

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF COLUMBIA)	CASE NO.
GAS OF KENTUCKY, INC. FOR TARIFF SMRP)	2025-00071
BALANCING ADJUSTMENT)	

ORDER

On March 31, 2025, Columbia Gas of Kentucky, Inc. (Columbia Kentucky) filed its annual balancing adjustment pursuant to the requirements of the Safety Modification and Replacement Program (SMRP) Rider, with proposed rates to be effective May 30, 2025. The proposed SMRP rates are based on the true up the actual SMRP Rider costs for the 12 months ended December 31, 2024.

There are no intervenors in this proceeding. On May 22, 2025, the Commission suspended the rates for one day, allowing for the rates to be implemented as early as May 31, 2025, subject to refund. On May 28, 2025, Columbia Kentucky provided written notice to the Commission of its intention to implement rates for services rendered on or after May 31, 2025, as required by KRS 278.190(2).¹ This matter now stands submitted for a decision based upon the evidentiary record.

LEGAL STANDARD

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that service it provides must be adequate, efficient and reasonable. KRS 278.509 provides that the Commission may allow recovery of costs for investment in natural gas

¹ Columbia Kentucky's Notice of Rate Implementation (filed May 28, 2025).

pipeline replacement programs which are not already recovered in the existing rates of the regulated utility.

DISCUSSION AND FINDINGS

In Case No. 2023-00335, Columbia Kentucky proposed that the new SMRP rates reflect the 2024 projected SMRP investments.² The Commission approved Columbia Kentucky's SMRP rates, as filed, with an effective date of January 3, 2024.³ In Case No. 2024-00092, Columbia Kentucky's most recent general rate case, the utility did not propose to incorporate the SMRP rates into base rates.⁴ In Case No. 2024-00328, Columbia Kentucky proposed that the new SMRP rates reflect the 2025 projected SMRP investments.⁵ The Commission rejected Columbia Kentucky's SMRP rates as filed and approved revised rates with an effective date of January 1, 2025.⁶

In this case, Columbia Kentucky is proposing to true-up its 2024 SMRP rates based on its actual incurred costs. Columbia Kentucky proposed a total revenue requirement before the balancing adjustment of \$6,448,970.⁷ Columbia Kentucky explained that it had an under-recovery of \$378,169 due to two items.⁸ The first item, the

² Case No. 2023-00335, *Electronic Application of Columbia Gas of Kentucky, Inc. for Its Annual Safety Modification and Replacement Program Filing* (Ky. PSC July 17, 2024).

³ Case No. 2023-00335, (Ky. PSC July 17, 2024), Order at 4.

⁴ Case No. 2024-00092, *Electronic Application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates; Approval of Depreciation Study; Approval of Tariff Revisions; and Other Relief* (Ky. PSC Dec. 30, 2024), Order at 6.

⁵ Case No. 2024-00328, *Electronic Application of Columbia Gas of Kentucky, Inc. for Its Annual Safety Modification and Replacement Program Filing* (Ky. PSC July 24, 2025).

⁶ Case No. 2024-00328, (Ky. PSC July 24, 2025), Order at 7.

⁷ Application, SMRP Form 1.2.

⁸ Application, SMRP Form 1.2.

difference in actual and forecasted revenue requirements, resulted in an over-recovery of \$291,314 and the second item, the difference in expected and actual customer billings, resulted in an under-recovery of \$669,483.⁹ Columbia Kentucky proposes to increase its SMRP Rider rates to reflect under-recovered amounts from its customers through its SMRP Rider balancing adjustment for 2024.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that the information contained in Columbia Kentucky's application is sufficient in detail to support the reasonableness of Columbia Kentucky's proposed SMRP Rider rates. However, the calculation of the rates proposed by Columbia Kentucky used the proposed rates from Case No. 2024-00328, which were not approved, as filed, by the Commission.¹⁰ Therefore, the Commission finds that the calculation of the rates should be adjusted to use the approved rates from Case No. 2024-00328.¹¹

The Commission notes that Columbia Kentucky placed its proposed rates in effect in this matter, subject to refund, on May 31, 2025. The Commission finds that Columbia Kentucky should refund, within 60 days from the date of service of this Order, to each of its customers all amounts collected for service rendered from May 31, 2025, through the date of entry of this Order that are in excess of the rates set forth in the Appendix attached to this Order. In addition, within 75 days from the date of service of this Order, Columbia Kentucky should also file a written report into the case record that describes its efforts to refund all monies collected in excess of the rates that are set forth in the Appendix to this

⁹ Application at Form 1.2 and Direct Testimony of Jeffery Gore at 10-11.

¹⁰ Case No. 2024-00328, *Electronic Application of Columbia Gas of Kentucky, Inc for Its Annual Safety Modification and Replacement Program Filing* (Ky. PSC July 24, 2025), Order at 7.

¹¹ Case No. 2024-00328, (Ky. PSC July 24, 2025), Order, Appendix.

Order. Furthermore, following the filing of the written report, the Commission reserves its right to initiate an investigation to determine whether Columbia Kentucky reasonably refunded all monies collected in excess of the rates that are set forth in the Appendix to this Order.

IT IS THEREFORE ORDERED that:


1. Columbia Kentucky's proposed SMRP rates are denied.
2. The SMRP Rider rates in the Appendix to this Order are approved for service rendered by Columbia Kentucky effective as of the meter readings on and after May 31, 2025.
3. Within 20 days of the date of service of this Order, Columbia Kentucky shall file with the Commission, using the Commission's electronic Tariff Filing System, its revised tariff sheets setting out the rates approved and reflecting that they were approved pursuant to this Order.
4. Within 60 days of the date of service of this Order, Columbia Kentucky shall refund to its customers all amounts collected for service rendered from May 31, 2025, through the date of entry of this Order that are in excess of the rates set forth in the Appendix attached to this Order.
5. Within 75 days of the date of service of this Order, Columbia Kentucky shall submit a written report to the Commission in which it describes its efforts to refund all monies collected in excess of the rates that are set forth in the Appendix to this Order.
6. The Commission reserves its right to initiate an investigation to determine whether Columbia Kentucky reasonably refunded all monies collected in excess of the

rates that are set forth in the Appendix to this Order should the Commission deem it necessary.


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

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PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:


Executive Director



Case No. 2025-00071

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00071 DATED SEP 02 2025

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 shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

2024 Safety Modification and Replacement Program Rider Rates

Per month:

Rate GSR, Rate SVGTS-Residential Service	\$ 1.0165
Rate GSO, Rate GDS, Rate SVGTS – Commercial or Industrial	\$ 0.5762
Rate IUS, Rate IUDS	\$ 0.3625
Rate IS, Rate DS, ¹² Rate SAS	\$ 0.1069

¹² Excluding customers subject to Flex Provisions of Rate Schedule DS.

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