

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS)	CASE NO.
ADJUSTMENT FILING OF PEOPLES GAS KY,)	2021-00367
LLC)	

ORDER

On March 31, 2021, the transfer of ownership of Peoples Gas KY, LLC (Peoples) to Delta Natural Gas Company, Inc. (Delta) was consummated following the closing of Case No. 2020-00346.¹ Delta and Peoples currently maintain separate Gas Cost Recovery (GCR) rate reports applicable to their service territories. On September 30, 2021, Peoples filed the proposed GCR rate report for former Peoples ratepayers to be effective November 1, 2021. Peoples' previous GCR rate was approved in Case No. 2021-00247.²

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.

¹ Case No. 2020-00346, *Electronic Application of Essential Utilities, Inc., PNG Companies LLC, Peoples Gas KY LLC, and Delta Natural Gas Company, Inc. for (1) A Declaratory Order and (2) Increase in Rates for Peoples Gas KY LLC.*

² Case No. 2021-00247, *Electronic Purchased Gas Adjustment Filing of Peoples Gas KY, LLC (Ky. PSC July 22, 2021).*

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 an affiliated company to the extent the amount is deemed to be unjust or unreasonable.³

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Peoples' GCR report includes a revised rate designed to pass on to its customers its expected change in gas costs.
2. Peoples' GCR report sets out an Expected Gas Cost (EGC) of \$7.0273 per Mcf, which is an increase of \$2.7828 per Mcf from its previous EGC of \$4.2445 per Mcf.
3. Peoples' GCR report sets out no Refund Adjustment.
4. Peoples' GCR report sets out a current quarter Actual Cost Adjustment (ACA) of \$0.1849 per Mcf. Peoples' total ACA is \$0.1245 per Mcf, which is an increase of \$0.0609 per Mcf from the previous total ACA of \$0.0636 per Mcf.
5. Peoples' GCR report sets out a current quarter Balance Adjustment (BA) of \$0.0009 per Mcf. Peoples' total BA is (\$0.0279) per Mcf, which is an increase of \$0.0198 per Mcf from the previous total BA of (\$0.0477) per Mcf.
6. Peoples' GCR rate is \$7.1239 per Mcf, which is an increase of \$2.8635 per Mcf from its previous rate of \$4.2604 per Mcf.
7. Should Peoples purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports then the supplier, cost, and amount must be documented in its cover letter to the Commission.

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

8. The rate set forth in the Appendix to this Order is fair, just and reasonable and should be approved for final meter readings by Peoples on and after November 1, 2021.

IT IS THEREFORE ORDERED that:

1. The rate set forth in the Appendix to this Order is approved for final meter readings on and after November 1, 2021.

2. Within 20 days of the date of entry of this Order, Peoples shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

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

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00367 DATED OCT 27 2021

The following rates and charges are prescribed for the customers in the area served by People Gas KY, LLC. 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.

RATES:

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total Rate</u>
All Mcf	\$ 4.3185	\$ 7.1239	\$ 11.4424

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