

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT )      CASE NO.  
FILING OF COLUMBIA GAS OF KENTUCKY, INC. )      2023-00028

ORDER

On January 30, 2023, Columbia Gas of Kentucky, Inc. (Columbia Kentucky) filed its proposed Gas Cost Adjustment (GCA) report to be effective March 1, 2023. Columbia Kentucky's previous GCA rate was approved in Case No. 2022-00360.<sup>1</sup>

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 and affiliated company to the extent the amount is deemed to be unjust or unreasonable.<sup>2</sup>

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<sup>1</sup> Case No. 2022-00360, *Electronic Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC Nov. 28, 2022).

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

## DISCUSSION

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that Columbia Kentucky's report includes revised rates designed to pass on to its customers its expected change in gas costs. Columbia Kentucky's report sets out an Expected Gas Cost (EGC) of \$5.3347 per Mcf, which is a decrease of \$2.2403 per Mcf from its previous EGC of \$7.5750 per Mcf. Columbia Kentucky's report sets out a rate for Banking and Balancing Service of \$0.0332 per Mcf. Columbia Kentucky's report sets out a total supplier Refund Adjustment (RA) of (\$0.3491) per Mcf, which is no change from its previous total RA.<sup>3</sup> Columbia Kentucky's report sets out a current quarter Actual Cost Adjustment (ACA) of \$0.7125 per Mcf. Columbia Kentucky's total ACA is \$2.0256 per Mcf, which is a decrease of \$0.1892 per Mcf from its previous total ACA of \$2.2148 per Mcf. Columbia Kentucky's report sets out a Balancing Adjustment (BA) of \$0.0170 per Mcf, which is an increase of \$0.0277 per Mcf from its previous BA of (\$0.0107) per Mcf. Columbia Kentucky's report sets out no Special Agency Service (SAS) refund adjustment. Columbia Kentucky's report sets out a Performance-Based Rate (PBR) Adjustment of \$0.3314 per Mcf.

Based on the calculations above, the Commission finds that Columbia Kentucky's GCA is \$7.3596 per Mcf, which is a decrease of \$2.4018 per Mcf from the previous GCA of \$9.7614 per Mcf. The Commission further finds that the rates as proposed by Columbia

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<sup>3</sup> A copy of *Columbia Gas Transmission, LLC*, 178 FERC ¶ 61,144 (2022), was included in Columbia Kentucky's GCA rate report in Schedule No. 4 as supplemental documentation for Columbia Kentucky's RA in Case No. 2022-00127, *Electronic Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (filed Apr. 29, 2022).

Kentucky and set forth in the Appendix to this Order are fair, just and reasonable and are approved for billing with the final meter readings beginning on and after March 1, 2023.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Columbia Kentucky shall submit all invoices it receives along with its monthly usage report for each month of the reporting period when it files its future GCA rate reports. As ordered by the Commission in Case No. 2018-00150,<sup>4</sup> Columbia Kentucky's future GCA reports shall include an electronic version containing supporting calculations in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible. Should Columbia Kentucky purchase sustainable natural gas from a renewable source during the reporting period of any future GCA 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 Columbia Kentucky and set forth in the Appendix to this Order are approved for billing with the final meter readings beginning on and after March 1, 2023.
2. Columbia Kentucky shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCA rate reports.

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<sup>4</sup> Case No. 2018-00150, *Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC May 16, 2018).

3. Columbia Kentucky's future GCA reports shall include an electronic version containing supporting calculations in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

4. Within 20 days of the date of service of this Order, Columbia Kentucky 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.

5. This case is closed and removed from the Commission's docket.

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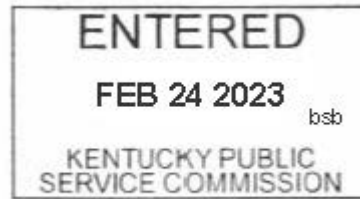
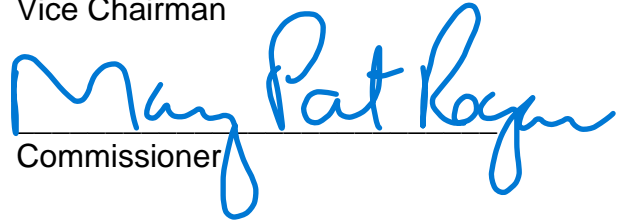
PUBLIC SERVICE COMMISSION

Chairman



Vice Chairman

Commissioner



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00028 DATED FEB 24 2023

The following rates and charges are prescribed for the customers in the area served by Columbia Gas of Kentucky, 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.

CURRENTLY EFFECTIVE BILLING RATES

<u>SALES SERVICE</u>	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment<sup>1/</sup></u> <u>Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$
<u>RATE SCHEDULE GSR</u>				
Deliver Charge per Mcf	5.2528	1.0810	6.2786	12.6124
<u>RATE SCHEDULE GSO</u>				
<u>Commercial or Industrial</u>				
First 50 Mcf or less per billing period	3.2513	1.0810	6.2786	10.6109
Next 350 Mcf per billing period	2.5096	1.0810	6.2786	9.8692
Next 600 Mcf per billing period	2.3855	1.0810	6.2786	9.7451
Over 1,000 Mcf per billing period	2.1700	1.0810	6.2786	9.5296
<u>RATE SCHEDULE IS</u>				
First 30,000 Mcf per billing period	0.7093		6.2786 <sup>2/</sup>	6.9879
Next 70,000 Mcf per billing period	0.4378		6.2786 <sup>2/</sup>	6.7164
Over 100,000 Mcf per billing period	0.2423		6.2786 <sup>2/</sup>	6.5209
Firm Service Demand Charge				
Demand Charge times Daily Firm Volume (Mcf) in Customer Service Agreement		9.1327		9.1327

<sup>1/</sup> 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 Columbia Kentucky's 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 \$5.3347 per Mcf only for those months of the prior 12 months during which they were served under Rate Schedule SVGTS

<sup>2/</sup> IS customers may be subject to the Demand Gas Cost under the conditions set forth on Sheets 14 and 15 of Columbia Kentucky's Tariff.

RATE SCHEDULE IUS

Deliver Charge per Mcf	1.1959	1.0810	6.2786	8.5555
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TRANSPORTATION SERVICE

RATE SCHEDULE SS

Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		9.1327		9.1327
Standby Service Commodity Charge per Mcf			6.2786	6.2786

RATE SCHEDULE DS

Banking and Balancing Service				
Rate per Mcf		0.0332		0.0332

RATE SCHEDULE MLDS

Banking and Balancing Service				
Rate per Mcf		0.0332		0.0332

RATE SCHEDULE SVGTS

Base Rate  
\$

General Service Residential (SGVTS GSR)

Delivery Charge per Mcf	5.2528
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General Service Other—Commercial or Industrial (SVGTS GSO)

First 50 Mcf or less per billing period	3.2513
Next 350 Mcf per billing period	2.5096
Next 600 Mcf per billing period	2.3855
Over 1,000 Mcf per billing period	2.1700

Intrastate Utility Service

Delivery Charge per Mcf	1.1959
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Base Rate  
\$

Actual Gas Cost Adjustment<sup>3</sup>

\$2.2871

RATE SCHEDULE SVAS

Balancing Charge-per Mcf	\$0.6406
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<sup>3</sup> 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 12 months during which they were served under Rate Schedule GS, IS, or IUS.

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