

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF COLUMBIA GAS OF KENTUCKY,)	2025-00126
INC.)	

ORDER

On May 1, 2025, Columbia Gas of Kentucky, Inc. (Columbia Kentucky) filed its proposed Gas Cost Adjustment (GCA) report to be effective May 30, 2025. Columbia Kentucky's previous GCA rate was approved in Case No. 2025-00019.¹ Columbia Kentucky also filed on May 1, 2025, a motion to shorten the statutory notice period for the increase in rates from 30 days to 29 days.

LEGAL STANDARD

The Commission's standard of review for GCA 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

¹ Case No. 2025-00019, *Electronic Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC Feb. 28, 2025).

rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.²

KRS 278.180 requires a utility to provide the Commission with 30 days' notice of an increase in rates. The statute provides that "the commission may, in its discretion, based upon a showing of good cause in any case, shorten the notice period from thirty (30) days to a period of not less than twenty (20) days."³

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 changes in gas costs. Columbia Kentucky's report sets out an Expected Gas Cost (EGC) of \$9.1049 per Mcf, which is an increase of \$2.8637 per Mcf from its previous EGC of \$6.2412 per Mcf. Columbia Kentucky's report sets out a rate for Banking and Balancing Service of \$0.0817 per Mcf, which is an increase of \$0.0447 per Mcf from its previous rate for Banking and Balancing Service of \$0.0370 per Mcf. Columbia Kentucky's report sets out a total supplier Refund Adjustment (RA) of \$0.0000 per Mcf. Columbia Kentucky's report sets out a current quarter Actual Cost Adjustment (ACA) of (\$0.7127) per Mcf. Columbia Kentucky's total ACA is (\$0.3958) per Mcf, which is an increase of \$0.5042 per Mcf from its previous total ACA of (\$0.9000) per Mcf. Columbia Kentucky's report sets out a Balancing Adjustment (BA) of \$0.5367 per Mcf, which is an increase of \$0.4670 per Mcf from its previous BA of \$0.0697 per Mcf. Columbia Kentucky's report set out no Special Agency Service (SAS) refund adjustment.

² KRS 278.274(2); KRS 278.274(3)(c); and KRS 278.274(3)(d).

³ KRS 278.180(1).

Columbia Kentucky's report sets out a Performance-Based Rate (PBR) Adjustment of \$0.3882 per Mcf, which is a decrease of \$0.0198 from its previous PBR of \$0.4080 per Mcf.

Based on the calculations above, the Commission finds that Columbia Kentucky's GCA is \$9.6340 per Mcf, which is an increase of \$3.8151 per Mcf from its previous GCA of \$5.8189 per Mcf. The Commission further finds that the rates as proposed by Columbia Kentucky and set forth in the Appendix to this Order are fair, just and reasonable and should be approved for billing with the final meter readings beginning on and after May 30, 2025.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Columbia Kentucky should 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. 2018-00150,⁴ Columbia Kentucky's future GCA reports should 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.

In support of its motion for an extension of the statutory notice period by one day, from 30 days to 20, Columbia Kentucky stated that due to technical problems, it was

⁴ Case No. 2018-00150, *Electronic Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC May 16, 2018), Order at 2.

unable to file its report until just after midnight on the morning of May 1, at 12:08 am.⁵ The Commission in its discretion finds that good cause exists to grant the motion. A good faith attempt was made to file the report with 30 days' notice to the Commission, and the delay of less than ten minutes in doing so does not impact the processing of this case. The Commission advises, however, that in the future Columbia Kentucky file its GCR report with sufficient time to deal with any technical issues. The Commission further advises that if technical issues arise in the future that prevent the timely filing of a GCR report that Columbia Kentucky provide the details of the technical problems that it contends provides good cause for a reduction in the statutory notice period.

IT IS THEREFORE ORDERED that:

1. Columbia Kentucky's motion for a reduction in the statutory notice period from 30 days to 29 days is granted.
2. 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 May 30, 2025.
3. 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.
4. 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.


⁵ Motion to Request Shortened Notice Period (filed May 1, 2025) at 1.

5. 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.


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

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PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

ATTEST:

 RP
Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00126 DATED MAY 27 2025

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>Base Rate Charge</u> \$	<u>Gas Cost Adjustment⁶ Demand</u> \$	<u>Commodity</u> \$	<u>Total Billing Rate</u> \$
<u>SALES SERVICE</u>				
<u>RATE SCHEDULE GSR</u>				
Delivery Charge per Mcf	6.0958	5.3616	4.2724	15.7298
<u>RATE SCHEDULE GSO</u>				
<u>Commercial or Industrial</u>				
First 50 Mcf or less per billing period	3.1581	5.3616	4.2724	12.7921
Next 350 Mcf per billing period	2.4376	5.3616	4.2724	12.0716
Next 600 Mcf per billing period	2.3171	5.3616	4.2724	11.9511
Over 1,000 Mcf per billing period	2.1078	5.3616	4.2724	11.7418
<u>RATE SCHEDULE IS⁷</u>				
First 30,000 Mcf per billing period	0.7509		4.2724	5.0233
Next 70,000 Mcf per billing period	0.4635		4.2724	4.7359
Over 100,000 Mcf per billing period	0.2423		4.2724	4.5147
Firm Service Demand Charge				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		31.6793		31.6793

⁶ 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 \$9.1049 per Mcf only for those months of the prior 12 months during which they were served under Rate Schedule SVGTS.

⁷ 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.

	<u>Base Rate Charge</u> \$	<u>Gas Cost Demand</u> \$	<u>Adjustment⁸ Commodity</u> \$	<u>Total Billing Rate</u> \$
<u>SALES SERVICE</u>				
<u>RATE SCHEDULE IUS</u>				
Delivery Charge per Mcf For All Volumes Delivered	0.9198	5.3616	4.2724	10.5538

TRANSPORTATION SERVICE

<u>RATE SCHEDULE SS</u>				
Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm Volume (Mcf) in Customer Service Agreement		31.6793		31.6793
Standby Service Commodity Charge per Mcf			4.2724	4.2724

Billing Rate
\$

Actual Gas Cost Adjustment⁹

For all volumes per billing period per Mcf \$0.6740

RATE SCHEDULE SVAS

Balancing Charge—per Mcf \$4.4811

⁸ 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 \$9.1049 per Mcf only for those months of the prior 12 months during which they were served under Rate Schedule SVGTS.

⁹ 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 twelve months during which they were served under Rate Schedule GS, IS, or IUS.

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