

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT) CASE NO.
FILING OF BURKESVILLE GAS COMPANY, INC.) 2022-00281

ORDER

On August 29, 2022, Burkesville Gas Company, Inc. (Burkesville) filed its Gas Cost Recovery (GCR) rate report for rates with a proposed effective date of September 28, 2022. Along with its GCR rate report Burkesville filed responses to Commission Staff's Request for Information as directed in the Commission's July 25, 2022 Order in Case No. 2022-00156.¹ Burkesville's previous GCR rate was approved in Case No. 2022-00156.²

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

¹ Case No. 2022-00156, *Electronic Purchased Gas Adjustment Filing of Burkesville Gas Company, Inc.* (Ky. PSC July 25, 2022).

² Case No. 2022-00156, *Electronic Purchased Gas Adjustment Filing of Burkesville Gas Company, Inc.* (Ky. PSC June 21, 2022).

rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.³

BACKGROUND

In Case No. 2022-00156, the Commission issued a final Order on June 21, 2022, approving the proposed GCR rate of \$14.5873 per Mcf for service rendered on and after June 28, 2022. The case was then closed and removed from the Commission's docket. On July 12, 2022, Burkesville filed a letter into the case record stating that due to a clerical error the incorrect GCR rate was billed to its customers for service rendered on and after May 28, 2022 (GCR Letter).⁴ Burkesville incorrectly charged the GCR rate of \$14.5873 per Mcf to customers with usage for service rendered on and after May 28, 2022 instead of the GCR rate of \$10.2834 per Mcf as approved by the Commission in Case No. 2022-00058.⁵ Included in the GCR Letter was Burkesville's plan to credit its customers for the over collection in its next billing cycle beginning on July 30, 2022. In an Order issued on July 25, 2022, the Commission approved Burkesville's plan to credit the over collection of the GCR rate billed for service rendered on and after May 28, 2022, as stated in the GCR Letter. The Commission further directed Burkesville to file as supplemental information in its next GCR rate report filing its responses to Commission Staff's Request for Information.

DISCUSSION

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

⁴ See, Case No. 2022-00156, *Electronic Purchased Gas Adjustment Filing of Burkesville Gas Company, Inc.* Post Case filings (filed July 7, 2022), Letter_to_L._Bridwell_-2201712.pdf.

⁵ Case No. 2022-00058, *Electronic Purchased Gas Adjustment Filing of Burkesville Gas Company, Inc.* (Ky. PSC Mar. 29, 2022).

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that Burkesville's report includes revised rates designed to pass on to its customers its expected change in gas costs. Burkesville's report sets out an Expected Gas Cost (EGC) of \$13.9227 per Mcf, which is an increase of \$0.0871 per Mcf from the previous EGC of \$13.8356 per Mcf. Burkesville's report sets out no Refund Adjustment. Burkesville's report sets out a current quarter Actual Cost Adjustment (ACA) of \$0.2346 per Mcf. Burkesville's total ACA is \$1.0611 per Mcf, which is an increase of \$0.3094 per Mcf from the previous total ACA of \$0.7517 per Mcf.

Based on the calculations above, the Commission finds that Burkesville's GCR rate is \$14.9838 per Mcf, which is an increase of \$0.3965 per Mcf from the previous GCR rate of \$14.5873 per Mcf. The Commission further finds that the rates set forth in the Appendix to this Order are fair, just and reasonable and are approved for service rendered by Burkesville on and after September 28, 2022.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Burkesville 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. Should Burkesville purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports then the supplier, cost, and amount must be documented in its cover letter to the Commission.

Review of the responses filed into the case record shows that Burkesville over collected an amount totaling \$3,603.57 from 58 end-use customers due to charging the

incorrect GCR rate for service rendered on and after May 28, 2022.⁶ Of those 58 customers, 22 were residential customers and 36 non-residential customers. Burkesville provided a breakdown of the total amount overcharged and subsequent refund made to each of the 58 customers.⁷ Each customer that was incorrectly charged the GCR rate for service rendered on and after May 28, 2022, received an appropriate credit on his or her next bill equal to the amount that was over collected. The Commission finds that Burkesville has accurately credited the amount overcharged to its customers for service rendered on and after May 28, 2022.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Burkesville and set forth in the Appendix to this Order are approved for service rendered on and after September 28, 2022.
2. Burkesville 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 service of this Order, Burkesville 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.
4. This case is closed and removed from the Commission's docket.

⁶ Burkesville's Response to Commission Staff's request for Information (filed Aug. 29, 2022), Items 3 and 5.

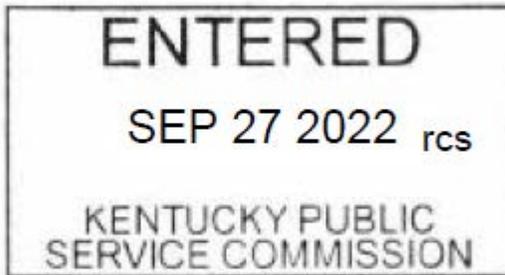
⁷ Burkesville's Response to Commission Staff's request for Information (filed Aug. 29, 2022), Item 6.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00281 DATED SEP 27 2022

The following rates and charges are prescribed for the customers in the area served by Burkesville Gas Company, 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.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Residential	\$7.5400	\$14.9838	\$22.5238
Industrial	\$7.1900	\$14.9838	\$22.1738

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