COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF COLUMBIA GAS OF KENTUCKY, INC. FOR ANNUAL BALANCING ADJUSTMENT PURSUANT TO ITS SMRP TARIFF RIDER	))))	CASE NO. 2026-00083

O R D E R

On March 31, 2026, Columbia Gas of Kentucky, Inc. (Columbia Kentucky) filed its annual balancing adjustment pursuant to the requirements of the Safety Modification and Replacement Program (SMRP) Rider, with proposed rates to be effective May 29, 2026.[1] The proposed SMRP rates are based on the true-up of the actual SMRP Rider costs for the 12 months ended December 31, 2025.

There are no intervenors in this proceeding. This matter now stands submitted for a decision based upon the evidentiary record.

LEGAL STANDARD

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that service it provides must be adequate, efficient and reasonable. KRS 278.509 provides that the Commission may allow recovery of costs for investment in natural gas pipeline replacement programs which are not already recovered in the existing rates of the regulated utility.

[1] Application at unnumbered pages 24–25.

DISCUSSION AND FINDINGS

In Case No. 2024-00328, Columbia Kentucky proposed that the new SMRP rates reflect the 2025 projected SMRP investments.[2] The Commission approved Columbia Kentucky's SMRP rates, with a return-on-equity (ROE) adjustment,[3] with an effective date of January 1, 2025.[4] In Case No. 2024-00092, Columbia Kentucky's most recent general rate case, the utility did not propose to incorporate the SMRP rates into base rates.[5] In Case No. 2025-00331, Columbia Kentucky proposed that the new SMRP rates reflect the 2026 projected SMRP investments.[6]

Columbia Kentucky stated that its forecasted project list targets approximately 13 miles of bare steel pipe for replacement in 2026[7] and, according to the filing, total 13-month average SMRP cumulative Plant in Service is $92.3 million in December 31, 2025.[8] Columbia Kentucky also stated that approximately 247 miles of bare steel pipe will remain in the system following the completion of the 2026 projects,[9] with the full program currently

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[2] Case No. 2024-00328, *Electronic Application of Columbia Gas of Kentucky, Inc. for Its Annual Safety Modification and Replacement Program Filing* (Ky. PSC July 24, 2025).

[3] Case No. 2023-00335, *Electronic Application of Columbia Gas of Kentucky, Inc. for Its Annual Safety Modification and Replacement Program Filing* (Ky. PSC July 17, 2024), Order at 6.

[4] Case No. 2023-00335, July 17, 2024 Order at 2.

[5] Case No. 2024-00092, *Electronic Application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates; Approval of Depreciation Study; Approval of Tariff Revisions; and Other Relief* (Ky. PSC Dec. 30, 2024), Order at 6.

[6] Case No. 2025-00331, *Electronic Application of Columbia Gas of Kentucky, Inc. for Its Annual Safety Modification and Replacement Program Filing* (Ky. PSC Dec.19, 2025).

[7] Case No. 2025-000331, Columbia Kentucky's Response to Commission Staff's First Request for Information (Staff's First Request) (filed on Nov. 17, 2025), Item 3.

[8] Case No. 2025-000331, Application, Form 7.0.

[9] Case No. 2025-000331, Columbia Kentucky's Response to Staff's First Request (filed on Nov. 17, 2025), Item 3.

projected for conclusion by 2043.[10] The Commission approved Columbia Kentucky's SMRP rates as filed with an effective date of January 1, 2025.[11]

In this case, Columbia Kentucky is proposing to true up its 2025 SMRP rates based on its actual incurred costs. Columbia Kentucky proposed a total revenue requirement before the balancing adjustment of $11,725,755.[12] Columbia Kentucky, in its application, provided that it had an over-recovery of $1,004,491[13] due to four items.[14] The first item, the difference in actual and forecasted revenue requirements, resulted in an over-recovery of $886,507,[15] which included $343,913[16] operation and maintenance (O&M) savings, and the second item, the difference in expected and actual customer billings, resulted in an over-recovery of $107,374.[17] The third and fourth items are related to the previous balancing adjustment cases that resulted in under-recovery of $32,324[18] consisting of an over-recovery of $42,934[19] arising from Case No. 2024-00074[20] and

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[10] Case No. 2024-00092, May 23, 2024 Application, Volume 3, Direct Testimony of David Roy (Roy Direct Testimony) at 10.

[11] Case No. 2025-00331, Dec. 19, 2025 Order at 4.

[12] Application, SMRP Form 2.0.

[13] Under/(Over) Recovery = ($886,507) + ($107,374) + ($10,610) = ($1,004,491)

[14] Application, SMRP Form 1.2 and Form 1.3.

[15] Application at Form 1.2.

[16] Application at Form 8.0.

[17] Application at Form 1.2.

[18] Columbia Kentucky's under-recovery was $550,123 and the cash collection was $517,799 which results in an under-recovery of $32,324.

[19] Columbia Kentucky's under-recovery was $378,169 and the cash collection was $421,934 which results in an over-recovery of $42,934.

[20] Case No. 2024-00074, *Electronic Application of Columbia Gas of Kentucky, Inc. for Annual Tariff Modification and Replacement Program Balancing Adjustment* (Ky. PSC September 6, 2024).

Case No. 2025-00071,[21] which resulted in total over-recovery of $10,610.[22] Columbia Kentucky proposed to decrease its SMRP Rider rates to reflect over-recovered amounts from its customers through its SMRP Rider balancing adjustment for 2025.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that the information contained in Columbia Kentucky's application is sufficient in detail to support the reasonableness of Columbia Kentucky's proposed SMRP Rider rates. The Commission finds that the rates should be approved, as shown in the Appendix.

IT IS THEREFORE ORDERED that:

1. Columbia Kentucky's proposed SMRP rates are approved.

2. The SMRP Rider rates in the Appendix to this Order are approved for service rendered by Columbia Kentucky effective as of the meter readings on and after May 29, 2026.

3. Within 20 days of the date of service of this Order, Columbia Kentucky shall file with the Commission, using the Commission's electronic Tariff Filing System, its revised tariff sheets setting out the rates approved and reflecting that they were approved pursuant to this Order.

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

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[21] Case No. 2025-00071, *Electronic Application of Columbia Gas of Kentucky, Inc. for Tariff Safety Modification and Replacement Filing* (Ky. PSC Sept. 2, 2025).

[22] Under/(Over) Recovery = $32,324 – ($42,934) = ($10,610)

Entered on this 15th day of May, 2026.

PUBLIC SERVICE COMMISSION

Angie Hatton
Chair

Mary Pat Regan
Commissioner

Andrew W. Wood
Commissioner

ATTEST:

Linda C. Bridwell, PE
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00083 DATED MAY 15 2026

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 shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Rate Class	SMRP Rates per Mcf
Rate GSR, Rate SVGTS-Residential Service	$ 1.3382
Rate GSO, Rate GDS, Rate SVGTS – Commercial or Industrial	$ 0.7262
Rate IUS, Rate IUDS	$ 0.8572
Rate IS, Rate DS,18 Rate SAS	$ 0.1472

Service List for 2026-00083

* Ashley LaRock
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* Melissa Thompson
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* Denotes served by Email