

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF COLUMBIA GAS OF KENTUCKY,)	2022-00127
INC.	

ORDER

On April 29, 2022, Columbia Gas of Kentucky, Inc. (Columbia Kentucky) filed its proposed Gas Cost Adjustment (GCA) report to be effective May 31, 2022. Columbia Kentucky's previous GCA rate was approved in Case No. 2022-00026.¹

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. 2022-00026, *Electronic Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC Feb. 28, 2022).

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

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 \$8.5723 per Mcf, which is an increase of \$3.1269 per Mcf from its previous EGC of \$5.4454 per Mcf.
3. Columbia Kentucky's report sets out a rate for Banking and Balancing Service of \$0.0332 per Mcf.
4. Columbia Kentucky's report sets out a current quarter supplier Refund Adjustment (RA) of (\$0.3491) per Mcf.³ Columbia Kentucky's total RA is (\$0.3491) per Mcf, which is a decrease of \$0.3491 per Mcf from its previous total RA of \$0.0000 per Mcf.
5. Columbia Kentucky's report sets out a current quarter Actual Cost Adjustment (ACA) of (\$0.5415) per Mcf. Columbia Kentucky's total ACA is \$0.6342 per Mcf, which is a decrease of \$0.3844 per Mcf from its previous total ACA of \$1.0186 per Mcf.
6. Columbia Kentucky's report sets out a Balancing Adjustment (BA) of \$0.0403 per Mcf, which is an increase of \$0.0400 per Mcf from its previous BA of \$0.0003 per Mcf.
7. Columbia Kentucky's report sets out no Special Agency Service (SAS) refund adjustment.

³ A copy of *Columbia Gas Transmission, LLC*, 178 F.E.R.C. ¶ 61,144 (2022), was included in Columbia Kentucky's GCA rate report in Schedule No. 4 as supplemental documentation for Columbia Kentucky's RA.

8. Columbia Kentucky's report sets out a Performance-Based Rate (PBR) Adjustment of \$0.3314 per Mcf, which is an increase of \$0.1759 per Mcf from the previous PBR of \$0.1555 per Mcf.

9. Columbia Kentucky's GCA is \$9.2291 per Mcf, which is an increase of \$2.6093 per Mcf from the previous GCA of \$6.6198 per Mcf.

10. The rates as proposed by Columbia Kentucky and set forth in the Appendix to this Order are fair, just and reasonable and are approved for billing with the final meter readings beginning on May 31, 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. 2018-00150,⁴ Columbia Kentucky's future GCA reports shall include an electronic version containing supporting calculations in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

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 May 31, 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

⁴ Case No. 2018-00150, *Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC May 16, 2018).

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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

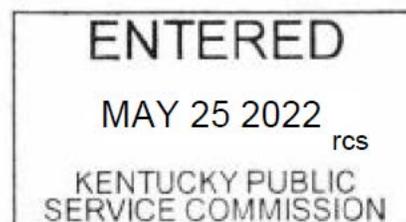
PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman

Commissioner



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00127 DATED MAY 25 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^{1/}</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	1.4730	7.7561	14.4819
<u>RATE SCHEDULE GSO</u>				
<u>Commercial or Industrial</u>				
First 50 Mcf or less per billing period	3.2513	1.4730	7.7561	12.4804
Next 350 Mcf per billing period	2.5096	1.4730	7.7561	11.7387
Next 600 Mcf per billing period	2.3855	1.4730	7.7561	11.6146
Over 1,000 Mcf per billing period	2.1700	1.4730	7.7561	11.3991
<u>RATE SCHEDULE IS</u>				
First 30,000 Mcf per billing period	0.7093		7.7561 ^{2/}	8.4654
Next 70,000 Mcf per billing period	0.4378		7.7561 ^{2/}	8.1939
Over 100,000 Mcf per billing period	0.2423		7.7561 ^{2/}	7.9984
Firm Service Demand Charge				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		9.1283		9.1283

^{1/} 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 \$8.5723 per Mcf only for those months of the prior 12 months during which they were served under Rate Schedule SVGTS.

^{2/} 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	1.4730	7.7561	10.4250
------------------------	--------	--------	--------	---------

TRANSPORTATION SERVICE

RATE SCHEDULE SS

Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		9.1283		9.1283
Standby Service Commodity Charge per Mcf			7.7561	7.7561

RATE SCHEDULE DS

Banking and Balancing Service				
Rate per Mcf		0.0332		0.0332

RATE SCHEDULE MLDS

Banking and Balancing Service				
Rate per Mcf		0.0332		0.0332

RATE SCHEDULE SVGTS

Base Rate
\$

General Service Residential (SGVTS GSR)

Delivery Charge per Mcf	5.2528
-------------------------	--------

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
-------------------------	--------

Base Rate
\$

Actual Gas Cost Adjustment³

\$0.5422

RATE SCHEDULE SVAS

Balancing Charge-per Mcf	\$1.0659
--------------------------	----------

³ 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.

*Judy M Cooper
Director, Regulatory Services
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P. O. Box 14241
Lexington, KY 40512-4241

*John R. Ryan
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P. O. Box 14241
Lexington, KY 40512-4241

*Joseph M. Clark
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P. O. Box 14241
Lexington, KY 40512-4241

*Columbia Gas of Kentucky, Inc.
290 W Nationwide Blvd
Columbus, OH 43215