

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF COLUMBIA GAS OF) CASE NO. 2009-00176
KENTUCKY, INC.)

O R D E R

On August 29, 2007, in Case No. 2007-00008,¹ 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 May 1, 2009, Columbia filed its proposed GCA to be effective June 1, 2009.

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 revised Expected Gas Cost ("EGC") is \$5.9687 per Mcf, a decrease of \$2.2167 per Mcf from its last EGC of \$8.1854 per Mcf.
3. Columbia's notice sets out a rate for Banking and Balancing Service of \$.0208 per Mcf.
4. Columbia's notice sets out no Transportation Take-or-Pay Refund Adjustment.

¹ Case No. 2007-00008, Adjustment of Rates of Columbia Gas of Kentucky, Inc.

5. Columbia's notice sets out a current quarter supplier Refund Adjustment ("RA") of (\$.0053). Columbia's notice sets out a total RA of (\$.0053) per Mcf, which is an increase of \$.0010 per Mcf from the prior RA of (\$.0063) per Mcf.

6. Columbia's notice sets out an annual Actual Cost Adjustment ("ACA") of \$1.4238 per Mcf, which is no change from the previous rate.

7. Columbia's notice sets out a Balancing Adjustment ("BA") of \$.4613 per Mcf, which is no change from the previous BA.

8. Columbia's notice sets out a Special Agency Service refund adjustment of (\$.0002) per Mcf, which is no change from the previous rate.

9. Columbia's notice sets out a Gas Cost Incentive Adjustment of \$.0584 per Mcf, which is no change from the previous rate.

10. Columbia's approved Gas Cost Recovery rate ("GCR") is \$7.9067 per Mcf, which is \$2.2157 per Mcf less than the previous GCR of \$10.1224 per Mcf.

11. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for the billing cycle of June 2009, beginning on June 1, 2009.

IT IS THEREFORE ORDERED that:

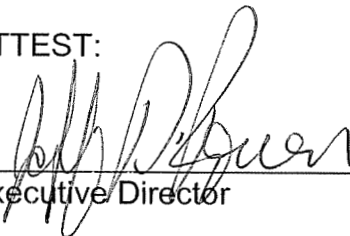
1. The rates in the Appendix to this Order are approved for billing with the final meter readings beginning on June 1, 2009.

2. Within 20 days of the date of this Order, Columbia shall file with this Commission its revised tariffs setting out the rates authorized herein.

By the Commission

ENTERED
MAY 19 2009 *M*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00176 DATED **MAY 19 2009**

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.

Gas Cost Recovery Rate

The total Gas Cost Recovery Rate shall be \$7.9067 per Mcf effective June 1, 2009.

Judy M Cooper
Director, Regulatory Services
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