

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF LOUISVILLE GAS AND ELECTRIC)	2022-00083
COMPANY)	

ORDER

On March 31, 2022, Louisville Gas and Electric Company (LG&E) filed its proposed Gas Supply Clause (GSC) report to be effective May 1, 2022. LG&E's previous rate was approved in Case No. 2021-00458.¹

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.

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. 2021-00458, *Electronic Purchased Gas Adjustment Filing of Louisville Gas and Electric Company* (Ky. PSC Jan. 28, 2022).

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 \$0.65997 per 100 cubic feet, or \$6.5997 per Mcf, which is an increase of \$1.9901 per Mcf from the previous Gas Supply Cost of \$4.6096 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 \$0.1132 per Mcf. LG&E's total GCAA is \$0.5657 per Mcf, which is an increase of \$0.1666 per Mcf from the previous total GCAA of \$0.3991 per Mcf.

5. LG&E's report sets out a Gas Cost Balancing Adjustment (GCBA) of (\$0.0042) per Mcf, which is a decrease of \$0.0048 per Mcf from its previous GCBA of \$0.0006 per Mcf.

6. LG&E's report sets out a Performance-Based Rate Recovery (PBRR) Component of \$0.1581 per Mcf.

7. LG&E's Gas Supply Cost Component (GSCC) rate is \$0.73193 per 100 cubic feet, or \$7.3193 per Mcf, which is an increase of \$2.1519 per Mcf from the prior GSCC of \$5.1674 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 are approved for gas supplied by LG&E on and after May 1, 2022.

IT IS THEREFORE ORDERED that:

1. The rate proposed by LG&E and set forth in the Appendix to this Order are approved for gas supplied by LG&E on and after May 1, 2022.
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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PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman

Commissioner



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2022-00083 DATED APR 29 2022

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 \$0.73193 per 100 cubic feet for gas supplied on and after May 1, 2022.

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