

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS)	CASE NO.
ADJUSTMENT FILING OF LOUISVILLE GAS)	2021-00368
AND ELECTRIC COMPANY)	

ORDER

On September 30, 2021, Louisville Gas and Electric Company (LG&E) filed its proposed Gas Supply Clause (GSC) report to be effective November 1, 2021. LG&E's previous rate was approved in Case No. 2021-00251.¹

The Commission's standard of review for GSC 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 rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.²

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

¹ Case No. 2021-00251, *Electronic Purchased Gas Adjustment Filing of Louisville Gas and Electric Company* (Ky. PSC July 19, 2021).

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

1. LG&E's report includes revised rates designed to pass on to its customers its expected change in gas costs.

2. LG&E's report sets out a Gas Supply Cost of \$0.55306 per 100 cubic feet, or \$5.5306 per Mcf, which is an increase of \$1.2865 per Mcf from the previous Gas Supply Cost of \$4.2441 per Mcf.

3. LG&E's report sets out no Refund Adjustment.

4. LG&E's report sets out a current Quarter Gas Cost Actual Adjustment (GCAA) of \$0.0740 per Mcf. LG&E's total GCAA is \$0.3033 per Mcf, which is an increase of \$0.0772 per Mcf from the previous total GCAA of \$0.2261 per Mcf.

5. LG&E's report sets out a Gas Cost Balancing Adjustment (GCBA) of \$0.0023 per Mcf, which is a decrease of \$0.0541 per Mcf from its previous GCBA of \$0.0564 per Mcf.

6. LG&E's report sets out a Performance-Based Rate Recovery Component of \$0.0767 per Mcf.

7. LG&E's Gas Supply Cost Component (GSCC) rate is \$0.59129 per 100 cubic feet, or \$5.9129 per Mcf, which is an increase of \$1.3096 per Mcf from the prior GSCC of \$4.6033 per Mcf.

8. Should LG&E purchase sustainable natural gas from a renewable source during the reporting period of any future GSC reports, then the supplier, cost, and amount must be documented in its cover letter to the Commission.

9. The rate as proposed by LG&E and set forth in the Appendix to this Order is fair, just and reasonable and should be approved for gas supplied by LG&E on and after November 1, 2021.

IT IS THEREFORE ORDERED that:

1. The rate proposed by LG&E and set forth in the Appendix to this Order is approved for gas supplied by LG&E on and after November 1, 2021.
2. Within 20 days of the date of entry of this Order, LG&E 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.

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By the Commission

Commissioner Butler did not participate in the deliberations or decision concerning this case.



ATTEST:


Executive Director

Case No. 2021-00368

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00368 DATED OCT 22 2021

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. 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.

Gas Supply Cost Component

The total Gas Supply Cost Component shall be \$0.59129 per 100 cubic feet for gas supplied on and after November 1, 2021.

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