

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT        )  
FILING OF COLUMBIA GAS OF        ) CASE NO. 2010-00041  
KENTUCKY, INC.                        )

O R D E R

On October 26, 2009, in Case No. 2009-00141,<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 29, 2010, Columbia filed its proposed GCA to be effective March 1, 2010. On February 8, 2010, Columbia filed a revised application to correct errors in its original filing.

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 \$8.0846 per Mcf, an increase of \$.8840 per Mcf from its last EGC of \$7.2006 per Mcf.
3. Columbia's notice sets out a rate for Banking and Balancing Service of \$.0207 per Mcf.

---

<sup>1</sup> Case No. 2009-00141, Application of Columbia Gas of Kentucky, Inc. for an Adjustment in Rates (Ky. PSC Oct. 26, 2009).

4. Columbia's notice sets out no Transportation Take-or-Pay Refund Adjustment.

5. Columbia's notice sets out a current quarter supplier Refund Adjustment ("RA") of (\$.0062) per Mcf. Columbia's notice sets out a total RA of (\$.0063) per Mcf, which represents a decrease of \$.0009 per Mcf from the prior RA of (\$.0054) per Mcf.

6. Columbia's notice sets out an annual Actual Cost Adjustment ("ACA") of (\$2.9537) per Mcf, which represents no change from the previous ACA.

7. Columbia's notice sets out a Balancing Adjustment ("BA") of \$1.2853 per Mcf, which represents an increase of \$1.2162 per Mcf from the previous BA of \$.0691 per Mcf.

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

9. Columbia's notice sets out a Gas Cost Incentive Adjustment of \$.0042 per Mcf, which represents a decrease of \$.0542 per Mcf from the previous rate of \$.0584 per Mcf.

10. Columbia's approved Gas Cost Recovery rate ("GCR") is \$6.4139 per Mcf, which is an increase of \$2.0451 per Mcf from the previous GCR of \$4.3688 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 March 2010, beginning on March 1, 2010.

IT IS THEREFORE ORDERED that:

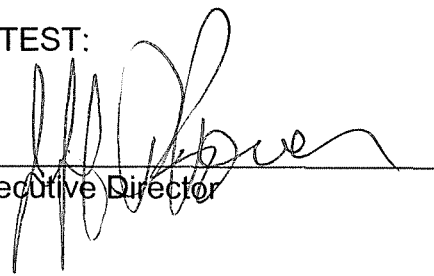
1. The rates in the Appendix to this Order are approved for billing with the final meter readings beginning on March 1, 2010.

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, reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED  
FEB 22 2010 *st*  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00041 DATED FEB 22 2010

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 \$6.4139 per Mcf effective March 1, 2010.

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