

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS	)	CASE NO.
ADJUSTMENT FILING OF COLUMBIA GAS OF	)	2022-00026
KENTUCKY, INC.	)	

ORDER

On January 28, 2022, Columbia Gas of Kentucky, Inc. (Columbia Kentucky) filed its proposed Gas Cost Adjustment (GCA) report to be effective March 1, 2022. Columbia Kentucky's previous GCA rate case filing was in Case No. 2021-00403 the Commission approved the GCA rate for billing with the final meter readings beginning on November 29, 2021.<sup>1</sup> In Case No. 2021-00183 the GCA rate was adjusted for the uncollectible factor of 0.00428 and was approved by the Commission to be charged to customers for service on and after January 2, 2022.<sup>2</sup>

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.

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<sup>1</sup> Case No. 2021-00403, *Electronic Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC Nov. 22, 2021).

<sup>2</sup> Case No. 2021-00183, *Electronic Application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates; Approval of Depreciation Study; Approval of Tariff Revisions; Issuance of a Certificate of Public Convenience and Necessity; and Other Relief* (Ky. PSC Dec. 28, 2021), Appendix B, page 1 of 3, Footnote 1.

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 and affiliated company to the extent the amount is deemed to be unjust or unreasonable.<sup>3</sup>

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

1. Columbia Kentucky's report includes revised rates designed to pass on to its customers its expected change in gas costs.
2. Columbia Kentucky's report sets out an Expected Gas Cost (EGC) of \$5.4454 per Mcf, which is a decrease of \$1.3327 per Mcf from its previous EGC of \$6.7781 per Mcf.<sup>4</sup>
3. Columbia Kentucky's report sets out a rate for Banking and Balancing Service of \$0.0320 per Mcf.
4. Columbia Kentucky's report sets out no supplier Refund Adjustment (RA), which is no change from its previous total RA.
5. Columbia Kentucky's report sets out a current quarter Actual Cost Adjustment (ACA) of \$0.9017 per Mcf. Columbia Kentucky's total ACA is \$1.0186 per Mcf, which is an increase of \$0.7546 per Mcf from its previous total ACA of \$0.2640 per Mcf.

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<sup>3</sup> KRS 278.274(2); KRS 278.274(3)(c), and KRS 278.274(3)(d).

<sup>4</sup> The change in the uncollectible factor reduced the Expected Gas Cost rate of \$6.8033 per Mcf approved in Case No. 2021-00403, *Electronic Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC Nov. 22, 2021), by \$0.0252 per Mcf.

6. Columbia Kentucky's report sets out a Balancing Adjustment (BA) of \$0.0003 per Mcf, which is a decrease of \$0.0067 per Mcf from its previous BA of \$0.0070 per Mcf.

7. Columbia Kentucky's report sets out no Special Agency Service (SAS) refund adjustment.

8. Columbia Kentucky's report sets out a Performance-Based Rate (PBR) Adjustment of \$0.1555 per Mcf.

9. Columbia Kentucky's GCA is \$6.6198 per Mcf, which is a decrease of \$0.5848 per Mcf from the previous GCA of \$7.2046 per Mcf.<sup>5</sup>

10. 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 March 1, 2022.

11. 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.

12. As ordered by the Commission in Case No. 2018-00150,<sup>6</sup> 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.

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<sup>5</sup> The reduction in the EGC from Case No. 2021-00183, *Electronic Application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates; Approval of Depreciation Study; Approval of Tariff Revisions; Issuance of A Certificate of Public Convenience And Necessity; And Other Relief* (Ky. PSC Dec. 28, 2021), also lowered the GCR rate from \$7.2298 per Mcf to \$7.2046 per Mcf.

<sup>6</sup> Case No. 2018-00150, *Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC May 16, 2018).

IT IS THEREFORE ORDERED that:

1. The rates proposed by Columbia Kentucky and set forth in the Appendix to this Order are approved for billing beginning on March 1, 2022.
2. Within 20 days of the date of entry 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.
3. Columbia Kentucky's future GCA reports shall include the information required in finding paragraph 12.
4. This case is closed and removed from the Commission's docket.

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By the Commission



ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2022-00026 DATED FEB 28 2022

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>SALES SERVICE</u>	<u>Base Rate</u>	<u>Gas Cost Adjustment<sup>1/</sup></u>		<u>Total</u>
	<u>Charge</u>	<u>Demand</u>	<u>Commodity</u>	<u>Billing</u>
	\$	\$	\$	\$
<u>RATE SCHEDULE GSR</u>				
Deliver Charge per Mcf	5.2528	1.8054	4.8144	11.8726
<u>RATE SCHEDULE GSO</u>				
<u>Commercial or Industrial</u>				
First 50 Mcf or less per billing period	3.2513	1.8054	4.8144	9.8711
Next 350 Mcf per billing period	2.5096	1.8054	4.8144	9.1294
Next 600 Mcf per billing period	2.3855	1.8054	4.8144	9.0053
Over 1,000 Mcf per billing period	2.1700	1.8054	4.8144	8.7898
<u>RATE SCHEDULE IS</u>				
First 30,000 Mcf per billing period	0.7093		4.8144 <sup>2/</sup>	5.5237
Next 70,000 Mcf per billing period	0.4378		4.8144 <sup>2/</sup>	5.2522
Over 100,000 Mcf per billing period	0.2423		4.8144 <sup>2/</sup>	5.0567
Firm Service Demand Charge				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		9.2423		9.2423

<sup>1/</sup> 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 \$5.4454 per Mcf only for those months of the prior 12 months during which they were served under Rate Schedule SVGTS

<sup>2/</sup> 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.

RATE SCHEDULE IUS

Deliver Charge per Mcf	1.1959	1.8054	4.8144	7.8157
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TRANSPORTATION SERVICE

RATE SCHEDULE SS

Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		9.2423		9.2423
Standby Service Commodity Charge per Mcf			4.8144	4.8144

RATE SCHEDULE DS

Banking and Balancing Service				
Rate per Mcf		0.0320		0.0320

RATE SCHEDULE MLDS

Banking and Balancing Service				
Rate per Mcf		0.0320		0.0320

RATE SCHEDULE SVGTS

Base Rate  
\$

General Service Residential (SGVTS GSR)

Delivery Charge per Mcf	5.2528
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General Service Other—Commercial or Industrial (SVGTS GSO)

First 50 Mcf or less per billing period	3.2513
Next 350 Mcf per billing period	2.5096
Next 600 Mcf per billing period	2.3855
Over 1,000 Mcf per billing period	2.1700

Intrastate Utility Service

Delivery Charge per Mcf	1.1959
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Base Rate  
\$

Actual Gas Cost Adjustment<sup>3</sup>

\$1.0347

RATE SCHEDULE SVAS

Balancing Charge-per Mcf	\$1.3734
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<sup>3</sup> 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 12 months during which they were served under Rate Schedule GS, IS, or IUS.

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