

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE RATES OF )  
COLUMBIA GAS OF KENTUCKY, INC. )      CASE NO. 89-228

O R D E R

On October 21, 1988, the Commission issued its Order in Case No. 10201. Subsequent to the issuance of that Order, the Commission reviewed its calculation of Columbia Gas of Kentucky, Inc.'s ("Columbia") income tax expense as contained on page 43 of the Commission's October 21, 1988 Order and found it in error. Therefore, the Commission, on its own motion, is opening this case to correct the error and implement the proper rates.

The Commission found that its original calculation failed to multiply the deduction for unbilled revenues, bad debts, and straight line depreciation by the tax gross-up factor as should properly be done to remove the full expense effect. Moreover, the calculation wrongly subtracted the interest synchronization adjustment; this error improperly double-counted the tax effect of the interest synchronization. Correction of these errors results in a reduction in revenue requirements of \$707,900.

Therefore, the Commission finds that Columbia's rates should be reduced by \$707,900 on an annual basis as set out in Appendix A, attached hereto and incorporated herein.

The Commission HEREBY ORDERS that Columbia's rates should be reduced as set out in Appendix A no later than 20 days from the date of this Order, unless Columbia or any party requests a hearing on this matter.

The Commission FURTHER ORDERS that within 30 days of the date the rates in Appendix A are placed in effect, Columbia shall file its revised tariff sheets.

Done at Frankfort, Kentucky, this 23rd day of August, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 89-228 DATED 8/23/89

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.

CURRENTLY EFFECTIVE BILLING RATES

	Base Rate Charge <u>          </u> \$	Gas Cost Adjustment <u>          </u> \$	Total Billing Rate <u>          </u> \$
<b>RATE SCHEDULE GS</b>			
Volumetric:			
First 2 Mcf/Month	1.3721	3.4461	4.8182
Next 48 Mcf/Month	1.3421	3.4461	4.7882
Next 150 Mcf/Month	1.3121	3.4461	4.7582
All Over 200 Mcf/Month	1.2821	3.4461	4.7282
Delivery Service:			
Firm	1.2821	.0373	1.3194
<b>RATE SCHEDULE FI</b>			
Commodity Charge:	0.4310	3.4461	3.8771
Delivery Service:			
Interruptible	0.4310	.0373	.4683
<b>RATE SCHEDULE IS</b>			
Commodity Charge	0.4310	3.4461	3.8771
Delivery Service:			
Interruptible	0.4310	.0373	0.4683
<b>RATE SCHEDULE IUS</b>			
For all Volumes			
Delivered each Month	0.1150	3.4461	3.5611
Delivery Service	0.1150	0.7907	0.9057