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PSC Issues Order in Natural Gas Rate Filing of Columbia Gas of Kentucky

FRANKFORT, Ky. (Dec. 28, 2021) – The Kentucky Public Service Commission (PSC/Commission) issued an Order today in the filing of Columbia Gas of Kentucky, Inc., (Columbia Kentucky) requesting an increase in the company's natural gas base rate revenue. The Case No. is 2021-00183.

In Columbia Kentucky's June 2, 2021, application, the company requested an annual revenue increase of \$26.7 million, an approximate increase of 18.11 percent. The Attorney General and Kentucky Industrial Utility Customers Inc. (KIUC) are intervenors in this proceeding. Columbia Kentucky and the intervening parties filed a Joint Stipulation on Oct. 26, 2021, proposing an \$18.6 million (or 12.62 percent) annual revenue increase.

In today's Order, the Commission authorized an annual revenue increase of \$18.31 million, based on adjustments to several provisions in the Stipulation. For the typical residential customer, the impact will be about a ten percent increase, or about \$8.15 per month.

The PSC conducted information sessions and public meetings for the purpose of taking public comments on Oct. 26, 2021. Due to COVID-19, the information sessions and public meetings were conducted virtually. The PSC conducted a formal evidentiary hearing on Nov. 3, 2021, 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 an ROE of 9.35 percent for Columbia Kentucky's base rates and an ROE of 9.275 percent for its natural gas capital riders. In approving the Stipulation's proposed ROEs, the Commission noted its most recent authorized ROE determinations and considered the risk associated with the Stipulation's "stay out" provision, in which Columbia Kentucky agreed not file an application to adjust base rates until the year 2025, absent an emergency.
- Reduced Columbia Kentucky's reconnection charge from \$25.00 to \$20.00 and reduced the seasonal reconnect charge from \$357.52 to \$20.00.

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- Columbia Kentucky is to provide formal cost support for the residential customer late-payment charge in its next general rate case.
- The Commission approved the company's request to roll existing Safety Modification and Replacement Program Rider (SMRP) rates into base rates. In its next base rate case, Columbia Kentucky is to provide evidence as to why the SMRP Rider should be rolled into base rates. The rider is intended to address aging natural gas infrastructure.

The rates and charges established in today's Order will go into effect on Jan. 2, 2022.

Today's Order and other records in the case are available on the PSC's web site at <https://psc.ky.gov/Case/ViewCaseFilings/2021-00183>.

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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