

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF COLUMBIA)
GAS OF KENTUCKY, INC.) CASE NO. 2004-00428

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 October 29, 2004, Columbia filed its proposed GCA to be effective November 29, 2004.

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 revised expected gas cost ("EGC") is \$10.0345 per Mcf, an increase of \$1.9648 per Mcf from its last EGC of \$8.0697.
3. Columbia's notice sets out a rate for Banking and Balancing Service of 2.08 cents per Mcf.
4. Columbia's notice sets out no take-or-pay refund adjustment.

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 transportation take-or-pay refund adjustment.

6. Columbia's notice sets out a current quarter refund adjustment ("RA") of (.04) cent per Mcf. Columbia's notice sets out a total RA of (.38) cent per Mcf, a decrease of .04 cent from the prior RA.

7. Columbia's notice sets out an annual actual cost adjustment of 11.45 cents per Mcf, which is no change from the previous rate.

8. Columbia's notice sets out a balancing adjustment of 3.49 cents per Mcf, which is no change from the previous rate.

9. Columbia's notice sets out a Special Agency Service refund adjustment of (.02) cent per Mcf, which is no change from the previous rate.

10. Columbia's approved gas cost recovery rate ("GCR") is \$10.1799 per Mcf, which is \$1.9644 per Mcf more than its previous GCR of \$8.2155.

11. 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 December 2004, beginning on November 29, 2004.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order are approved for billing with the final meter readings beginning on November 29, 2004.

Done at Frankfort, Kentucky, this 22nd day of November, 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 horizontal line.

Executive Director

Case No. 2004-00428

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00428 DATED November 22, 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 \$10.1799 per Mcf effective November 29, 2004.