

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF COLUMBIA)	CASE NO. 2002-00293
GAS OF KENTUCKY, INC.)	

O R D E R

On November 1, 1994, in Case No. 1994-00179, the Commission approved rates for Columbia Gas of Kentucky, Inc. (Columbia) and provided for their further adjustment in accordance with Columbia s gas cost adjustment (GCA) clause.

On August 2, 2002, Columbia filed its proposed GCA to be effective September 1, 2002.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Columbia s notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Columbia s expected gas cost (EGC) is \$4.5263 per Mcf, a decrease of 32.32 cents per Mcf from its last EGC of \$4.8495.
3. Columbia s notice sets out a rate for Banking and Balancing Service of 2.11 cents per Mcf.
4. Columbia s notice sets out no take-or-pay refund adjustment.
5. Columbia s notice sets out no transportation take-or-pay refund adjustment.

6. Columbia s notice sets out a current refund adjustment (RA) of .07 cent per Mcf. Columbia s notice sets out a total RA of .07 cent per Mcf. This represents an increase of 1.02 cent per Mcf from the prior RA.

7. Columbia s notice sets out an annual actual cost adjustment (ACA) of 25.7 cents per Mcf to collect under-recovered gas cost from the 12 months ended June 30, 2002. This represents a decrease of 81.06 cents per Mcf from the previous rate.

8. Columbia s notice sets out its 6-month balancing adjustment (BA) of (.03) cent per Mcf to reconcile variances from previous refund and balancing adjustments. This represents a decrease of 12.95 cents per Mcf from the previous rate.

9. Columbia s notice sets out a Special Agency Service refund adjustment of .07 cent per Mcf. This represents a decrease of .06 cent per Mcf from the previous rate.

10. Columbia s approved gas cost recovery rate (GCR) is \$4.7816 per Mcf, which is \$1.2537 per Mcf less than its previous GCR of \$6.0353.

11. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for gas supplied by Columbia on and after September 1, 2002.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for gas supplied on and after September 1, 2002.

2. Within 20 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 August, 2002.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. [unclear]", written over a horizontal line.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00293 DATED August 29, 2002

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

CURRENTLY EFFECTIVE BILLING RATES

	<u>Base Rate Charge</u>	<u>Gas Cost Demand</u>	<u>Adjustment Commodity</u>	<u>Total Billing Rate</u>
<u>SCHEDULE GSR</u>				
First 1 Mcf or less per mo.	\$8.10	\$ 1.7923	\$2.9893	\$12.8816
Over 1 Mcf per mo.	2.1800	1.7923	2.9893	6.9616
<u>RATE SCHEDULE GSO</u>				
Commercial or Industrial				
First 1 Mcf or less per mo.	22.00	1.7923	2.9893	26.7816
Next 49 Mcf per mo.	2.1800	1.7923	2.9893	6.9616
Next 350 Mcf per mo.	2.1149	1.7923	2.9893	6.8965
Next 600 Mcf per mo.	2.0149	1.7923	2.9893	6.7965
Over 1000 Mcf per mo.	1.8409	1.7923	2.9893	6.6225
<u>Delivery Service</u>				
Administrative Charge	65.00			65.00
<u>Standby Service Demand Charge</u>				
Demand Charge Times Daily Firm Vol. (Mcf) In Customer Service Agreement		8.6481		8.6481
<u>Delivery Rate Per Mcf</u>				
First 400 Mcf per mo.	2.1149			2.1149
Next 600 Mcf per mo.	2.0149			2.0149
All Over 1000 Mcf per mo.	1.8409			1.8409
Former IN8 Rate	1.0575			1.0575
Banking and Balancing Service		0.0211		0.0211

RATE SCHEDULE IS

<u>Customer Charge per mo.</u>	\$135.79			\$135.79
First 30,000 Mcf	.6368	2.9893*		3.6261
Over 30,000 Mcf	.3384	2.9893		3.3277
<u>Standby Service Demand Charge</u>				
Demand Charge Times Daily Firm Vol. (Mcf) in Customer Service Agreement		8.6481		8.6481
<u>Delivery Service</u>				
Administrative Charge	65.00			65.00
First 30,000 Mcf	.6368			.6368
Over 30,000 Mcf	.3384			.3384
Banking and Balancing Service		.0211		.0211

RATE SCHEDULE IUS

For All Volumes Delivered Each Month	.3539	1.7923	2.9893	5.1355
<u>Delivery Service</u>				
Administrative Charge	65.00			65.00
Delivery Rate per Mcf	.3539	1.7923		2.1462
Banking and Balancing Service		0.0211		0.0211
<u>Mainline Delivery Service</u>				
Administrative Charge	65.00			65.00
Delivery Rate per Mcf	0.1000			0.1000
Banking and Balancing Service		0.0211		0.0211

RATE SCHEDULE IN6 INDUSTRIAL AND COMMERCIAL

Commodity Charge	1.7363	1.7923	2.9893	6.5179
------------------	--------	--------	--------	--------

RATE SCHEDULE IN7 SMALL COMMERCIAL

Commodity Charge	.5924	1.7923	2.9893	5.3740
------------------	-------	--------	--------	--------

*IS customers may be subject to the demand gas cost, under the conditions set forth on Sheets 48 and 51 of this tariff.

RATE SCHEDULE SVGTS

General Service Residential

First 1 Mcf or less per month	\$8.10 (Minimum Bill)
Over 1 Mcf per month	2.1800
CAP Surcharge	.0150

General Service Other

First 1 Mcf or less per month	\$22.00 (Minimum Bill)
Next 49 Mcf per month	2.1800
Next 350 Mcf per month	2.1149
Next 600 Mcf per month	2.0149
Over 1000 Mcf per month	1.8409

Intrastate Utility Service

For all volumes per month	\$.3539
---------------------------	---------

Former Inland (IN6)

For all volumes per month	\$1.7363
---------------------------	----------

Actual Gas Cost Adjustment

For all volumes per month	\$0.2553
---------------------------	----------