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## NEWS RELEASE

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### **PSC Accepts Settlement in Columbia Gas Rate Case** *Revenue increase is less than half the amount requested*

**FRANKFORT, Ky. (Dec. 13, 2013)** – The Kentucky Public Service Commission (PSC) today accepted a settlement granting revenue adjustments that increase the base natural gas rates for customers of Columbia Gas of Kentucky, Inc.

The revenue adjustments are at levels agreed to by Columbia Gas and the other parties to the case: the Kentucky Office of Attorney General; the Kentucky Industrial Utility Customers Inc. (KIUC); Lexington-Fayette Urban County Government; Community Action for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties Inc., representing low-income customers; and gas marketers Interstate Gas Supply, Inc. and Stand Energy Corp.

In an order issued today, the PSC said that accepting the settlement is in the public interest because it results in rates that “are fair, just and reasonable.” The new rates take effect on Dec. 29, 2013.

Columbia Gas had sought to raise rates in order to increase annual revenue by about \$16.6 million. The rates agreed to under the settlement will increase annual revenue by about \$7.66 million, or about 8 percent.

Under the settlement agreement, the monthly bill for a Columbia Gas residential natural gas customer using 10,000 cubic feet during the heating season will increase by \$4.72, a figure that does not take into account any fluctuations in the price of natural gas itself.

This is less than half the increase originally proposed by Columbia Gas, which would have added more than \$11 to the monthly bill for a residential customer using 10,000 cubic feet.

Columbia Gas has about 134,000 customers in 30 counties in central and eastern Kentucky, with the largest number in and around Lexington. The company’s last increase in base rates came in October of 2009.

**-more-**

The PSC conducted a hearing on the settlement on Nov.13. In today's order, the PSC made one modification to the settlement, requiring Columbia Gas to report annually to both the PSC and the Attorney General on costs and savings associated with the installation of new meters that can be read remotely.

Other provisions of the settlement include:

- The monthly residential customer charge will go from the current \$12.35 to \$15, while the delivery charge will go from \$1.87 to \$2.27 per 1,000 cubic feet of gas.
- As proposed by Columbia Gas in its application, a current \$1.73 per month surcharge that pays for a gas main replacement program will be reset to zero.
- In the next year, Columbia Gas will replace manually read analog meters with remotely read digital meters and will track the costs and savings associated with the change.
- The Columbia CHOICE program, which allows residential customers to purchase gas from a third-party marketer and pay Columbia Gas only for service and delivery, will be continued for three years.
- Columbia Gas will increase by \$10,000 its annual shareholder contribution to the Wintercare program for low-income customers, bringing the total annual funding to about \$60,000.

Today's order and other documents in the case, as well as videos of the hearings and public meetings, are available on the PSC website, [psc.ky.gov](http://psc.ky.gov). The case number is 2013-00167.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 90 employees.