

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT) CASE NO.
FILING OF COLUMBIA GAS OF KENTUCKY, INC.) 2023-00141

ORDER

On May 1, 2023, Columbia Gas of Kentucky, Inc. (Columbia Kentucky) filed its proposed Gas Cost Adjustment (GCA) report to be effective May 31, 2023. Columbia Kentucky's previous GCA rate was approved in Case No. 2023-00028.¹

LEGAL STANDARD

The Commission's standard of review for GCR 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. 2023-00028, *Electronic Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC Feb. 24, 2023).

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 Columbia Kentucky's report includes revised rates designed to pass on to its customers its expected change in gas costs. Columbia Kentucky's report sets out an Expected Gas Cost (EGC) of \$4.9834 per Mcf, which is a decrease of \$0.3513 per Mcf from its previous EGC of \$5.3347 per Mcf. Columbia Kentucky's report sets out a rate for Banking and Balancing Service of \$0.0363 per Mcf. Columbia Kentucky's report sets out a total supplier Refund Adjustment (RA) of \$0.0000 per Mcf, which is an increase of \$0.3491 from its previous total RA of (\$0.3491) per Mcf.³ Columbia Kentucky's report sets out a current quarter Actual Cost Adjustment (ACA) of (\$1.1777) per Mcf. Columbia Kentucky's total ACA is \$1.3894 per Mcf, which is a decrease of \$0.6362 per Mcf from its previous total ACA of \$2.0256 per Mcf. Columbia Kentucky's report sets out a Balancing Adjustment (BA) of \$0.7911 per Mcf, which is an increase of \$0.7741 per Mcf from its previous BA of \$0.0170 per Mcf. Columbia Kentucky's report sets out no Special Agency Service (SAS) refund adjustment. Columbia Kentucky's report sets out a Performance-Based Rate (PBR) Adjustment of \$0.4190 per Mcf, which is an increase of \$0.0876 per Mcf from its previous PBR Adjustment of \$0.3314 per Mcf.

Based on the calculations above, the Commission finds that Columbia Kentucky's GCA is \$7.5829 per Mcf, which is an increase of \$0.2233 per Mcf from the previous GCA of \$7.3596 per Mcf. The Commission further finds that the rates as proposed by Columbia

³ A copy of *Columbia Gas Transmission, LLC*, 178 FERC ¶ 61,144 (2022), was included in Columbia Kentucky's GCA rate report in Schedule No. 4 as supplemental documentation for Columbia Kentucky's RA in Case No. 2022-00127, *Electronic Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (filed Apr. 29, 2022). The RA was in effect for a 12-month period, after which it would expire and be removed from the GCR rate calculation.

Kentucky and set forth in the Appendix to this Order are fair, just and reasonable and are approved for billing with the final meter readings beginning on and after May 31, 2023.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Columbia 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. 2018-00150,⁴ Columbia 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 Columbia 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.

Columbia Kentucky's PBR Adjustment rate was extended with modifications by the Commission in its Case No. 2020-00378 June 6, 2022 final Order.⁵ In that final Order the Commission also directed Columbia Kentucky to file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the PBR tariff revision as approved by the Commission and reflecting that the revisions were approved pursuant to the June 6, 2022 final Order.⁶ The Commission notes that Columbia Kentucky has not filed its revised tariff sheets for its PBR Adjustment rate as

⁴ Case No. 2018-00150, *Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC May 16, 2018).

⁵ Case No. 2020-00378, *Electronic Application of Columbia Gas of Kentucky, Inc. To Extend Its Gas Cost Incentive Adjustment Performance Based Rate Making Mechanism* (Ky. PSC June 6, 2022).

⁶ Case No. 2020-00378, June 6, 2022 Order at ordering paragraph 5.

directed in Case No. 2020-00378. All utilities regulated by the Commission are responsible for ensuring that the rates and charges billed to customers match their approved rates and charges and that their tariffs on file with the Commission reflect those rates and charges. Failure to adhere to the Commission's Case No. 2020-00378 final Order and file the revised PBR tariff sheets could result in Columbia Kentucky being subjected to a Commission investigation pursuant to 807 KAR 5:001, Section 9(3) and to possible penalties pursuant to KRS 278.990. Therefore, the Commission finds that Columbia should file the revised tariff sheets as ordered by the Commission in its June 6, 2022 final Order using the Commission's electronic Tariff Filing System within 20 days of the date of service of this Order.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Columbia Kentucky and set forth in the Appendix to this Order are approved for billing with the final meter readings beginning on and after May 31, 2023.
2. Columbia 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. Columbia 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, Columbia Kentucky shall file with this Commission, using the Commission's electronic Tariff Filing System, revised

tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

5. Within 20 days of the date of service of this Order, Columbia Kentucky shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the PBR tariff revision as approved by the Commission in its Case No. 2020-00378 final Order issued on June 6, 2022 and reflecting that they were approved pursuant to said final Order.

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

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PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00141 DATED MAY 30 2023

The following rates and charges are prescribed for the customers in the area served by Columbia Gas of 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.

CURRENTLY EFFECTIVE BILLING RATES

<u>SALES SERVICE</u>	<u>Base Rate</u> <u>Charge</u> \$	<u>Gas Cost Adjustment</u> ^{1/} <u>Demand</u> <u>Commodity</u> \$	<u>Total</u> <u>Billing</u> <u>Rate</u> \$
<u>RATE SCHEDULE GSR</u>			
Deliver Charge per Mcf	5.2528	1.5644	6.0185
<u>RATE SCHEDULE GSO</u>			
<u>Commercial or Industrial</u>			
First 50 Mcf or less per billing period	3.2513	1.5644	6.0185
Next 350 Mcf per billing period	2.5096	1.5644	6.0185
Next 600 Mcf per billing period	2.3855	1.5644	6.0185
Over 1,000 Mcf per billing period	2.1700	1.5644	6.0185
<u>RATE SCHEDULE IS</u>			
First 30,000 Mcf per billing period	0.7093		6.0185 ^{2/}
Next 70,000 Mcf per billing period	0.4378		6.0185 ^{2/}
Over 100,000 Mcf per billing period	0.2423		6.0185 ^{2/}
Firm Service Demand Charge			
Demand Charge times Daily Firm			
Volume (Mcf) in Customer Service Agreement		10.0019	10.0019

^{1/} The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of Columbia Kentucky's Tariff. The Gas Cost Adjustment applicable to a customer who is receiving service under Rate Schedule GS or IUS and received service under Rate Schedule SVGTS shall be \$4.9834 per Mcf only for those months of the prior 12 months during which they were served under Rate Schedule SVGTS.

^{2/} IS customers may be subject to the Demand Gas Cost under the conditions set forth on Sheets 14 and 15 of Columbia Kentucky's Tariff.

RATE SCHEDULE IUS

Deliver Charge per Mcf	1.1959	1.5644	6.0185	8.7788
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TRANSPORTATION SERVICE

RATE SCHEDULE SS

Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		10.0019		10.0019
Standby Service Commodity Charge per Mcf			6.0185	6.0185

RATE SCHEDULE DS

Banking and Balancing Service				
Rate per Mcf		0.0363		0.0363

RATE SCHEDULE MLDS

Banking and Balancing Service				
Rate per Mcf		0.0363		0.0363

RATE SCHEDULE SVGTS

Base Rate
\$

General Service Residential (SGVTS GSR)

Delivery Charge per Mcf	5.2528
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General Service Other—Commercial or Industrial (SVGTS GSO)

First 50 Mcf or less per billing period	3.2513
Next 350 Mcf per billing period	2.5096
Next 600 Mcf per billing period	2.3855
Over 1,000 Mcf per billing period	2.1700

Intrastate Utility Service

Delivery Charge per Mcf	1.1959
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Base Rate
\$

Actual Gas Cost Adjustment³

\$2.8908

RATE SCHEDULE SVAS

Balancing Charge-per Mcf	\$1.0940
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³ The Gas Cost Adjustment is applicable to a customer who is receiving service under Rate Schedule SVGTS and received service under Rate Schedule GS, IS, or IUS for only those months of the prior 12 months during which they were served under Rate Schedule GS, IS, or IUS.

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