Component of Gas Cost Adjustment	\$/MCF	
Demand Cost of Gas (Schedule No. 1, Sheet 1, Line 23)	\$1.4727	
Demand ACA (Schedule No. 2, Sheet 1, Case No. 2015-00270, Case No. 2016-00166 & Case No. 2016-)	\$0.1094	
Refund Adjustment (Schedule No. 4, Case No. 2016-)	<u>(\$0.0010)</u>	
Total Demand Rate per Mcf	\$1.5811	← to Att. E, line 16
Commodity Component of Gas Cost Adjustment		
Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 22)	\$3.0437	
Commodity ACA (Schedule No. 2, Sheet 1, Case No. 2015-00270, Case No. 2016-00166 & Case No. 2016-)	(\$0.4882)	
Balancing Adjustment	\$0.0000	
Performance Based Rate Adjustment (Schedule No. 6, Case No. 2016-00166)	<u>\$0.3668</u>	
Total Commodity Rate per Mcf	\$2.9223	
CHECK:	\$1.5811	
COST OF GAS TO TARIFF CUSTOMERS (GCA)	<u>\$2.9223</u>	
	\$4.5034	
Calculation of Rate Schedule SVGTS - Actual Gas Cost Adjustment		
Commodity ACA (Schedule No. 2, Sheet 1, Case No. 2015-00270, Case No. 2016-00166 & Case No. 2016-)	(\$0.4882)	
Balancing Adjustment	\$0.0000	
Performance Based Rate Adjustment (Schedule No. 6, Case No. 2016-00166)	<u>\$0.3668</u>	
Total Commodity Rate per Mcf	(\$0.1214)	

COLUMBIA GAS OF KENTUCKY, INC.

GAS TARIFF
 PSC KY NO. 5
 ONE HUNDRED NINTH REVISED SHEET NO. 5
 CANCELLING PSC KY NO. 5
 ONE HUNDRED EIGHTH REVISED SHEET NO. 5

CURRENTLY EFFECTIVE BILLING RATES

<u>SALES SERVICE</u>	<u>Base Rate</u>	<u>Gas Cost Adjustment^{1/}</u>		<u>Total</u>
	<u>Charge</u>	<u>Demand</u>	<u>Commodity</u>	<u>Billing</u>
	\$	\$	\$	\$
<u>RATE SCHEDULE GSR</u>				
Customer Charge per billing period	15.00			15.00
Delivery Charge per Mcf	2.2666	1.5811	2.9223	6.7700 I
<u>RATE SCHEDULE GSO</u>				
<u>Commercial or Industrial</u>				
Customer Charge per billing period	37.50			37.50
Delivery Charge per Mcf -				
First 50 Mcf or less per billing period	2.2666	1.5811	2.9223	6.7700 I
Next 350 Mcf per billing period	1.7520	1.5811	2.9223	6.2554 I
Next 600 Mcf per billing period	1.6659	1.5811	2.9223	6.1693 I
Over 1,000 Mcf per billing period	1.5164	1.5811	2.9223	6.0198 I
<u>RATE SCHEDULE IS</u>				
Customer Charge per billing period	1,007.05			1007.05
Delivery Charge per Mcf				
First 30,000 Mcf per billing period	0.5443		2.9223 ^{2/}	3.4666 I
Over 30,000 Mcf per billing period	0.2890		2.9223 ^{2/}	3.2113 I
Firm Service Demand Charge				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		6.8133		6.8133 I
<u>RATE SCHEDULE IUS</u>				
Customer Charge per billing period	477.00			477.00
Delivery Charge per Mcf				
For All Volumes Delivered	0.8150	1.5811	2.9223	5.3184 I

- 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. 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 \$4.5164 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS.
- 2/ IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.

DATE OF ISSUE August 15, 2016

DATE EFFECTIVE August 29, 2016 (Unit 1 September)

ISSUED BY *Herbert A. Miller, Jr.*

TITLE President

COLUMBIA GAS OF KENTUCKY, INC.

GAS TARIFF
 PSC KY NO. 5
 ONE HUNDRED FIFTH REVISED SHEET NO. 6
 CANCELLING PSC KY NO. 5
 ONE HUNDRED FOURTH SHEET NO. 6

CURRENTLY EFFECTIVE BILLING RATES
 (Continued)

TRANSPORTATION SERVICE	Base Rate	Gas Cost Adjustment^{1/}		Total
	Charge	Demand	Commodity	Billing
	\$	\$	\$	\$
<u>RATE SCHEDULE SS</u>				
Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		6.8133		6.8133
Standby Service Commodity Charge per Mcf			2.9223	2.9223
<u>RATE SCHEDULE DS</u>				
Administrative Charge per account per billing period				55.90
Customer Charge per billing period ^{2/}				1007.05
Customer Charge per billing period (GDS only)				37.50
Customer Charge per billing period (IUDS only)				477.00
<u>Delivery Charge per Mcf^{2/}</u>				
First 30,000 Mcf	0.5443			0.5443
Over 30,000 Mcf	0.2890			0.2890
- Grandfathered Delivery Service				
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
All Over 1,000 Mcf per billing period				1.5164
- Intrastate Utility Delivery Service				
All Volumes per billing period				0.8150
Banking and Balancing Service				
Rate per Mcf		0.0209		0.0209
<u>RATE SCHEDULE MLDS</u>				
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		0.0209		0.0209

- 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.

DATE OF ISSUE August 15, 2016

DATE EFFECTIVE August 29, 2016 (Unit 1 September)

ISSUED BY *Herbert A. Miller, Jr.*

TITLE President

