

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC ADJUSTMENT OF THE PIPE)	CASE NO.
REPLACEMENT PROGRAM OF DELTA)	2021-00098
NATURAL GAS COMPANY, INC.)	

ORDER

On February 26, 2021, Delta Natural Gas Company, Inc. (Delta) filed an application to revise its Pipeline Replacement Program (PRP) rates effective May 1, 2021. By Order dated April 30, 2021, pursuant to KRS 278.190(2), the Commission suspended Delta's proposed rates for five months, up to October 1, 2021. Delta responded to one round of discovery from Commission Staff (Staff). There are no intervenors in this proceeding, and the case now stands submitted for decision.

Delta's current-year PRP adjustment is \$3,972,764.¹ During 2020, Delta experienced an over-recovery of its PRP revenue authorized in Case No. 2020-00059² in the amount of \$15,985 which it proposes to refund through its PRP Balancing Adjustment. Delta's Total PRP adjustment, including the Balancing Adjustment, is \$3,956,869.³

In Case No. 2020-00059, the Commission ordered Delta to submit responses to certain requests for information when it filed future annual PRP applications. Those requests for information were attached as Appendix B to the April 28, 2020 Order in Case

¹ Schedule I.

² Case No. 2020-00059, *Electronic Adjustment of the Pipe Replacement Program Rider of Delta Natural Gas Company, Inc.* (Ky. PSC Apr. 28, 2020).

³ Schedule I.

No. 2020-00059. Among other things, Delta was to provide, as part of its next PRP application, a list of remaining items to be replaced through the PRP along with the associated costs and estimated PRP surcharges per year. Delta provided the information requested in its application in the instant matter, which illustrates that during 2020 Delta replaced 88,583 feet of plastic and steel distribution mains, and 289 service lines of undetermined length. The total cost for these replacements was \$5,998,720.⁴ In 2021, Delta projects it will replace 93,377 feet of plastic and steel pipe and estimates the total cost for these replacements will be between \$5,296,343 and \$8,906,298.⁵

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that the information contained in Delta's application, along with its responses to Staff's request for information, is in sufficient detail to support Delta's proposed PRP adjustment. Therefore, the Commission finds Delta's proposed PRP adjustment should be approved, and that the rates set forth in Appendix A to this Order are approved for billing by Delta for meters read on and after August 1, 2021.

IT IS THEREFORE ORDERED that:

1. The PRP rates in Appendix A to this Order are approved for billing by Delta for meters read on and after August 1, 2021.
2. Delta shall continue to file the information requested in Appendix B to this Order when it files its future annual PRP applications.
3. Within 20 days of the date of entry of this Order, Delta shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets

⁴ Schedule IV.

⁵ Schedule IX.

setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

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

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By the Commission

ENTERED
AUG 05 2021
rca
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director for

Case No. 2021-00098

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00098 DATED AUG 05 2021

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, 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.

Pipeline Replacement Program Rates per month:

Residential	\$	5.88
Small Non-residential	\$	11.23
Large Non-residential	\$	83.70
Interruptible	\$	643.34

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00098 DATED AUG 05 2021

1. Provide a list of the remaining items to be replaced and an estimate of the associated costs eligible to be recovered through the PRP, inclusive of all types of pipe authorized to be replaced through the PRP. The information should include:
 - a. The amount of pipe remaining to be replaced through the PRP. Pipe should be categorized by material (i.e., bare steel, coated steel, plastic, etc.), age, size, and location.
 - b. The estimated remaining cost per year of the PRP broken down by pipe, services, and any other eligible PRP activities.
2. Using the information provided in Item 1, provide a chart showing by year and customer class the estimated PRP surcharges for each remaining year of the PRP.
3. Provide a list showing each project that was replaced under the PRP for the program year. The list should include the size of the pipe, length replaced, length installed, number of services, pipe material, and cost.
4. Provide the same information as requested in Item 3 above, but as an estimate for the next PRP program year.

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