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NOV 12 2021

PUBLIC SERVICE
COMMISSION

November 9, 2021

Chairman Kent Chandler
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40502-0615

Re: Columbia Gas Co.
Case 2021-00183

Dear Chairman Chandler:

I am sending this letter in lieu of being in-person at the November 3, public hearing. I am discouraged that Public Hearings are yet virtual. That gives the Utilities a win-win proposition for their rate increase proposals. The 9:00 AM Virtual Hearing November 3 became a little more than I could deal with.

This communication protests the proposed 2021 rate adjustment application by Columbia Gas Co. for reasons similar to those in my letter of October 28 which was written after Columbia Gas filed a revised proposal October 26 of which I was unaware.

The October 26 proposal on page 24 requests a **23% Fixed-Charge** increase from \$16.00 to \$19.75 and **21% increase** for Delivery Charge, Gas Cost Demand and Adjustment Commodity from \$7.9793 to \$9.6729.

The Fixed-Charge increase is the culprit. A higher Fixed-Charge increases the subsidization level that low Mcf users contribute to high users. My Chart, ColGas 119, in *A* illustrates the current Fixed-Charge rate for the average user (5.6 mcf) is 24% of the total Columbia Gas charges and converts to a \$12.00 combined rate that is higher than users above than the average. The new proposed rates in *B* present 26% Fixed-Charge of the total and the combined rate of \$13.38. Note the vastly different range of Ratio percentages and Combined Usage rates in *A* and *B*.

Columbia Gas knowing the May 28 original rate increase proposal was too outrageous for consideration filed a last-minute proposal with the hope that any decrease would satisfy the Commission.

The Kentucky Public Service Commission can view this proposal as it did the Kentucky Utilities Fixed-Charge proposal this year and disallow any Fixed-Charge increase. A heavier burden should not apply to low users which any Fixed-Charge does. Fixed-Charges exist as a convenience to Utilities Companies for guaranteed profit and payment to Investors but is unfair to half of consumers and provides a benefit to the other half.

Regards,

William H. Wheeler

Encl: 1

cc: Amy D. Cabbage, Vice-Chairman KPSC; Marianne Butler, Commissioner KPSC

THIS CHART COMPARES 2021 RATE FILING TO CURRENT RATES

CASE 2021-00183

RE: COLUMBIA GAS COMPANY RATE ADJUSTMENT FILING OCTOBER 26, 2021 WITH KENTUCKY PUBLIC SERVICE COMMISSION

Proposing Mcf Rate Increase 48%, and Fixed-Charge Increase 23%

SHOWING THE ColGAS FIXED-CHARGE RATIO TO TOTAL CHARGES : COLUMNS G, M

SHOWING COMBINED (Mcf RATE + FIXED-CHARGE + DEMAND & COMM + SMRP) USAGE RATE PER Mcf: COLUMNS H, N to COLUMN A

(5.6 Mcf is AVERAGE MONTH USAGE FOR ColGas RESIDENTIAL CONSUMERS for 2021)

A	*A*							*B*					
	B	C	D	E	F	G	H	I	J	K	L	M	N
MONTH Mcf Usage	CURRENT 2021 ColGAS RATES: OCT 26 FILING <i>*Note</i>					Ratio Column C to F %	Comb- ined Usage Rate	ColGAS PROPOSED OCT 26, 2021				Ratio Column J to L %	Comb- ined Usage Rate
	Mcf Cost @ \$3.56650	Fixed Charge \$16.00	Demand + Commodity @ \$4.4128	SMRP Rate 12 Month Avg \$6.41	B+C+D+E ColG Total Charges \$198			Mcf Cost @ \$5.2740	Fixed Charge \$19.75	Demand + Commodity @ \$4.3989	I + J + K ColG Total Charges \$233		
22.0	\$78	\$16.00	\$97	\$6.41	\$198	8%	\$9.0	\$116	\$19.75	\$97	\$233	8%	\$10.57
15.0	\$53	\$16.00	\$66	\$6.41	\$142	11%	\$9.5	\$79	\$19.75	\$66	\$166	12%	\$11.06
9.0	\$32	\$16.00	\$40	\$6.41	\$94	17%	\$10.5	\$47	\$19.75	\$40	\$108	18%	\$11.98
7.0	\$25	\$16.00	\$31	\$6.41	\$78	20%	\$11.2	\$37	\$19.75	\$31	\$88	22%	\$12.64
5.6	\$20	\$16.00	\$25	\$6.41	\$67	24%	\$12.0	\$30	\$19.75	\$25	\$75	26%	\$13.38
4.6	\$16	\$16.00	\$20	\$6.41	\$59	27%	\$12.9	\$24	\$19.75	\$20	\$65	30%	\$14.18
3.6	\$13	\$16.00	\$16	\$6.41	\$51	31%	\$14.2	\$19	\$19.75	\$16	\$56	36%	\$15.44
2.6	\$9	\$16.00	\$11	\$6.41	\$43	37%	\$16.6	\$14	\$19.75	\$11	\$46	43%	\$17.65
1.6	\$6	\$16.00	\$7	\$6.41	\$35	45%	\$22.0	\$8	\$19.75	\$7	\$36	55%	\$22.64

**Note: Quasi-Fixed SMRP Rate amounts are a line item on current bills and included to display *A* Total Charges realistically.*

*The message in this chart is the unfairness of fixed-charges on utility bills. Two rate examples are shown : *A* CURRENT rates Mcf (\$3.5665), Fixed-Charge (\$16.00) Demand & Comm. (\$4.4128) and 12 mo avg SMRP (\$6.41) rates in place. *B* ColGas proposed rates Mcf (\$5.2740), Fixed-Charge (\$19.75) and Demand & Comm (4.3989).*

A second message is the 23% unreasonable % increase for Fixed-Charge. Columns G & M show the Fixed-Charge percentage of the Total Charge.

Fixed-Charges result in low Mcf users subsidizing high Mcf users and are not fair.

The green columns G and M show the percentage the Fixed-Charge is to total ColGAS charge resulting in low users paying a higher combined rate.

The orange columns H and N convert columns F and L into combined rates per Mcf showing low users paying a higher rate, subsidizing high users.

Not included in Total Charges in columns F and L are Gov Fran Fee, School Tax and misc low-cents fees.

A movement has become active nationwide in recent years as Public Service Commissions are taking responsible action by refusing increases in Fixed-Charges and in some cases reducing earlier-approved rates.