

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS                    )  
ADJUSTMENT FILING OF COLUMBIA                ) CASE NO. 9003-H  
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 August 13, 1986, Columbia Gas of Kentucky, Inc. ("Columbia"), filed its revised semi-annual gas cost adjustment which is to become effective September 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 August 13, 1986, set out certain revisions in rates which Columbia proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of .3 cents per Mcf.

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

3) Columbia's notice set out a total refund adjustment of .2 cents per Mcf. This adjustment is a decrease from the previous semi-annual supplier refund adjustment, which expires August 31, 1986.

4) Columbia's proposed gas cost recovery rate is a decrease of 2.5 cents per Mcf. This decrease represents the combined effect of the supplier increase, actual cost, balancing and refund adjustments.

5) Within the calculation of its Expected Gas Cost, Columbia annualized the effect of sources of gas from other suppliers which will occur through February 28, 1987. 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 September 1, 1986.

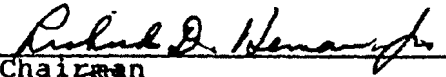
IT IS THEREFORE ORDERED that:

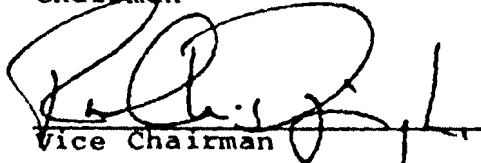
1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after September 1, 1986.

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.

Done at Frankfort, Kentucky, this 28th day of August, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 9003-H DATED 8/28/86

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 @ \$5.317 per Mcf

All Over 50 Mcf per month @ \$5.133 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 @ \$5.566 per Mcf

All Over 200 Mcf per month @ \$5.419 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 @ \$5.480 per Mcf

Over 1,000 Mcf per month @ \$5.430 per Mcf

Curtable Volume

\$5.281 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 \$5.281 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 \$4.28 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 \$4.28 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 @ \$5.410 per Mcf  
Over 5,000 Mcf per month @ \$5.379 per Mcf

Daily Interruptible Volume

\$5.199 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 \$5.199 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 \$4.28 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 \$4.28 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

\$5.569 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.

\$5.169 per Mcf for all volumes delivered each month in excess of the Average Monthly Winter Volume.

Billing Months December Through March

\$5.569 per Mcf delivered.

RATE SCHEDULE IUS-1  
INTRASTATE UTILITY SERVICE

For all gas delivered each month \$4.379 per Mcf.

MINIMUM MONTHLY CHARGE

The maximum Daily Volume specified in the Sales Agreement multiplied by \$4.379 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	\$ 8.093	\$3.5852
Schedule WS		
Demand	\$2.107	
Winter Contract Quantity	4.83¢	