

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE)	
GAS AND ELECTRIC COMPANY FOR)	CASE NO.
APPROVAL OF REVISED GAS LINE TRACKER)	2023-00066
RATES EFFECTIVE FOR SERVICES RENDERED)	
ON AND AFTER MAY 1, 2023)	

ORDER

On March 1, 2023, Louisville Gas and Electric Company (LG&E) submitted an application to revise rates for its Gas Line Tracker Adjustment Clause (GLT) effective May 1, 2023, pursuant to the Commission's Order in Case No. 2012-00222¹ approving the GLT program and associated rates. There are no Intervenors in this proceeding. This case now stands submitted for decision.

LEGAL STANDARD

KRS 278.509 states that “[n]otwithstanding any other provision of law to the contrary, upon application by a regulated utility, the commission may allow recovery of costs for investment in natural gas pipeline replacement programs which are not recovered in the existing rates of a regulated utility. No recovery shall be allowed unless the costs shall have been deemed by the commission to be fair, just, and reasonable.”

¹ Case No. 2012-00222, *Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines and Risers, and a Gas Line Surcharge* (Ky. PSC Dec. 20, 2012).

DISCUSSION

Based upon its application, LG&E's revenue requirement eligible for recovery under its GLT mechanism related to distribution projects for 2023 is \$8,243,741.² During 2022, LG&E had a total overcollection of \$3,213,578, based on an overcollection of \$3,314,092 related to transmission and an undercollection of \$100,514 related to distribution.³ LG&E proposes to include the \$3,213,578 as a credit to its 2023 revenue requirement in order to collect through its GLT the balancing adjustment for 2022.

The Commission, in its June 30, 2021 Order in Case No. 2020-00350, approved the removal of completed transmission related projects from LG&E's GLT mechanism.⁴ LG&E's proposed GLT rates include only a true-up component for the transmission related portion, as there are no gas transmission projects currently eligible to be recovered through the GLT. Due to the forecasted portion of its GLT mechanism, LG&E collected additional revenues related to transmission projects from January 2022 through April 2022.⁵ The additional revenues will be returned to LG&E customers through the transmission project volumetric credit that will be effective from May 1, 2023, through

² Application, Exhibit 2.

³ Application, Exhibit 2.

⁴ Case No. 2020-00350, *Electronic Application of Louisville Gas And Electric Company for an Adjustment of Its Electric and Gas Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit* (Ky. PSC June 30, 2021) at 67–68.

⁵ LG&E's GLT mechanism is based on a full calendar 12-month expense period. LG&E's updated annual GLT application is typically filed to the Commission for rates effective May 1 of each year. LG&E forecasted transmission project related costs for 2022 were charged to customers for the months of January 2022 through April 2022 during the period between the end of a calendar period for 2021 and the effective date of the annual GLT rate of May 1, 2022.

April 30, 2024. LG&E states that it plans to file a tariff by March 1, 2024 for rates effective May 1, 2024, to reduce the GLT transmission credit to zero.⁶

In order to aid in the timely review of LG&E's GLT rate application, the Commission finds that LG&E's applications for a revision in GLT rates shall include an electronic version of the supporting calculations and exhibits used to compute the GLT rates in Excel spreadsheet format with all formulas intact and unprotected, and with all columns and rows accessible.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that the information contained in LG&E's filing is in sufficient detail to support the reasonableness of LG&E's revised GLT rates.

IT IS HEREBY ORDERED that:

1. The GLT rates in the Appendix to this Order are approved for service rendered by LG&E on and after May 1, 2023.
2. LG&E's future applications for a revision in GLT rates shall include an electronic version containing the supporting calculations and exhibits used to compute the GLT rates in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible. Within 20 days of the date of service of this Order, LG&E 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.
3. This case is closed and removed from the Commission's docket.

⁶ Application, numbered paragraph 8.

PUBLIC SERVICE COMMISSION

[Signature]
Chairman

[Signature]
Vice Chairman

[Signature]
Commissioner

*by KAC
w/permission*

ENTERED
APR 28 2023 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

[Signature]
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00066 DATED APR 28 2023

The following rates and charges are prescribed for the customers in the area 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 the Order.

Gas Line Tracker Rates:

	Distribution Projects <u>(\$/delivery point)</u>	Transmission Projects <u>(\$/Ccf)</u>
RGS, VFD	\$ 1.57	(\$ 0.01126)
CGS, SGSS	\$ 7.79	(\$ 0.00898)
IGS, AAGS, DGGS	\$ 106.71	(\$ 0.00579)
FT, LGDS	\$ 0.00	(\$ 0.00065)

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