COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF ADJUSTMENT OF RATES OF COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 9554

O R D E R

On July 10, 1987, GTE Products filed a petition for correction or rehearing of that part of the Commission's June 25, 1987, Order setting the cap on a flexing DS rate at 61.5 cents per Mcf.

The Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that page three of Appendix A of the June 25, 1987, Order should be amended to the rates and charges in Appendix A of this Order.

IT IS THEREFORE ORDERED that page three of Appendix A of the June 25, 1987, Order be and it hereby is amended to the rates and charges in Appendix A of this Order.

Done at Prankfort, Kentucky, this 30th day of July, 1987.

PUBLIC SERVICE COMMISSION

Vice Chairman

Commissioner

ATTEST:

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9554 DATED JULY 30, 1987

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.

RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE

Base Rate

For all gas delivered each month \$.0912 per Mcf.

Minimum Monthly Charge

The Maximum Daily Volume specified in the Sales Agreement multiplied by \$.0912 plus applicable gas cost.

RATE SCHEDULE DS - DELIVERY SCHEDULE

Rate

\$0.3712 per Mcf for all gas delivered each billing month.

When a customer can demonstrate to the Company that a lower rate is necessary to meet competition from an alternate energy supplier, Columbia may transport gas at a rate lower than \$0.3712 per Mcf. Columbia may also, after receiving prior approval from the Kentucky Public Service Commission, transport gas at a rate lower than \$0.3712 per Mcf where the customer has demonstrated that its only alternative would be a shutdown or relocation of facilities or that the lower rate is necessary to expand facilities.

Columbia may also transport gas to a customer at a rate greater than \$0.3712 per Mcf is such rate remains competitive with the price of energy from alternate energy suppliers. In no event shall the transportation rate exceed 55.68¢ per Mcf.