

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. 2007-00050

O R D E R

On December 13, 2002, in Case No. 2002-00145,<sup>1</sup> 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 January 30, 2007, Columbia filed its proposed GCA to be effective March 1, 2007. On February 5, 2007, Columbia filed a correction to one of its proposed tariff sheets.

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 \$9.4131 per Mcf, a decrease of 98.81 cents per Mcf from its last EGC of \$10.4012.
3. Columbia's notice sets out a rate for Banking and Balancing Service of 2.06 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.

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<sup>1</sup> Case No. 2002-00145, Adjustment of Gas Rates of Columbia Gas of Kentucky, Inc.

6. Columbia's notice sets out no current quarter refund adjustment ("RA"). Columbia's notice sets out a total RA of (.07) cent per Mcf, which is an increase of 1.24 cent per Mcf from the prior RA.

7. Columbia's notice sets out an annual actual cost adjustment of (\$1.9761) per Mcf, which is no change from the previous rate.

8. Columbia's notice sets out a balancing adjustment of (\$1.1408) per Mcf, which is a decrease of \$1.1414 per Mcf 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 notice sets out a Gas Cost Incentive Adjustment of 2.81 cents per Mcf, which is an increase of .51 cent per Mcf from the previous rate.

11. Columbia's approved gas cost recovery rate ("GCR") is \$6.3234 per Mcf, which is \$2.1120 per Mcf less than its previous GCR of \$8.4354.

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 March 2007, beginning on March 1, 2007.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order are approved for billing with the final meter readings beginning on March 1, 2007.

Done at Frankfort, Kentucky, this 27<sup>th</sup> day of February, 2007.

By the Commission

ATTEST:



Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00050 DATED February 27, 2007

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 \$6.3234 per Mcf effective March 1, 2007.