

February 20, 2012

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

RECEIVED

FEB 20 2012

PUBLIC SERVICE
COMMISSION

Re: Columbia Gas of Kentucky, Inc.
Gas Cost Adjustment Case No. 2012-00038

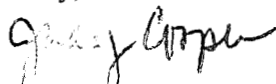
Dear Mr. Derouen:

Columbia Gas of Kentucky, Inc. ("Columbia") has become aware of an error in the calculation of its quarterly Gas Cost Adjustment ("GCA") filed on January 30, 2012. Columbia hereby encloses, for filing with the Commission, an original and six (6) copies of Substitute and Revised schedules to replace those previously submitted that are in error.

The miscalculation was in Schedule 3, Columbia's Balancing Adjustment ("BA"). Columbia's BA to expire August 31, 2012 should be (\$0.3129) per Mcf instead of that originally shown as (\$0.3752) per Mcf.

Please feel free to contact me at jmcoop@nisource.com or 859-288-0242 if there are any questions.

Sincerely,



Judy M. Cooper
Director, Regulatory Policy

Enclosures

Columbia Gas of Kentucky, Inc.
 Comparison of Current and Proposed GCAs

Substitute and Revised

Line No.	December-11 <u>CURRENT</u>	March-12 <u>PROPOSED</u>	<u>DIFFERENCE</u>	
1	Commodity Cost of Gas	\$5.2732	\$4.6630	(\$0.6102)
2	Demand Cost of Gas	<u>\$1.4378</u>	<u>\$1.4588</u>	<u>\$0.0210</u>
3	Total: Expected Gas Cost (EGC)	\$6.7110	\$6.1218	(\$0.5892)
4	SAS Refund Adjustment	(\$0.0002)	(\$0.0002)	\$0.0000
5	Balancing Adjustment	(\$1.1070)	(\$0.3129)	\$0.7941
6	Supplier Refund Adjustment	(\$0.0142)	(\$0.0162)	(\$0.0020)
7	Actual Cost Adjustment	(\$0.1605)	(\$0.1605)	\$0.0000
8	Gas Cost Incentive Adjustment	<u>\$0.0207</u>	<u>\$0.0189</u>	<u>(\$0.0018)</u>
9	Cost of Gas to Tariff Customers (GCA)	\$5.4498	\$5.6509	\$0.2011
10	Transportation TOP Refund Adjustment	\$0.0000	\$0.0000	\$0.0000
11	Banking and Balancing Service	\$0.0210	\$0.0210	\$0.0000
12	Rate Schedule FI and GSO			
13	Customer Demand Charge	\$6.6436	\$6.6493	\$0.0057

Columbia Gas of Kentucky, Inc.
 Gas Cost Adjustment Clause
 Gas Cost Recovery Rate
 Mar - May 12

Substitute and Revised

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>	<u>Expires</u>
1	Expected Gas Cost (EGC)	Schedule No. 1	\$6.1218	
2	Actual Cost Adjustment (ACA)	Schedule No. 2 Case No. 2011-00284	(\$0.1605)	8-31-12
3	SAS Refund Adjustment (RA)	Schedule No. 5 Case No. 2011-00284	(\$0.0002)	8-31-12
4	Supplier Refund Adjustment (RA)	Schedule No. 4 Line 5	(\$0.0040)	02-28-13
		Case No. 2011-00284	(\$0.0041)	08-31-12
		Case No. 2011-00155	(\$0.0041)	05-30-12
		Case No. 2011-00431	(\$0.0040)	11-30-12
		Total Refunds	<u>(\$0.0162)</u>	
5	Balancing Adjustment (BA)	Schedule No. 3	(\$0.3129)	2-28-13
6	Gas Cost Incentive Adjustment	Schedule No. 6	\$0.0189	2-28-13
7	Gas Cost Adjustment			
8	Mar - May 12		<u>\$5.6509</u>	
9	Expected Demand Cost (EDC) per Mcf			
10	(Applicable to Rate Schedule IS/SS and GSO)	Schedule No. 1, Sheet 4	<u>\$6.6493</u>	

DATE FILED: February 17, 2012

BY: J. M. Cooper

SUBSTITUTE AND REVISED

DETAIL SUPPORTING

DEMAND/COMMODITY SPLIT

COLUMBIA GAS OF KENTUCKY
CASE NO. 2012- Effective March 2012 Billing Cycle

CALCULATION OF DEMAND/COMMODITY SPLIT OF GAS COST ADJUSTMENT FOR TARIFFS

	\$/MCF	
Demand Component of Gas Cost Adjustment		
Demand Cost of Gas (Schedule No. 1, Sheet 1, Line 23)	\$1.4588	
Demand ACA (Schedule No. 2) Case No. 2011-00284	(\$0.3730)	
Total Refund Adjustment (Schedule No. 4)	(\$0.0162)	
SAS Refund Adjustment (Schedule No. 5) Case No. 2011-00284	<u>(\$0.0002)</u>	
Total Demand Rate per Mcf	\$1.0694	<--- to Att. E, lline 21

Commodity Component of Gas Cost Adjustment

Commodity Cost of Gas (Schedule No. 1, Sheet 1, Line 22)	\$4.6630
Commodity ACA (Schedule No. 2) Case No. 2011-00284	\$0.2125
Balancing Adjustment (Schedule No. 3)	(\$0.3129)
Gas Cost Incentive Adjustment (Schedule No. 6)	<u>\$0.0189</u>
Total Commodity Rate per Mcf	\$4.5815

CHECK:	\$1.0694
	<u>\$4.5815</u>
COST OF GAS TO TARIFF CUSTOMERS (GCA)	\$5.6509

Calculation of Rate Schedule SVGTS - Actual Gas Cost Adjustment

Commodity ACA (Schedule No. 2)	\$0.2125
Balancing Adjustment (Schedule No. 3)	(\$0.3129)
Gas Cost Incentive Adjustment (Schedule No. 6)	<u>\$0.0189</u>
Total Commodity Rate per Mcf	(\$0.0815)

SUBSTITUTE AND REVISED
BALANCING ADJUSTMENT
SCHEDULE NO. 3

COLUMBIA GAS OF KENTUCKY, INC.

**CALCULATION OF BALANCING ADJUSTMENT
EFFECTIVE UNIT 1 BILLING FOR MARCH 2012**

<u>Line No.</u>	<u>Description</u>	<u>Detail</u> \$	<u>Amount</u> \$
1	<u>RECONCILIATION OF A PREVIOUS SUPPLIER REFUND ADJUSTMENT</u>		
2	Total adjustment to have been distributed to		
3	customers in Case No. 2010-00424	(\$26,296)	
4	Less: amount distributed	<u>(\$19,865)</u>	
5	REMAINING AMOUNT		(\$6,431)
6	<u>RECONCILIATION OF A PREVIOUS SAS REFUND ADJUSTMENT</u>		
7	Total adjustment to have been distributed to		
8	customers in Case No. 2010-00307	(\$2,294)	
9	Less: amount distributed	<u>(\$2,054)</u>	
10	REMAINING AMOUNT		(\$240)
11	<u>RECONCILIATION OF PREVIOUS ACTUAL COST ADJUSTMENT</u>		
12	Total adjustment to have been distributed to		
13	customers in Case No. 2010-00307	(\$3,288,551)	
14	Less: amount distributed	<u>(\$2,314,404)</u>	
15	REMAINING AMOUNT		<u>(\$974,147)</u>
16	<u>RECONCILIATION OF PREVIOUS UNCOLLECTIBLE ACTUAL COST ADJUSTMENT</u>		
17	Total adjustment to have been distributed to		
18	customers in Case No. 2010-00307	(\$114,621)	
19	Less: amount distributed	<u>(\$277,504)</u>	
20	REMAINING AMOUNT		<u>\$162,883</u>
21	TOTAL BALANCING ADJUSTMENT AMOUNT		<u>(\$817,935)</u>
22	Divided by: projected sales volumes for the six months		
23	ended August 31, 2012		2,614,245
24	BALANCING ADJUSTMENT (BA) TO		
25	EXPIRE AUGUST 31, 2012		<u>\$ (0.3129)</u>

**Columbia Gas of Kentucky, Inc.
SAS Refund Adjustment
Supporting Data**

Case No. 2010-00307

Expires: August 31, 2011

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$2,294)
September 2010	164,072	(\$0.0002)	(\$33)	(\$2,261)
October 2010	236,410	(\$0.0002)	(\$47)	(\$2,214)
November 2010	530,812	(\$0.0002)	(\$106)	(\$2,108)
December 2010	1,626,577	(\$0.0002)	(\$325)	(\$1,782)
January 2011	2,458,448	(\$0.0002)	(\$492)	(\$1,291)
February 2011	2,078,964	(\$0.0002)	(\$416)	(\$875)
March 2011	1,246,790	(\$0.0002)	(\$249)	(\$626)
April 2011	888,101	(\$0.0002)	(\$178)	(\$448)
May 2011	427,683	(\$0.0002)	(\$86)	(\$362)
June 2011	257,386	(\$0.0002)	(\$51)	(\$311)
July 2011	187,125	(\$0.0002)	(\$37)	(\$274)
August 2011	167,800	(\$0.0002)	(\$34)	(\$240)
September 2011	(1,715)	(\$0.0002)	\$0	(\$240)

SUMMARY:

REFUND AMOUNT	(\$2,294)
LESS	
AMOUNT REFUNDED	(\$2,054)
REMAINING REFUND	<u>(\$240)</u>

**Columbia Gas of Kentucky, Inc.
Actual Cost Adjustment YR2010
Supporting Data**

Case No. 2010-00307

Expires: August 31, 2011

	Tariff		Choice		Refund Balance
	Volume	Refund Rate	Volume	Refund Rate	
					(\$3,288,551)
September 2010	164,072	(\$0.2213)	15,207	(\$0.0663)	(\$3,251,234)
October 2010	236,410	(\$0.2213)	14,237	(\$0.0663)	(\$3,197,973)
November 2010	530,812	(\$0.2213)	30,504	(\$0.0663)	(\$3,078,482)
December 2010	1,626,577	(\$0.2213)	85,293	(\$0.0663)	(\$2,712,865)
January 2011	2,458,448	(\$0.2213)	148,270	(\$0.0663)	(\$2,158,980)
February 2011	2,078,964	(\$0.2213)	131,825	(\$0.0663)	(\$1,690,166)
March 2011	1,246,790	(\$0.2213)	84,251	(\$0.0663)	(\$1,408,665)
April 2011	888,101	(\$0.2213)	60,960	(\$0.0663)	(\$1,208,087)
May 2011	427,683	(\$0.2213)	30,887	(\$0.0663)	(\$1,111,393)
June 2011	257,386	(\$0.2213)	16,879	(\$0.0663)	(\$1,053,314)
July 2011	187,125	(\$0.2213)	8,355	(\$0.0663)	(\$1,011,349)
August 2011	167,800	(\$0.2213)	6,437	(\$0.0663)	(\$973,788)
September 2011	(1,715)	(\$0.2213)	315	(\$0.0663)	(\$974,147)

SUMMARY:

Total Refund Amount (\$3,288,551)

Amount Refunded (\$2,314,404)

REMAINING REFUND (\$974,147)

Columbia Gas of Kentucky, Inc.
Uncollectible Actual Cost Adjustment YR2010
Supporting Data

Substitute and Revised Schedule No. 3
Page 4 of 5

Case No. 2010-00307

Expires: August 31, 2011

	Volume	Refund Rate	Refund Amount	Refund Balance
				(\$114,621)
September 2010	206,587	(\$0.0253)	(\$5,227)	(\$109,394)
October 2010	258,464	(\$0.0253)	(\$6,539)	(\$102,855)
November 2010	570,104	(\$0.0253)	(\$14,424)	(\$88,432)
December 2010	1,735,303	(\$0.0253)	(\$43,903)	(\$44,528)
January 2011	2,614,039	(\$0.0253)	(\$66,135)	\$21,607
February 2011	2,213,823	(\$0.0253)	(\$56,010)	\$77,617
March 2011	1,323,704	(\$0.0253)	(\$33,490)	\$111,106
April 2011	943,971	(\$0.0253)	(\$23,882)	\$134,989
May 2011	455,001	(\$0.0253)	(\$11,512)	\$146,500
June 2011	272,382	(\$0.0253)	(\$6,891)	\$153,392
July 2011	197,268	(\$0.0253)	(\$4,991)	\$158,382
August 2011	177,889	(\$0.0253)	(\$4,501)	\$162,883

SUMMARY:

Refund Amount Case No. 2010-00307	(\$375,154)
Adjustment to Uncollectible ACA (1)	<u>\$260,533</u>
Total Refund Amount	(\$114,621)
Amount Refunded	(\$277,504)
REMAINING BALANCE	<u><u>\$162,883</u></u>

(1) Adjustment to Uncollectible ACA YR2010 to reflect the correct method of calculation as established in Case No. 2009-00141 and confirmed through an informal conference with the Commission in Case No. 2011-00284.

**Columbia Gas of Kentucky, Inc.
Supplier Refund
Supporting Data**

Case No. 2010-00424

Expires: November 30, 2011

	<u>Volume</u>	<u>Refund Rate</u>	<u>Refund Amount</u>	<u>Refund Balance</u>
				(\$26,296)
December 2010	1,622,296	(\$0.0019)	(\$3,082)	(\$23,214)
January 2011	2,458,448	(\$0.0019)	(\$4,671)	(\$18,543)
February 2011	2,078,964	(\$0.0019)	(\$3,950)	(\$14,593)
March 2011	1,246,790	(\$0.0019)	(\$2,369)	(\$12,224)
April 2011	888,101	(\$0.0019)	(\$1,687)	(\$10,536)
May 2011	427,683	(\$0.0019)	(\$813)	(\$9,724)
June 2011	257,386	(\$0.0019)	(\$489)	(\$9,235)
July 2011	187,125	(\$0.0019)	(\$356)	(\$8,879)
August 2011	167,800	(\$0.0019)	(\$319)	(\$8,561)
September 2011	190,817	(\$0.0019)	(\$363)	(\$8,198)
October 2011	286,261	(\$0.0019)	(\$544)	(\$7,654)
November 2011	659,969	(\$0.0019)	(\$1,254)	(\$6,400)
December 2011	(16,181)	(\$0.0019)	\$31	(\$6,431)

SUMMARY:

REFUND AMOUNT	(\$26,296)
LESS	
AMOUNT REFUNDED	(\$19,865)
REMAINING REFUND	<u>(\$6,431)</u>

**SUBSTITUTE AND REVISED
PROPOSED TARIFF SHEETS**

COLUMBIA GAS OF KENTUCKY, INC.

CURRENTLY EFFECTIVE BILLING RATES

<u>SALES SERVICE</u>	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment^{1/}</u>		<u>Total Billing Rate</u> \$
		<u>Demand</u> \$	<u>Commodity</u> \$	
<u>RATE SCHEDULE GSR</u>				
Customer Charge per billing period	12.35			12.35
Delivery Charge per Mcf	1.8715	1.0694	4.5815	7.5224
<u>RATE SCHEDULE GSO</u>				
<u>Commercial or Industrial</u>				
Customer Charge per billing period	25.13			25.13
Delivery Charge per Mcf -				
First 50 Mcf or less per billing period	1.8715	1.0694	4.5815	7.5224
Next 350 Mcf per billing period	1.8153	1.0694	4.5815	7.4662
Next 600 Mcf per billing period	1.7296	1.0694	4.5815	7.3805
Over 1,000 Mcf per billing period	1.5802	1.0694	4.5815	7.2311
<u>RATE SCHEDULE IS</u>				
Customer Charge per billing period	583.39			583.39
Delivery Charge per Mcf				
First 30,000 Mcf per billing period	0.5467		4.5815 ^{2/}	5.1282
Over 30,000 Mcf per billing period	0.2905		4.5815 ^{2/}	4.8720
Firm Service Demand Charge				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		6.6493		6.6493
<u>RATE SCHEDULE IUS</u>				
Customer Charge per billing period	331.50			331.50
Delivery Charge per Mcf				
For All Volumes Delivered	0.7750	1.0694	4.5815	6.4259

- 1/ The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff. The Gas Cost Adjustment applicable to a customer who is receiving service under Rate Schedule GS or IUS and received service under Rate Schedule SVGTS shall be \$6.1218 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS
- 2/ IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.

I - Increase R - Reduction

DATE OF ISSUE: February 17, 2012

DATE EFFECTIVE: February 29, 2012
(March Unit 1 Billing)

ISSUED BY: *Herbert A. Miller Jr.*

President

CURRENTLY EFFECTIVE BILLING RATES

(Continued)

<u>TRANSPORTATION SERVICE</u>	<u>Base Rate</u>	<u>Gas Cost Adjustment^{1/}</u>		<u>Total</u>
	<u>Charge</u>	<u>Demand</u>	<u>Commodity</u>	<u>Billing</u>
	\$	\$	\$	\$
<u>RATE SCHEDULE SS</u>				
Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		6.6493		6.6493
Standby Service Commodity Charge per Mcf			4.5815	4.5815
<u>RATE SCHEDULE DS</u>				
Administrative Charge per account per billing period				55.90
Customer Charge per billing period ^{2/}				583.39
Customer Charge per billing period (GDS only)				25.13
Customer Charge per billing period (IUDS only)				331.50
<u>Delivery Charge per Mcf^{2/}</u>				
First 30,000 Mcf	0.5467			0.5467
Over 30,000 Mcf	0.2905			0.2905
– Grandfathered Delivery Service				
First 50 Mcf or less per billing period				1.8715
Next 350 Mcf per billing period				1.8153
Next 600 Mcf per billing period				1.7296
All Over 1,000 Mcf per billing period				1.5802
– Intrastate Utility Delivery Service				
All Volumes per billing period				0.7750
Banking and Balancing Service				
Rate per Mcf		0.0210		0.0210
<u>RATE SCHEDULE MLDS</u>				
Administrative Charge per account each billing period				55.90
Customer Charge per billing period				200.00
Delivery Charge per Mcf				0.0858
Banking and Balancing Service				
Rate per Mcf		0.0210		0.0210

1/ The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff.
2/ Applicable to all Rate Schedule DS customers except those served under Grandfathered Delivery Service or Intrastate Utility Delivery Service.

I – Increase R – Reduction

DATE OF ISSUE: February 17, 2012

DATE EFFECTIVE: February 29, 2012
(March Unit 1 Billing)

ISSUED BY: *Herbert A. Miller Jr.*

President

CURRENTLY EFFECTIVE BILLING RATES

RATE SCHEDULE SVGTS

Billing Rate

\$

General Service Residential

Customer Charge per billing period	12.35
Delivery Charge per Mcf	1.8715

General Service Other - Commercial or Industrial

Customer Charge per billing period	25.13
Delivery Charge per Mcf -	
First 50 Mcf or less per billing period	1.8715
Next 350 Mcf per billing period	1.8153
Next 600 Mcf per billing period	1.7296
Over 1,000 Mcf per billing period	1.5802

Intrastate Utility Service

Customer Charge per billing period	331.50
Delivery Charge per Mcf	\$ 0.7750

Actual Gas Cost Adjustment ^{1/}

For all volumes per billing period per Mcf	(\$ 0.0815)
--	-------------

RATE SCHEDULE SVAS

Balancing Charge – per Mcf	\$ 0.9206
----------------------------	-----------

I – Increase R - Reduction

1/ The Gas Cost Adjustment is applicable to a customer who is receiving service under Rate Schedule SVGTS and received service under Rate Schedule GS, IS, or IUS for only those months of the prior twelve months during which they were served under Rate Schedule GS, IS or IUS.

DATE OF ISSUE: February 17, 2012

DATE EFFECTIVE: February 29, 2012
(March Unit 1 Billing)

ISSUED BY: *Herbert A. Miller Jr.*

President