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## NEWS RELEASE

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### **PSC Issues Order in Natural Gas Rate Filing of Delta Natural Gas Company Kentucky**

**FRANKFORT, Ky. (Jan. 3, 2022)** – The Kentucky Public Service Commission (PSC/Commission) issued an Order today in the filing of Delta Natural Gas Company, Inc., requesting an increase in its natural gas base rate revenue. The Case No. is 2021-00185.

Today's Order authorized a \$5.238 million increase in annual revenue. With the new rates established in today's Order, the average residential customer bill will increase by about 9 percent, or \$5.58 per month.

Delta, which purchases, stores, and transports natural gas in 32 Kentucky counties, filed an application on June 4, 2021, requesting an increase in annual revenue of \$9.135 million, an approximate increase of 18.6 percent. This amount would have increased the monthly bill of a typical residential customer by about 20.7 percent. Delta last filed for an adjustment in rates in Case No. 2010-00116.

On Nov. 9, 2021, Delta and the Office of the Attorney General, the intervening party in this case, filed a settlement agreement (Stipulation) proposing an annual increase in revenue of \$5.646 million.

The PSC conducted information sessions and public meetings for the purpose of taking public comments on Nov. 2, 2021. Due to COVID-19, the information sessions and public meetings were conducted virtually. The PSC conducted a formal evidentiary hearing on Nov. 16 for the purposes of cross-examination and for consideration of the stipulation. Today's Order approves the stipulation with modifications. The PSC notes that approval is based only on the finding that the Stipulation is reasonable and in the public interest and does not establish a precedent.

Among the provisions in today's Order:

- The Commission authorized a Return on Equity of 9.25 percent for Delta's base rates and 9.175 percent for Delta's pipeline replacement program. These ROEs are less than those proposed by Delta in its application and less than those proposed in the Stipulation.
- Authorized a customer charge of \$24.00 per month, a \$3.30 increase, but less than the company's proposed charge of \$29.03 per month.

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- Reduced non-recurring charges from \$20.00 to \$5.00 for a collection charge and from \$60.00 to \$9.00 for a reconnection charge.
- Approved a charge of \$35.00 per hour, with a minimum charge of one hour, for instances when a customer requests assistance in relighting gas appliances. This existing charge is to be included in Delta's tariff.
- Delta is to amend the tariff to include the identification methods required of prospective customers.
- Delta is to establish a volumetric charge for its Pipeline Replacement Program rider and provide evidence in its next base rate case for why the rider should be rolled into base rates.
- Delta must include in its tariff fees related to "farm-tap" customers.

The rates and charges established in today's Order are effective on and after Jan. 4, 2022.

Today's Order and other records in the case are available on the PSC web site at <https://psc.ky.gov/Case/ViewCaseFilings/2021-00185>.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky.

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