

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE)	
GAS AND ELECTRIC COMPANY FOR APPROVAL)	CASE NO.
OF REVISED RATES TO BE COVERED)	2020-00032
THROUGH ITS GAS LINE TRACKER BEGINNING)	
WITH THE FIRST BILLING CYCLE FOR MAY 2020)	

ORDER

On February 28, 2020, Louisville Gas and Electric Company (LG&E) submitted an application requesting to revise rates for its Gas Line Tracker Adjustment Clause (GLT) effective May 1, 2020, pursuant to the Commission's Order in Case No. 2012-00222¹ approving the GLT program and associated rates. On April 17, 2020, LG&E filed revised Exhibits and responses to Commission Staff's Request for Information dated April 7, 2020. There are no intervenors in this proceeding. The case now stands submitted for decision.

Based upon its revised Exhibits,² LG&E's revenue requirement eligible for recovery under its GLT mechanism for 2020 is \$16,239,657. Of that amount, \$9,413,928 is related to distribution projects, with the remaining \$6,825,729 being related to transmission projects. During 2019, LG&E had a total undercollection of \$479,993, which it proposes to include as a charge to its 2020 revenue requirement in order to collect the

¹ Case No. 2012-00222, *Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines and Risers, and a Gas Line Surcharge* (Ky. PSC Dec. 20, 2012).

² See Exhibit 2 page 1 of 1.

undercollected amounts from its customers through its GLT balancing adjustment for 2019.

The Commission notes the significant increase in the projected costs. The Commission recognizes the importance of pipe replacement programs in terms of safety and expedience, but as demonstrated with other gas utilities, believes that the approved projects should support this goal.³ The Commission is concerned with the actual cost of these projects as compared to the estimates submitted and approved and urges not only LG&E, but all utilities to use ratepayer funds efficiently and judiciously when completing such projects. In LG&E's next base rate case, an investigation of the depreciation that has been collected for these assets and the amount included in base rates will be evaluated.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that the information contained in LG&E's filing is in sufficient detail to support the reasonableness of LG&E's revised GLT rates.

IT IS HEREBY ORDERED that:

1. The GLT rates in the Appendix to this Order are approved for service rendered by LG&E on and after May 1, 2020.
2. Within 20 days of the date of entry of this Order, LG&E shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.
3. This case is closed and removed from the Commission's docket.

³ See *Case No. 2017-00349, Electronic Application of Atmos Energy Corporation For An Adjustment Of Rates And Tariff Modifications*, (Ky. PSC May 3, 2018) at 37.

By the Commission



ATTEST:

A handwritten signature in blue ink, consisting of stylized initials and a surname, positioned above a horizontal line.

Executive Director

Case No. 2020-00032

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00032 DATED APR 28 2020

The following rates and charges are prescribed for the customers in the area served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Gas Line Tracker Rates:

	Distribution Projects <u>(\$/delivery point)</u>	Transmission Projects <u>(\$/Ccf)</u>
RGS, VFD	\$1.87	\$0.02378
CGS, SSGS	\$9.27	\$0.01920
IGS, AAGS, DGGS	\$111.02	\$0.01170
FT, LGDS	\$0.00	\$0.00098

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