

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF LOUISVILLE GAS AND ELECTRIC)	2024-00063
COMPANY)	

ORDER

On April 1, 2024, Louisville Gas and Electric Company (LG&E) filed its proposed Gas Supply Clause (GSC) report to be effective May 1, 2024. LG&E's previous GSC rate was approved in Case No. 2023-00409.¹

LEGAL STANDARD

The Commission's standard of review for GSC 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.²

¹ Case No. 2023-00409, *Electronic Purchased Gas Adjustment Filing of Louisville Gas and Electric Company* (Ky. PSC Jan. 30, 2024).

² 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 \$0.27685 per 100 cubic feet, or \$2.7685 per Mcf, which is a decrease of \$0.6234 per Mcf from the previous Gas Supply Cost of \$3.3919 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 \$0.2407 per Mcf. LG&E's total GCAA is \$0.1464 per Mcf, which is an increase of \$1.0010 per Mcf from the previous total GCAA of (\$0.8546) per Mcf. LG&E's report sets out a Gas Cost Balancing Adjustment (GCBA) of (\$0.0159) per Mcf, which is a decrease of \$0.1363 per Mcf from its previous GCBA of \$0.1204 per Mcf. LG&E's report sets out a Performance-Based Rate Recovery (PBRR) Component of \$0.0537 per Mcf, which is unchanged from its previous PBRR Component.

Based on the calculations above, the Commission finds that LG&E's Gas Supply Cost Component (GSCC) rate is \$0.29527 per 100 cubic feet, or \$2.9527 per Mcf, which is an increase of \$0.2413 per Mcf from the prior GSCC of \$2.7114 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 are approved for gas supplied by LG&E on and after May 1, 2024.

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 May 1, 2024.

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. Should LG&E purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount shall be documented in its cover letter to the Commission.

4. 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 rate approved herein and reflecting that it was approved pursuant to this Order.

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

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ENTERED
APR 30 2024
rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2024-00063 DATED APR 30 2024

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 \$0.29527 per 100 cubic feet for gas supplied on and after May 1, 2024.

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