

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS )  
ADJUSTMENT FILING OF COLUMBIA ) CASE NO. 8738-E  
GAS OF KENTUCKY, INC. )

O R D E R

On July 5, 1983, the Commission issued its Order in Case No. 8738 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On December 12, 1983, Columbia Gas of Kentucky, Inc., ("Columbia") notified the Commission that its wholesale cost of gas would be increased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective January 1, 1984, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission. Columbia requested permission to deviate from its approved purchased gas adjustment procedure and include projected local purchases from Inland Gas Company ("Inland"). This would give an immediate benefit of reduced gas cost to Columbia's customers.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Transmission has filed an application with the Federal Energy Regulatory Commission for increased rates to become effective January 1, 1984, in the amount of .5 cents per Mcf.

(2) Columbia has contracted with Inland to secure gas at a cost of \$3.4221 per Mcf. This results in a reduction of 3.4 cents per Mcf in Columbia's average cost of gas purchases. Columbia should be allowed to deviate from its approved purchased gas adjustment procedure and include projected 1984 local gas purchases to give its customers the immediate benefit of its efforts.

(3) Columbia should maintain adequate records to determine the accuracy of its projected local gas purchases and related cost. If actual purchases differ from projected to any major extent, Columbia should report the resulting amount to the Commission to net with a future refund.

(4) Columbia's notice of December 12, 1983, set out certain revisions in rates which Columbia proposed to place into effect, said rates being designed to pass on the overall wholesale decrease in price from its suppliers in the amount of \$629,382 or 2.9 cents per Mcf.

(5) Columbia's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8738 dated July 5, 1983, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after January 1, 1984.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after January 1, 1984.

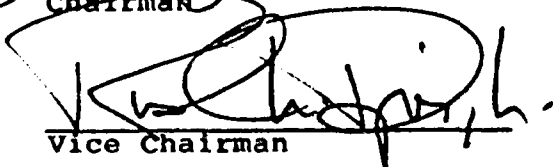
IT IS FURTHER ORDERED that Columbia shall maintain sufficient records to determine the accuracy of its projected local purchases and cost incurred. The amount resulting from any significant difference in actual and projected purchases shall be reported to the Commission to net with a future refund. Future filings of Columbia shall contain a reconciliation of projected and actual purchases.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Columbia shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 29th day of December, 1983.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 8738-E DATED DECEMBER 29, 1983

The following rates and charges are prescribed for the customers 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 date of this Order.

GENERAL SERVICE RATE SCHEDULE - GS Residential

Commodity Charge:

First 50 Mcf per month @ \$5.781 per Mcf  
All Over 50 Mcf per month @ \$5.597 per Mcf

GENERAL SERVICE RATE SCHEDULE - GS-Commercial and Industrial

Commodity Charge:

First 200 Mcf per month @ \$6.013 per Mcf  
All Over 200 Mcf per month @ \$5.866 per Mcf

RATE SCHEDULE FC-1

FIRM AND CURTAILABLE GAS SERVICE - OPTIONAL

Firm Volume (Daily Firm Volume Times Number of Days  
in Month)

First 1,000 Mcf per month @ \$5.934 per Mcf  
Over 1,000 Mcf per month @ \$5.884 per Mcf

Curtable Volume

\$5.735 per Mcf of Curtable Volume of gas  
delivered hereunder each billing month.

AVAILABILITY OF EXCESS GAS

In the event Buyer shall desire to purchase on any day gas in excess of Buyer's specified Maximum Daily Volume, Buyer shall inform the Seller and if the Seller is able to provide such excess gas required by Buyer from its operations, Seller shall make such excess gas available at the rate of \$5.735 per Mcf.

If such excess gas cannot be made available to Buyer from Seller's own operations, Seller may comply with such request to the extent that excess gas is temporarily available from Seller's gas supplier, in order to provide gas which otherwise would not be available. Such excess volume taken shall be paid for at the rate of \$4.75 per Mcf.

On any day when Buyer has been notified to curtail deliveries, Buyer may request excess gas and to the extent such excess gas can be obtained from Seller's supplier, Buyer shall pay Seller at the rate of \$4.75 per Mcf for all such volumes taken which would otherwise not be available.

RATE SCHEDULE FI-1  
FIRM AND INTERRUPTIBLE GAS SERVICE - OPTIONAL

Daily Firm Volume

First 5,000 Mcf per month @ \$5.859 per Mcf  
Over 5,000 Mcf per month @ \$5.828 per Mcf

Daily Interruptible Volume

\$5.648 per Mcf of Daily Interruptible Volume of gas delivered hereunder each billing month.

AVAILABILITY OF EXCESS GAS

In the event Buyer shall desire to purchase on any day gas in excess of Buyer's specified Maximum Daily Volume, Buyer shall inform the Seller and if the Seller is able to provide such excess gas required by Buyer from its operations, Seller shall make such excess gas available at the rate of \$5.648 per Mcf.

If such excess gas cannot be made available to Buyer from Seller's own operations, Seller may comply with such request to the extent that excess gas is temporarily available from Seller's gas supplier, in order to provide gas which otherwise would not be available. Such excess volume taken shall be paid for at the rate of \$4.75 per Mcf.

On any day when Buyer has been notified to curtail deliveries, Buyer may request excess gas and to the extent such excess gas can be obtained from Seller's supplier, Buyer shall pay Seller at the rate of \$4.75 per Mcf for all such volumes taken which would otherwise not be available.

**RATE SCHEDULE IS-1**  
**INTERRUPTIBLE GAS SERVICE - OPTIONAL**

**Billing Months April Through November**

\$6.032 per Mcf for all volumes delivered each month up to and including the Average Monthly Winter Volume. The Average Monthly Winter Volume shall be one-fourth of the total delivery during the preceding billing months of December through March.

\$5.632 per Mcf for all volumes delivered each month in excess of the Average Monthly Winter Volume.

**Billing Months December Through March**

\$6.032 per Mcf delivered.

**RATE SCHEDULE IUS-1**  
**INTRASTATE UTILITY SERVICE**

For all gas delivered each month \$5.666 per Mcf.

**MINIMUM MONTHLY CHARGE**

The maximum Daily Volume specified in the Sales Agreement multiplied by \$5.666 per Mcf.

The base rates for the future application of the purchased gas adjustment clause are:

**Columbia Gas Transmission Corporation**

<u>Zone 1 and Zone 3 rate per DTH</u>	<u>Demand</u>	<u>Commodity</u>
Schedule CDS	\$ 5.81	404.43¢
Schedule WS		
Demand	\$ 1.39	
Winter Contract Quantity	2.44¢	

**Columbia LNG Corporation**

LNG - Rate per Mcf	\$ 5.141
Transportation - Rate per DTH Zone 1 and Zone 3	47.52¢

**Inland Gas Company**

All Purchases - Rate per Mcf	\$ 3.4221
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