

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF COLUMBIA GAS OF)	CASE NO. 2009-00313
KENTUCKY, INC.)	

O R D E R

On August 29, 2007, in Case No. 2007-00008,¹ 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 July 28, 2009, Columbia filed its proposed GCA to be effective August 27, 2009.

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 \$6.4435 per Mcf, an increase of \$.4748 per Mcf from its last EGC of \$5.9687 per Mcf.
3. Columbia's notice sets out a rate for Banking and Balancing Service of \$.0208 per Mcf.
4. Columbia's notice sets out no Transportation Take-or-Pay Refund Adjustment.

¹ Case No. 2007-00008, Adjustment of Rates of Columbia Gas of Kentucky, Inc. (Ky. PSC Aug. 29, 2007).

5. Columbia's notice sets out a current quarter supplier Refund Adjustment ("RA") of (\$.0001). Columbia's notice sets out a total RA of (\$.0054) per Mcf, which is a decrease of \$.0001 per Mcf from the prior RA of (\$.0053) per Mcf.

6. Columbia's notice sets out an annual Actual Cost Adjustment ("ACA") of (\$2.9537) per Mcf, which is a decrease of \$4.3775 per Mcf from the previous ACA of \$1.4238 per Mcf.

7. Columbia's notice sets out a Balancing Adjustment ("BA") of \$.0691 per Mcf, which is a decrease of \$.3922 per Mcf from the previous BA of \$.4613 per Mcf.

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 \$.0584 per Mcf, which is no change from the previous rate.

10. Columbia's approved Gas Cost Recovery rate ("GCR") is \$3.6117 per Mcf, which is a decrease of \$4.2950 per Mcf from the previous GCR of \$7.9067 per Mcf.

11. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for the billing cycle of September 2009, beginning on August 27, 2009.

IT IS THEREFORE ORDERED that:

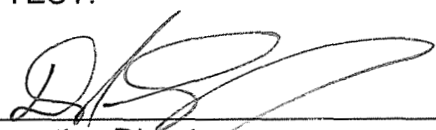
1. The rates in the Appendix to this Order are approved for billing with the final meter readings beginning on August 27, 2009.

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.

By the Commission

ENTERED
AUG 18 2009 *AL*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00313 DATED **AUG 18 2009**

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 \$3.6117 per Mcf effective August 27, 2009.

Judy M Cooper
Director, Regulatory Services
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P. O. Box 14241
Lexington, KY 40512-4241