

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS)	CASE NO.
ADJUSTMENT FILING OF JOHNSON)	2021-00101
COUNTY GAS COMPANY, INC)	

ORDER

On February 24, 2021, Johnson County Gas Company, Inc. (Johnson County) filed its proposed Gas Cost Recovery (GCR) rate report to be effective April 1, 2021. Johnson County's previous GCR rate was approved in Case No. 2020-00341.¹

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Johnson County's report includes revised rates designed to pass on to its customers its expected change in gas costs.

2. Johnson County's initial GCR report sets out an Expected Gas Cost (EGC) of \$5.6624 per Mcf. On March 22, 2021, the Commission filed an Order adopting a Settlement Agreement for the refund of gas costs paid by Johnson County for natural gas sold by Johnson County's affiliate Hall, Stephens and Hall Gas Company (Hall) pursuant to KRS 278.274 in Case No. 2020-00122.² The settlement agreement uses an average of the rates charged by Diversified Gas and Oil Corporation (Diversified), another natural

¹ Case No. 2020-00341, *Electronic Purchased Gas Adjustment Filing of Johnson County Gas Company, Inc.* (Ky. PSC Dec. 22, 2020).

² Case No. 2020-00122, *Electronic Investigation of The Gas Costs of Johnson County Gas Company, Inc. And Hall, Stephens And Hall Gas Company Pursuant To KRS 278.2207, and KRS 278.274* (Ky. PSC Mar. 22, 2021).

gas supplier to Johnson County, to represent the difference in price had Johnson County purchased natural gas from a nonaffiliated supplier. The Commission finds that the \$4.65 per Mcf rate should be used in Johnson County's EGC for the rate used to determine the cost of Mcf purchased from Hall. This produces a Total Expected Cost of Purchases of \$55,597.37. Johnson County's corrected EGC is \$4.7462 per Mcf, which is a decrease of \$.6272 per Mcf from its previous EGC of \$5.3734 per Mcf.

3. Johnson County's initial report sets out no Refund Adjustment.

4. Johnson County's initial report sets out a current quarter Actual Cost Adjustment (ACA) of \$1.0007 per Mcf. Johnson County did not use the total sales for 12-months ended December 31, 2020, of 11,714 Mcf when calculating its current quarter ACA. Correcting this produces a current quarter ACA of \$.3519 per Mcf. In calculating its total ACA, Johnson County erroneously included an incorrect amount of (\$1.1451) per Mcf for the Previous Quarter ACA. The correct Previous Quarter ACA is (\$.1037) per Mcf and was approved in Case No. 2020-00341.³ Correcting this produces a total ACA of (\$.7932) per Mcf, which is an increase of \$.3519 per Mcf from its previous total ACA of (\$1.1451) per Mcf.

5. Johnson County's corrected GCR rate is \$3.9530 per Mcf, which is a decrease of \$.2753 per Mcf from its previous GCR rate \$4.2283 per Mcf.

6. The rates set forth in the Appendix to this Order are fair, just and reasonable and should be approved for service rendered by Johnson County on and after April 1, 2021.

³ Case No. 2020-00341, *Electronic Purchased Gas Adjustment Filing of Johnson County Gas Company, Inc.* (Ky. PSC Dec. 22, 2020).

7. To aid in the Commission's review of Johnson County's GCR reports, Johnson County should continue to submit all invoices it receives from its suppliers when it files its GCR rate reports. Johnson County should also notice the Commission should there be any changes to the natural gas contracts Johnson County has with its suppliers.

8. Should Johnson County purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports then the supplier, cost, and amount must be documented in its cover letter to the Commission.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Johnson County are denied.
2. The rate set forth in the Appendix to this Order are approved for service rendered on and after April 1, 2021.
3. Johnson County shall submit all invoices received from its suppliers as part of all future GCR filings and shall notify the Commission should there be any changes in its natural gas contracts with its suppliers.
4. Within 20 days of the date of entry of this Order, Johnson County shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.
5. This case is closed and removed from the Commission's docket.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00101 DATED MAR 31 2021

The following rates and charges are prescribed for the customers in the area served by Johnson County Gas Company, Inc. 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.

RATES:

Residential and Commercial

<u>Monthly</u>	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
All Mcf	\$8.6000	\$3.9530	\$ 12.5530

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