

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF COLUMBIA GAS OF) CASE NO. 2010-00307
KENTUCKY, INC.)

O R D E R

On October 26, 2009, in Case No. 2009-00141,¹ 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, 2010, Columbia filed its proposed GCA to be effective August 27, 2010.

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 Expected Gas Cost ("EGC") is \$7.1762 per Mcf, an increase of \$1.0867 per Mcf from its last EGC of \$6.0895 per Mcf.
3. Columbia's notice sets out a rate for Banking and Balancing Service of \$.0207 per Mcf.

¹ 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 a current quarter supplier Refund Adjustment of (\$.0019) per Mcf. Columbia's notice sets out a total RA of (\$.0081) per Mcf, which represents an increase of \$.0001 per Mcf from the prior RA of (\$.0082) per Mcf.

5. Columbia's notice sets out its annual Actual Cost Adjustment ("ACA") of (\$.2466) per Mcf, which represents an increase of \$2.7071 per Mcf from the previous ACA of (\$2.9537) per Mcf.

6. Columbia's notice sets out its Balancing Adjustment ("BA") of \$.0299 per Mcf, which represents a decrease of \$1.2554 per Mcf from the previous BA of \$1.2853 per Mcf.

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

8. Columbia's notice sets out its Gas Cost Incentive Adjustment of \$.0042 per Mcf, which represents no change from the previous rate.

9. Columbia's approved Gas Cost Recovery ("GCR") rate is \$6.9554 per Mcf, which is an increase of \$2.5385 per Mcf from the previous GCR of \$4.4169 per Mcf.

10. 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 2010, beginning on August 27, 2010.

IT IS THEREFORE ORDERED that:

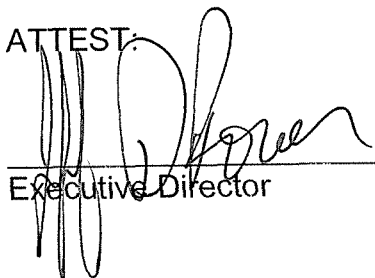
1. The rates in the Appendix to this Order are approved for billing with the final meter readings beginning on August 27, 2010.

2. Within 20 days of the date of this Order, Columbia shall file its revised tariffs with this Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED *sl*
AUG 23 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00307 DATED **AUG 23 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 \$6.9554 per Mcf effective August 27, 2010.

Judy M Cooper
Director, Regulatory Services
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