

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                                       |            |
|---------------------------------------|------------|
| ELECTRONIC PURCHASED GAS ADJUSTMENT ) | CASE NO.   |
| FILING OF COLUMBIA GAS OF KENTUCKY, ) | 2026-00022 |
| INC. )                                |            |

ORDER

On January 30, 2026, Columbia Gas of Kentucky, Inc. (Columbia Kentucky) filed its proposed Gas Cost Adjustment (GCA) report to be effective March 2, 2026. Columbia Kentucky's previous GCA rate was approved in Case No. 2025-00350.<sup>1</sup>

LEGAL STANDARD

The Commission's standard of review for GCA 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.<sup>2</sup>

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<sup>1</sup> Case No. 2025-00350, *Electronic Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC Nov. 21, 2025).

<sup>2</sup> 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 changes in gas costs. Columbia Kentucky's report sets out an Expected Gas Cost (EGC) of \$6.9857 per Mcf, which is a decrease of \$1.0438 per Mcf from its previous EGC of \$8.0295 per Mcf. Columbia Kentucky's report sets out a rate for Banking and Balancing Service<sup>3</sup> of \$0.0469 per Mcf, which is a decrease of \$0.0004 per Mcf from its previous rate for Banking and Balancing Service of \$0.0473 per Mcf. Columbia's report included a refund report from its supplier TC Energy regarding refunds provided to shippers on its system resulting from a Stipulation and Agreement of Settlement filed in Docket No. RP24-1103-000 on August 13, 2025, and approved by the Federal Energy Regulatory Commission on October 30, 2025. Columbia Kentucky's report sets out a total supplier Refund Adjustment (RA) of (\$0.3803) per Mcf designed to return to its customers FERC approved refunds in the amount of \$4,695,865.85, including interest at the average of the 3-month commercial paper rate over a 12-month period, as required by its tariff. Of the \$4,673,617.18 FERC approved refund amount, \$111,971.30 is to be returned to Columbia's Customer Choice suppliers. The RA represents a decrease of (\$0.3803) per Mcf from its previous (\$0.0000) RA. Columbia Kentucky's report sets out a current quarter Actual Cost Adjustment (ACA) of \$0.4472 per Mcf. Columbia Kentucky's total ACA is (\$0.3755) per Mcf, which is an increase of \$0.1545 per Mcf from its previous total ACA of (\$0.5300) per Mcf. Columbia Kentucky's report sets out a Balancing Adjustment (BA) of \$0.1678 per Mcf, which is an increase of \$0.1715 per

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<sup>3</sup> The Banking and Balancing Service is not a component included in the calculation of the GCA.

Mcf from its previous total BA of (\$0.0037) 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 \$0.3882 per Mcf, which is unchanged from its previous PBR of \$0.3882 per Mcf.

Based on the calculations above, the Commission finds that Columbia Kentucky's GCA, as proposed by Columbia Kentucky, is \$6.7859 per Mcf, which is a decrease of \$1.0981 per Mcf from its previous GCA of \$7.8840 per Mcf. The Commission finds the inputs, resulting components and calculation of Columbia Kentucky's proposed GCR rate of \$6.7859 per Mcf to be reasonable. The Commission further finds that the rates proposed by Columbia Kentucky and set forth in the Appendix to this Order are fair, just and reasonable and should be approved for billing with the final meter readings beginning on and after March 2, 2026.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Columbia Kentucky should 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,<sup>4</sup> Columbia Kentucky's future GCA reports should 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

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<sup>4</sup> Case No. 2018-00150, *Electronic Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc.* (Ky. PSC May 16, 2018), Order at 2.

then the supplier, cost, and amount should be documented in its cover letter to the Commission.

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 March 2, 2026.

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. If Columbia Kentucky purchases sustainable natural gas from a renewable source during the reporting period of any future GCA reports, Columbia Kentucky shall document the supplier, cost, and volume purchased in the cover letter of its next GCA filing to the Commission.

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 rates approved herein and reflecting that they were approved pursuant to this Order.

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

PUBLIC SERVICE COMMISSION

  
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Chairman

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

ATTEST:

  
\_\_\_\_\_  
Executive Director

ENTERED  
FEB 27 2026 <sup>AB</sup>  
KENTUCKY PUBLIC  
SERVICE COMMISSION

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2026-00022 DATED FEB 27 2026

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

|  | Base Rate<br><u>Charge</u><br>\$ | Gas Cost Adjustment <sup>1</sup><br><u>Demand</u><br>\$ | <u>Commodity</u><br>\$ | Total<br>Billing<br><u>Rate</u><br>\$ |
|--|----------------------------------|---|------------------------|---------------------------------------|
| <u>SALES SERVICE</u>                       |                                  |   |                        |                                       |
| <u>RATE SCHEDULE GSR</u>                   |                                  |   |                        |                                       |
| Delivery Charge Per Mcf                    | 6.0958                           | 3.6160  | 3.1699                 | 12.8817                               |
| <u>RATE SCHEDULE GSO</u>                   |                                  |   |                        |                                       |
| <u>Commercial or Industrial</u>            |                                  |   |                        |                                       |
| First 50 Mcf or less per billing period    | 3.1581                           | 3.6160  | 3.1699                 | 9.9440                                |
| Next 350 Mcf per billing period            | 2.4376                           | 3.6160  | 3.1699                 | 9.2235                                |
| Next 600 Mcf per billing period            | 2.3171                           | 3.6160  | 3.1699                 | 9.1030                                |
| Over 1,000 Mcf per billing period          | 2.1078                           | 3.6160  | 3.1699                 | 8.8937                                |
| <u>RATE SCHEDULE IS<sup>2</sup></u>        |                                  |   |                        |                                       |
| First 30,000 Mcf per billing period        | 0.7509                           |   | 3.1699                 | 3.9208                                |
| Next 70,000 Mcf per billing period         | 0.4635                           |   | 3.1699                 | 3.6334                                |
| Over 100,000 Mcf per billing period        | 0.2423                           |   | 3.1699                 | 3.4122                                |
| Firm Service Demand Charge                 |                                  |   |                        |                                       |
| Demand Charge times Daily Firm             |                                  |   |                        |                                       |
| Volume (Mcf) in Customer Service Agreement |                                  | 18.6240   |                        | 18.6240                               |

<sup>1</sup> 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 \$6.9857 per Mcf only for those months of the prior 12 months during which they were served under Rate Schedule SVGTS.

<sup>2</sup> 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.

| <u>SALES SERVICE</u>  | <u>Base Rate<br/>Charge</u><br>\$ | <u>Total<br/>Gas Cost<br/>Demand</u><br>\$ | <u>Adjustment<sup>3</sup><br/>Commodity</u><br>\$ | <u>Billing<br/>Rate</u><br>\$ |
|---|-----------------------------------|--|---|-------------------------------|
| <u>RATE SCHEDULE IUS</u>  |                                   |  |   |                               |
| Delivery Charge Per Mcf<br>For all Volumes Delivered  | 0.9198                            | 3.6160                                     | 3.1699  | 7.7057                        |
| <u>TRANSPORTATION SERVICE</u>   |                                   |  |   |                               |
| <u>RATE SCHEDULE SS</u>   |                                   |  |   |                               |
| Standby Service Demand Charge per Mcf<br>Demand Charge times Daily Firm<br>Volume (Mcf) in Customer Service Agreement |                                   | 18.6240                                    |   | 18.6240                       |
| Standby Service Commodity Charge per Mcf  |                                   |  | 3.1699  | 3.1699                        |
|   |                                   |  | <u>Billing Rate</u><br>\$                         |                               |
| <u>Actual Gas Cost Adjustment<sup>4</sup></u>   |                                   |  |   |                               |
| For all volumes per billing period per Mcf  |                                   |  |   | (\$0.5413)                    |
| <u>RATE SCHEDULE SVAS</u>   |                                   |  |   |                               |
| Balancing Charge-per Mcf  |                                   |  |   | \$3.0395                      |

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<sup>3</sup> 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 \$6.9857 per Mcf only for those months of the prior 12 months during which they were served under Rate Schedule SVGTS.

<sup>4</sup> 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 twelve months during which they were served under Rate Schedule GS, IS, or IUS.

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