

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF COLUMBIA )           CASE NO. 2008-00038  
GAS OF KENTUCKY, INC.            )

O R D E R

On August 29, 2007, in Case No. 2007-00008,<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, 2008, Columbia filed its proposed GCA to be effective February 29, 2008.

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 \$10.6962 per Mcf, an increase of \$.6648 per Mcf from its last EGC of \$10.0314.
3. Columbia’s notice sets out a rate for Banking and Balancing Service of \$.0207 per Mcf.
4. Columbia’s notice sets out no Transportation Take-or-Pay Refund Adjustment.

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<sup>1</sup> Case No. 2007-00008, Adjustment of Rates of Columbia Gas of Kentucky, Inc.

5. Columbia's notice sets out a current quarter supplier Refund Adjustment ("RA") of (\$.0053) per Mcf. Columbia's notice sets out a total RA of (\$.0118) per Mcf, which is a decrease of (\$.0053) per Mcf from the prior RA.

6. Columbia's notice sets out an annual Actual Cost Adjustment of \$.5382 per Mcf, which is no change from the previous rate.

7. Columbia's notice sets out a Balancing Adjustment of (\$.5824) per Mcf, which is a decrease of \$.6035 per Mcf from the previous rate.

8. Columbia's notice sets out a Special Agency Service refund adjustment of (\$.0002) per Mcf, which is no change from the previous rate.

9. Columbia's notice sets out a Gas Cost Incentive Adjustment of \$.0273 per Mcf, which is an increase of \$.0222 per Mcf from the previous rate.

10. Columbia's approved Gas Cost Recovery rate ("GCR") is \$10.6673 per Mcf, which is \$.0782 per Mcf more than its previous GCR of \$10.5891.

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 March 2008, beginning on February 29, 2008.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for billing with the final meter readings beginning on February 29, 2008.

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 26<sup>th</sup> day of February, 2008.

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 the text 'Executive Director'.

Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00038 DATED FEBRUARY 26 2008

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 the Commission prior to the effective date of this Order.

#### Gas Cost Recovery Rate

The total Gas Cost Recovery Rate shall be \$10.6673 per Mcf effective February 29, 2008.