

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT )	CASE NO.
FILING OF DUKE ENERGY KENTUCKY, INC. )	2023-00127

ORDER

On May 1, 2023, Duke Energy Kentucky, Inc. (Duke Kentucky) filed in accordance with its Gas Cost Adjustment (GCA) Tariff its GCA report and a proposed GCA rate to be effective June 1, 2023. Duke Kentucky's previous GCA rate was approved in Case No. 2023-00022.<sup>1</sup>

LEGAL STANDARD

The Commission's standard of review for GCA 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. 2023-00022, *Electronic Purchased Gas Adjustment Filing of Duke Energy Kentucky, Inc.* (Ky. PSC Feb. 24, 2023).

<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 Duke Kentucky's GCA report includes revised rates designed to pass on to its customers its expected changes in gas costs. Duke Kentucky's GCA report sets out an Expected Gas Cost (EGC) of \$4.811 per Mcf, which is a decrease of \$0.187 per Mcf from its previous EGC of \$4.998 per Mcf. Duke Kentucky's GCA report sets out a current quarter supplier Refund Adjustment (RA) of (\$0.082) per Mcf, which is no change from its previous total RA. Duke Kentucky's GCA report sets out a current quarter Actual Adjustment (AA) of (\$0.334) per Mcf. Duke Kentucky's total AA is \$0.375 per Mcf, which is an increase of \$0.415 per Mcf from its previous total AA of (\$0.040) per Mcf. Duke Kentucky's GCA report sets out a current quarter Balance Adjustment (BA) of \$0.097 per Mcf. Duke Kentucky's total BA is \$0.087 per Mcf, which is an increase of \$0.081 per Mcf from its previous total BA of \$0.006 per Mcf.

Based on the calculations above, the Commission finds that Duke Kentucky's GCA is \$5.191 per Mcf, which is an increase of \$0.309 per Mcf from its previous GCA of \$4.882 per Mcf. The Commission also finds that Duke Kentucky's GCA report sets out a Gas Cost Adjustment Transition (GCAT) Rider rate of \$0.0380 per 100 cubic feet. This GCAT rate will be applicable to customers who begin receiving the Rate FT-L transportation service after the effective date of this Order and who paid gas supply costs through the GCA during the 12 months before they began receiving FT-L service. The Commission further finds that the rates as proposed by Duke Kentucky and set forth in the Appendix to this Order are fair, just and reasonable and are approved for final meter reading by Duke Kentucky on and after June 1, 2023.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Duke Kentucky shall submit all invoices it receives along with its monthly usage report for each month of the reporting period when it files its future GCA rate reports. As ordered by the Commission in Case No. 2018-00143,<sup>3</sup> Duke 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. Should Duke 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.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Duke Kentucky and set forth in the Appendix to this Order are approved for final meter readings on and after June 1, 2023.
2. Duke Kentucky shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCA rate reports.
3. Duke 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.
4. Within 20 days of the date of service of this Order, Duke Kentucky shall file with this Commission, using the Commission's electronic Tariff Filing System, revised

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<sup>3</sup> Case No. 2018-00143, *Electronic Purchased Gas Adjustment of Duke Energy Kentucky, Inc.* (Ky. PSC May 23, 2018).

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.

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PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ENTERED  
MAY 26 2023 bsb  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00127 DATED MAY 26 2023

The following rates and charges are prescribed for the customers in the area served by Duke Energy 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.

GAS SERVICE RATES

RATE RS  
RESIDENTIAL SERVICE

	<u>Base</u> <u>Rate</u>		<u>Gas Cost</u> <u>Adjustment</u>	<u>Total</u> <u>Rate</u>
Commodity Charge for All Ccf Consumed	\$0.52474	plus	\$0.51910	\$1.04384

RATE GS  
GENERAL SERVICE

	<u>Base</u> <u>Rate</u>		<u>Gas Cost</u> <u>Adjustment</u>	<u>Total</u> <u>Rate</u>
Commodity Charge for All Ccf Consumed	\$0.37443	plus	\$0.51910	\$0.89353

RATE GCAT  
GAS COST ADJUSTMENT TRANSITION RIDER

The amount of this charge or (credit) shall be \$0.0380 per 100 cubic feet. This rate shall be in effect during the month of June 2023 through August 2023 and shall be updated quarterly, concurrent with the Company's GCA filings.

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