

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT )	CASE NO.
FILING OF BURKESVILLE GAS COMPANY, INC. )	2023-00056

ORDER

On February 24, 2023, Burkesville Gas Company, Inc. (Burkesville) filed its Gas Cost Recovery (GCR) rate report for rates with a proposed effective date of March 28, 2023. Burkesville's previous GCR rate was approved in Case No. 2022-00406.<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. 2022-00406, *Electronic Purchased Gas Adjustment Filing of Burkesville Gas Company, Inc.* (Ky. PSC Dec. 22, 2022).

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

## DISCUSSION

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 \$7.8122 per Mcf, which is a decrease of \$4.0506 per Mcf from the previous EGC of \$11.8628 per Mcf. Burkesville's report sets out no Refund Adjustment. Burkesville's report sets out a current quarter Actual Cost Adjustment (ACA) of (\$1.2163) per Mcf. In calculating its current quarter ACA, Burkesville failed to use the correct sales of 41,126.30 Mcf for the 12 months ended December 31, 2022. Correcting this produces a current quarter ACA of (\$1.1392) per Mcf. Burkesville's total ACA is (\$0.9704) per Mcf, which is a decrease of \$1.8640 per Mcf from the previous total ACA of \$0.8936 per Mcf.

Based on the calculations above, the Commission finds that Burkesville's corrected GCR rate is \$6.8418 per Mcf, which is a decrease of \$5.9146 per Mcf from the previous GCR rate of \$12.7564 per Mcf. The Commission further finds that the rates set forth in the Appendix to this Order are fair, just and reasonable and should be approved for service rendered by Burkesville on and after March 28, 2023.

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.

IT IS THEREFORE ORDERED that:

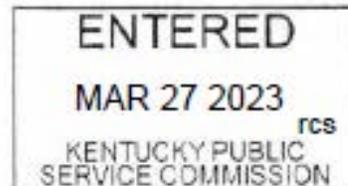
1. The rates proposed by Burkesville are denied.
2. The rates set forth in the Appendix to this Order are approved for service rendered on and after March 28, 2023.
3. Burkesville shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports.
4. 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.
5. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner



ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00056 DATED MAR 27 2023

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	\$6.8418	\$14.3818
Industrial	\$7.1900	\$6.8418	\$14.0318

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