

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF B&H GAS COMPANY	)	2020-00294

ORDER

The Commission, on its own motion, closes this case and removes it from the Commission's docket. On September 16, 2020, B&H Gas Company (B&H) filed its Gas Cost Recovery (GCR) rate report with rates proposed to be effective October 1, 2020. On October 27, 2020, the Commission issued an Order approving GCR rates for service rendered on and after November 1, 2020. In the October 27, 2020 Order, it was also ordered that the case was to remain open for investigating the reasonableness of B&H's gas supply arrangements and the appropriateness of its Purchased Gas Cost Adjustment (PGA) Clause Tariff.

BACKGROUND

B&H's GCR mechanism, as set forth in its PGA Clause Tariff, was designed to pass on to its customers its expected change in wholesale gas costs from its supplier B&S Oil & Gas Company (B&S Oil), an affiliate pursuant to KRS 278.010(18). B&H began to purchase natural gas from an unaffiliated supplier, Diversified Energy Marketing<sup>1</sup> but due to the lack of an Actual Cost Adjustment calculation, B&H's GCR was unable to true

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<sup>1</sup> B&H's Response to Commission Staff First Request for Information (filed Oct. 4, 2020), Item 7(b).

up and pass through the actual cost of purchasing unaffiliated gas. B&H responded to two rounds of discovery from Commission Staff.

On April 30, 2021, the transfer of ownership of B&H and Johnson County Gas Company (Johnson County) to Navitas KY NG, LLC's (Navitas KY) was consummated following the closing of Case No. 2020-00396.<sup>2</sup> Navitas KY was ordered by the Commission in that case to file a new unified GCR rate report for its consolidated gas systems for rates effective August 1, 2021. Following the acquisition, the former B&H gas system no longer purchases natural gas from its former affiliate B&S Oil.<sup>3</sup>

### DISCUSSION

The Commission finds that due to the acquisition of B&H to Navitas KY the investigation of the reasonableness of the former B&H gas system's supply arrangements and the appropriateness of its former PGA Clause Tariff is no longer necessary. The Commission finds that this case shall be closed and removed from the Commission's docket.

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

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<sup>2</sup> Case No. 2020-00396, *Electronic Application of Navitas KY NG, Johnson County Gas Company, and B & H Gas Company for Approval of Acquisition, Transfer of Ownership, and Control of Natural Gas Utility Systems* (Ky. PSC Apr. 27, 2021).

<sup>3</sup> Case No. 2021-00484, *Electronic Tariff Filing of B&S Oil & Gas Company For Initial Rules, Regulations And Rates For Furnishing Gas Service Pursuant To KRS 278.485* (filed Mar. 24, 2022), B&S Oil's Response to Commission Staff's Second Request for Information, Item 11(b).

PUBLIC SERVICE COMMISSION

  
Chairman

Vice Chairman

  
Commissioner



ATTEST:

  
Executive Director

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