

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS	)	
ADJUSTMENT FILING OF COLUMBIA	)	CASE NO. 2003-00097
GAS OF KENTUCKY, INC.	)	

O R D E R

On December 13, 2002, in Case No. 2002-00145, 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 March 7, 2003, Columbia filed its proposed GCA to be effective March 27, 2003. On March 19, 2003, Columbia filed a revision that reduced the Average Commodity Cost of Gas. Columbia requests a waiver of the 30-day notice period in order to better match the rates to the period the costs will be incurred. As KRS 278.180(1) permits the Commission to shorten the required notice period for good cause, the Commission finds the utility s request should be granted.

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 \$9.1671 per Mcf, an increase of \$1.9859 per Mcf from its last EGC of \$7.1812.
3. Columbia s notice sets out a rate for Banking and Balancing Service of 2.09 cents per Mcf.

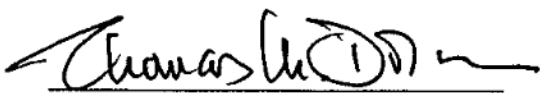
4. Columbia s notice sets out no take-or-pay refund adjustment.
5. Columbia s notice sets out no transportation take-or-pay refund adjustment.
6. Columbia s notice sets out no current refund adjustment ( RA ). Columbia s notice sets out a total RA of .59 cent per Mcf. This represents no change from the 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 no change from the previous rate.
8. Columbia s notice sets out its 6-month balancing adjustment ( BA ) of 13.43 cents per Mcf to reconcile variances from previous refund and balancing adjustments. This represents no change from the previous rate.
9. Columbia s notice sets out a Special Agency Service refund adjustment of .07 cent per Mcf. This represents no change from the previous rate.
10. Columbia s approved gas cost recovery rate ( GCR ) is \$9.5518 per Mcf, which is \$1.9859 per Mcf more than its previous GCR of \$7.5659.
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 March 27, 2003.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order are approved for gas supplied on and after March 27, 2003.

Done at Frankfort, Kentucky, this 26<sup>th</sup> day of March, 2003.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas M. Dixon", written over a horizontal line.

Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00097 DATED March 26, 2003

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.

#### Gas Cost Recovery Rate

The total Gas Cost Recovery Rate shall be \$9.5518 per Mcf during the period covered by the bill.