

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF COLUMBIA)	CASE NO. 2004-00299
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.¹

On July 28, 2004, Columbia filed its proposed GCA to be effective August 27, 2004. On August 11, 2004, Columbia amended its proposed GCA and requested that its amendment relate back to the time of the filing of its initial GCA.

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 request to amend its initial GCA filing should be granted.
3. Columbia's revised expected gas cost ("EGC") is \$8.0697 per Mcf, an increase of 85.2 cents per Mcf from its last EGC of \$7.2177.
4. Columbia's notice sets out a rate for Banking and Balancing Service of 2.09 cents per Mcf.

¹ Case No. 2002-00145, Adjustment of Gas Rates of Columbia Gas of Kentucky, Inc., Order dated December 13, 2002.

5. Columbia's notice sets out no take-or-pay refund adjustment.
6. Columbia's notice sets out no transportation take-or-pay refund adjustment.
7. Columbia's notice sets out a current quarter refund adjustment ("RA") of (.03) cent per Mcf. Columbia's notice sets out a total RA of (.34) cent per Mcf, a decrease of .03 cent from the prior RA.
8. Columbia's notice sets out an annual actual cost adjustment ("ACA") of 11.45 cents per Mcf, which is a decrease of \$2.0191 from the previous rate.
9. Columbia's notice sets out a balancing adjustment ("BA") of 3.49 cents per Mcf, which is a decrease of 2.91 cents from the previous rate.
10. Columbia's notice sets out a Special Agency Service refund adjustment of (.02) cent per Mcf, which is no change from the previous rate.
11. Columbia's approved gas cost recovery rate ("GCR") is \$8.2155 per Mcf, which is \$1.1965 per Mcf less than its previous GCR of \$9.4120.
12. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing with the final meter readings of the first billing cycle of September 2004, beginning on August 27, 2004.

IT IS THEREFORE ORDERED that:

1. Columbia's request to amend its initial GCA filing is granted. Columbia's amended GCA filing shall be considered filed as of the date of its original filing.
2. The rates in the Appendix to this Order are approved for billing with the final meter readings beginning on August 27, 2004.

Done at Frankfort, Kentucky, this 26th day of August, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Executive Director

Case No. 2004-00299

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00299 DATED AUGUST 26, 2004

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 \$8.2155 per Mcf effective August 27, 2004.