

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. 9003-G
GAS OF KENTUCKY, INC.)

O R D E R

On October 18, 1984, the Commission issued its Order in Case No. 9003 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 February 7, 1986, Columbia Gas of Kentucky, Inc., ("Columbia") filed its revised semi-annual gas cost adjustment which is to become effective March 1, 1986.

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

1. Columbia's notice of February 7, 1986, set out certain revisions in rates which Columbia proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of 13.6 cents per Mcf.

2. Columbia Gas Transmission Corporation has filed revised rates with the Federal Energy Regulatory Commission to be effective March 1, 1986.

3. Columbia's notice set out a total refund adjustment of 7.8 cents per Mcf. This adjustment is from the previous semi-annual supplier refund adjustment.

4. Columbia's proposed gas cost recovery rate is a decrease of 14.7 cents per Mcf. This decrease represents the combined effect of the supplier decrease and refund adjustments.

5. Within the calculation of its Expected Gas Cost, Columbia deviated from its past practice by annualizing the effect of sources of gas from other suppliers which will occur through August 1, 1986. The result is an immediate benefit of reduced gas costs to Columbia's customers.

6. Columbia's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9003, dated October 18, 1984, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after March 1, 1986.

7. Columbia should submit copies of each gas purchase contract and all other agreements, options or similar such documents, and all amendments and modifications thereof related to the procurement of gas supply. Any changes in the documents, including price escalations or any new agreements entered into after the initial submission, should be submitted at the time they are entered into. Where gas is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts should be noted and Columbia should explain and justify them in writing.

IT IS THEREFORE ORDERED that:

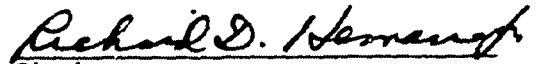
1. The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after March 1, 1986.

2. Within 30 days of the date of this Order Columbia shall file with this Commission its revised tariffs setting out the rates authorized herein.

3. Within 20 days of the date of this Order Columbia shall supply the contract information requested herein and comply with all provisions of that request.

Done at Frankfort, Kentucky, this 26th day of February, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9003-G DATED 2/26/86

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

Customer Charge:

\$3.25 per delivery point per month

Commodity Charge:

First 50 Mcf per month @ \$5.342 per Mcf

All Over 50 Mcf per month @ \$5.158 per Mcf

GENERAL SERVICE RATE SCHEDULE - GS-Commercial and Industrial

Customer Charge:

\$5.50 per delivery point per month

Commodity Charge:

First 200 Mcf per month @ \$5.591 per Mcf

All Over 200 Mcf per month @ \$5.444 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 @ \$5.505 per Mcf

Over 1,000 Mcf per month @ \$5.455 per Mcf

Curtable Volume

\$5.306 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 \$5.306 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 \$4.27 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 \$4.27 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 @ \$5.435 per Mcf
Over 5,000 Mcf per month @ \$5.404 per Mcf

Daily Interruptible Volume

\$5.224 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 \$4.27 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 \$4.27 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 \$4.27 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

\$5.594 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.

\$5.194 per Mcf for all volumes delivered each month in excess of the Average Monthly Winter Volume.

Billing Months December Through March

\$5.594 per Mcf delivered.

RATE SCHEDULE IUS-1
INTRASTATE UTILITY SERVICE

For all gas delivered each month \$4.404 per Mcf.

MINIMUM MONTHLY CHARGE

The maximum Daily Volume specified in the Sales Agreement multiplied by \$4.404 per Mcf.

RATE SCHEDULE DS-DELIVERY SCHEDULE

Rate

Eighty cents (\$0.80) per Mcf for all gas delivered each billing month.

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	\$ 6.831	\$5.592
Schedule WS		
Demand	\$2.109	
Winter Contract Quantity	4.82¢	