

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF LOUISVILLE GAS AND ELECTRIC	)	2022-00180
COMPANY	)	

ORDER

On June 30, 2022, Louisville Gas and Electric Company (LG&E) filed its proposed Gas Supply Clause (GSC) report to be effective August 1, 2022. LG&E's previous rate was approved in Case No. 2022-00083.<sup>1</sup>

LEGAL STANDARD

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.<sup>2</sup>

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<sup>1</sup> Case No. 2022-00083, *Electronic Purchased Gas Adjustment Filing of Louisville Gas and Electric Company* (Ky. PSC Apr. 29, 2022).

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

## DISCUSSION

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that LG&E's report includes revised rates designed to pass on to its customers its expected change in gas costs. LG&E's report sets out a Gas Supply Cost of \$0.81089 per 100 cubic feet, or \$8.1089 per Mcf, which is an increase of \$1.5092 per Mcf from the previous Gas Supply Cost of \$6.5997 per Mcf. LG&E's report sets out no Refund Adjustment. LG&E's report sets out a current Quarter Gas Cost Actual Adjustment (GCAA) of \$0.3614 per Mcf. LG&E's total GCAA is \$0.6335 per Mcf, which is an increase of \$0.0678 per Mcf from the previous total GCAA of \$0.5657 per Mcf. LG&E's report sets out a Gas Cost Balancing Adjustment (GCBA) of \$0.0012 per Mcf, which is an increase of \$0.0054 per Mcf from its previous GCBA of (\$0.0042) per Mcf. LG&E's report sets out a Performance-Based Rate Recovery (PBRR) Component of \$0.1581 per Mcf.

Based on the calculations above, the Commission finds that LG&E's Gas Supply Cost Component (GSCC) rate is \$0.89017 per 100 cubic feet, or \$8.9017 per Mcf, which is an increase of \$1.5824 per Mcf from the prior GSCC of \$7.3193 per Mcf. The Commission further finds that the rate as proposed by LG&E and set forth in the Appendix to this Order is fair, just and reasonable and approved for gas supplied by LG&E on and after August 1, 2022.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that LG&E shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GSC rate reports. 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.

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 August 1, 2022.

2. LG&E shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports.

3. 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.

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

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Vice Chairman

  
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Commissioner



ATTEST:

  
\_\_\_\_\_  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2022-00180 DATED JUL 28 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 \$0.89017 per 100 cubic feet for gas supplied on and after August 1, 2022.

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