

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF DELTA NATURAL GAS COMPANY,	)	2021-00140
INC.	)	

ORDER

On its own motion, the Commission orders this case to be closed and removed from the Commission's docket. On March 25, 2021, Delta Natural Gas Company, Inc. (Delta) filed its Gas Cost Recovery (GCR) rate report with rates proposed to be effective April 26, 2021. On April 21, 2021, the Commission issued an Order approving GCR rates for service rendered on and after April 26, 2021. In the April 21, 2021 Order, it was also ordered that the case was to remain open for investigating the reasonableness of the method of Delta's GCR billing to its customers and the language used in its Gas Cost Adjustment (GCA) Clause Tariff.

LEGAL STANDARD

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates or the

rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.<sup>1</sup>

### BACKGROUND

Included in the Appendix B to the January 20, 2021 Order issued in Case No. 2020-00408, was a request for information with responses to be filed by Delta in its next GCR report for rates effective for the February 2021 billing cycle.<sup>2</sup> The Commission had requested that Delta provide a historical customer billing report for each month in the twelve month reporting period ended October 2020. The responses were filed by Delta along with its GCR rate report in this proceeding. Upon review of the responses, the Commission ordered the case to remain open for the purpose of gathering information on how Delta bills the GCR rate to customers and whether the GCR rate is billed pursuant to the calendar quarters set forth in Delta's GCA Clause Tariff.

On May 6, 2021, Delta filed responses to the request for information attached as Appendix B to the Commission's April 21, 2021 Order. These responses provided additional information pertaining to Delta's billing of the GCR rate to customers along with copies of the actual bills that were sent to customers.<sup>3</sup> Upon review of the responses, the Commission finds that Delta charges the GCR rate in accordance with its GCA Clause Tariff, effective for billing with the final meter readings of the first billing cycle of each calendar quarter.

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<sup>1</sup> KRS 278.274(2); KRS 278.274(3)(c); and KRS 278.274(3)(d).

<sup>2</sup> Case No. 2022-00408, *Electronic Purchased Gas Adjustment Filing of Delta Natural Gas Company, Inc.* (Ky. PSC Jan. 20, 2021).

<sup>3</sup> The customer sample bills provided by Delta in the May 25, 2021 filing were duplicate copies generated from Delta's billing system that presented the billing data in a different visual format. Delta provided actual copies of a customer's bills in response to the request for information, Item 3.


DISCUSSION

Having no further questions or concerns with these issues at this time, the Commission finds this case should now be closed and removed from the Commission's docket.


IT IS THEREFORE ORDERED THAT this case shall be closed and shall be removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION

  
Chairman

Vice Chairman

  
Commissioner

ENTERED  
AUG 30 2022  
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KENTUCKY PUBLIC  
SERVICE COMMISSION

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