

NOTICE

In accordance with the requirements of the Kentucky Public Service Commission (“Commission”) as set forth in 807 KAR 5:001, Section 17 of the Rules and Regulations of the Commission, notice is hereby given to the customers of Columbia Gas of Kentucky, Inc. (“Columbia”) of a proposed rate adjustment. Columbia expects to file an application with the Commission on or about May 16, 2024, in Case No. 2024-00092. The application will request that the proposed rates become effective July 1, 2024. The rate increase will apply to all of Columbia’s customers. The present tariff rates for each customer classification to which the proposed rates will apply are set forth below:

	<u>Charge</u>	<u>Gas Cost</u>	<u>Gas Cost</u>	<u>Total</u>
	\$	<u>Demand</u> ³	<u>Commodity</u> ³	<u>Billing</u>
		\$	\$	<u>Rate</u>
				\$
<u>RATE SCHEDULES GS and SVGTS¹</u>				
<u>Residential (GSR)</u>				
Customer Charge per billing period	19.75			19.75
SMRP Rider per Mcf [†]	0.1224			0.1224
EECPRC per billing period	0.08			0.08
Delivery Charge per Mcf	5.2528	1.5876	1.3660	8.2064
EAP Rider per billing period	0.30			0.30
Research & Development Rider per Mcf	0.0124			0.0124
<u>RATE SCHEDULES GS and SVGTS¹</u>				
<u>Commercial or Industrial (GSO)</u>				
Customer Charge per billing period	83.71			83.71
SMRP Rider per Mcf [†]	0.0732			0.0732
Delivery Charge per Mcf				
First 50 Mcf or less per billing period	3.2513	1.5876	1.3660	6.2049
Next 350 Mcf per billing period	2.5096	1.5876	1.3660	5.4632
Next 600 Mcf per billing period	2.3855	1.5876	1.3660	5.3391
Over 1,000 Mcf per billing period	2.1700	1.5876	1.3660	5.1236
Research & Development Rider per Mcf	0.0124			0.0124
<u>RATE SCHEDULE IS -</u>				
<u>INTERRUPTIBLE SALES SERVICE</u>				
Customer Charge per billing period	3,982.30			3,982.30
SMRP Rider per Mcf [†]	0.0139			0.0139
Delivery Charge per Mcf				
First 30,000 Mcf per billing period	0.7093		1.3660	2.0753
Next 70,000 Mcf per billing period	0.4378		1.3660	1.8038
Over 100,000 Mcf per billing period	0.2423		1.3660	1.6083

Research & Development Rider per Mcf	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		9.9772		9.9772
<u>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE¹</u>				
Customer Charge per billing period	945.24			945.24
SMRP Rider per Mcf [†]	0.0447			0.0447
Delivery Charge per Mcf for all volumes delivered	1.1959	1.5876	1.3660	4.1495
Research & Development Rider per Mcf	0.0124			0.0124
<u>RATE SCHEDULE SS - STANDBY SERVICE</u>				
Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Service Agreement		9.9772		9.9772
Standby Service Commodity Charge per Mcf			1.3660	1.3660
Research & Development Rider per Mcf	0.0124			0.0124
<u>RATE SCHEDULE DS - DELIVERY SERVICE</u>				
Customer Charge per billing period	3,982.30			3,982.30
SMRP Rider ⁴ – DS only- per Mcf ²	0.0139			0.0139
Customer Charge - Grandfathered Delivery Service only – per billing period	83.71			83.71
SMRP Rider – Grandfathered Delivery Service only - per Mcf [†]	0.0732			0.0732
Customer Charge - Intrastate Utility only – per billing period	945.24			945.24
SMRP Rider – Intrastate Utility only - per Mcf [†]	0.0447			0.0447
<u>Delivery Charge per Mcf ²</u>				
First 30,000 Mcf per billing period	0.7093			0.7093

Next 70,000 Mcf per billing period	0.4378			0.4378
Over 100,000 Mcf per billing period	0.2423			0.2423
<u>Delivery Charge - Grandfathered Delivery Service only</u>				
First 50 Mcf or less per billing period	3.2513			3.2513
Next 350 Mcf per billing period	2.5096			2.5096
Next 600 Mcf per billing period	2.3855			2.3855
Over 1,000 Mcf per billing period	2.1700			2.1700
<u>Delivery Charge - Intrastate Utility Delivery Service only</u>				
All volumes per billing period	1.1959			1.1959
Banking and Balancing Service per Mcf ²		0.0362		0.0362
Research & Development Rider per Mcf ²	0.0124			0.0124
<u>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</u>				
Customer Charge per billing period	260.11			260.11
Delivery Charge per Mcf	0.0867			0.0867
Research & Development Rider per Mcf	0.0124			0.0124
Banking and Balancing Service per Mcf ²		0.0362		0.0362

The proposed rates for each customer classification to which the proposed rates will apply are set forth below:

	<u>Charge</u> \$	<u>Gas Cost Adjustment Demand</u> ³ \$	<u>Gas Cost Adjustment Commodity</u> ³ \$	<u>Total Billing Rate</u> \$
<u>RATE SCHEDULES GS and SVGTS¹</u>				
<u>Residential (GSR)</u>				
Customer Charge per billing period	27.00			27.00
SMRP Rider per Mcf [†]	0.1224			0.1224
EECPRC per billing period	0.08			0.08
Delivery Charge per Mcf	5.7874	1.5876	1.3614	8.7364
EAP Rider per billing period	0.30			0.30
Research & Development Rider per Mcf	0.0124			0.0124
<u>RATE SCHEDULES GS AND SVGTS¹</u>				
<u>Commercial or Industrial (GSO)</u>				
Customer Charge per billing period	110.00			110.00

SMRP Rider per Mcf [†]	0.0732			0.0732
Delivery Charge per Mcf				
First 50 Mcf or less per billing period	3.6525	1.5876	1.3614	6.6015
Next 350 Mcf per billing period	2.8193	1.5876	1.3614	5.7683
Next 600 Mcf per billing period	2.6798	1.5876	1.3614	5.6288
Over 1,000 Mcf per billing period	2.4377	1.5876	1.3614	5.3867
Research & Development Rider per Mcf	0.0124			0.0124
<u>RATE SCHEDULE IS - INTERRUPTIBLE SALES SERVICE</u>				
Customer Charge per billing period	5,000.00			5,000.00
SMRP Rider per Mcf [†]	0.0139			0.0139
Delivery Charge per Mcf				
First 30,000 Mcf per billing period	0.8403		1.3614	2.2017
Next 70,000 Mcf per billing period	0.5187		1.3614	1.8801
Over 100,000 Mcf per billing period	0.2871		1.3614	1.6485
Research & Development Rider per Mcf	0.0124			0.0124
Firm Service Demand Charge				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Agreement		9.9772		9.9772
<u>RATE SCHEDULE IUS - INTRASTATE UTILITY SERVICE</u>				
Customer Charge per billing period	1,135.00			1,135.00
SMRP Rider per Mcf [†]	0.0447			0.0447
Delivery Charge per Mcf for all volumes delivered	1.1817	1.5876	1.3614	4.1307
Research & Development Rider per Mcf	0.0124			0.0124
<u>RATE SCHEDULE SS - STANDBY SERVICE</u>				
Standby Service Demand Charge per Mcf				
Demand Charge times Daily Firm Volumes (Mcf) in Customer Service Agreement		9.9772		9.9772
Standby Service Commodity Charge per Mcf			1.3614	1.3614
Research & Development Rider per Mcf	0.0124			0.0124

<u>RATE SCHEDULE DS - DELIVERY SERVICE</u>				
Customer Charge per billing period	5,000.00			5,000.00
SMRP Rider ⁴ – DS only- per Mcf ²	0.0139			0.0139
Customer Charge - Grandfathered Service only – per billing period	110.00			110.00
SMRP Rider – Grandfathered Service only - per Mcf ⁴	0.0732			0.0732
Customer Charge - Intrastate Utility only – per billing period	1,135.00			1,135.00
SMRP Rider – Intrastate Utility only – per Mcf ⁴	0.0447			0.0447
<u>Delivery Charge per Mcf ²</u>				
First 30,000 Mcf per billing period	0.8403			0.8403
Next 70,000 Mcf per billing period	0.5187			0.5187
Over 100,000 Mcf per billing period	0.2871			0.2871
<u>Delivery Charge - Grandfathered Service only</u>				
First 50 Mcf or less per billing period	3.6525			3.6525
Next 350 Mcf per billing period	2.8193			2.8193
Next 600 Mcf per billing period	2.6798			2.6798
Over 1,000 Mcf per billing period	2.4377			2.4377
<u>Intrastate Utility Delivery Service</u>				
All volumes per billing period	1.1817			1.1817
Banking and Balancing Service per Mcf ²		0.0362		0.0362
Research & Development Rider per Mcf ²	0.0124			0.0124
<u>RATE SCHEDULE MLDS - MAINLINE DELIVERY SERVICE</u>				
Customer Charge per billing period –Annual Transportation Volume up to 400,000 Mcf	300.00			300.00
Customer Charge per billing period – Annual Transportation Volume over 400,000 Mcf	600.00			600.00
Delivery Charge per Mcf	0.0961			0.0961

Research & Development Rider Mcf	0.0124			0.0124
Banking and Balancing Service per Mcf ²		0.0362		0.0362

IMPACT OF PROPOSED RATES⁵

The foregoing proposed rates designed to recover Columbia’s revenue deficiency reflect an increase of approximately 15.81%. The estimated amount of increase per customer class in both dollar amounts and as a percentage to which the proposed rates will apply is as follows:

	Estimated increase in \$	Estimated increase %
Residential	\$15,350,799	16.02%
Commercial	\$7,051,022	15.26%
Industrial	\$1,366,792	17.68%
Wholesale	\$4,406	6.70%
Total	\$23,773,019	15.81%

The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply is set forth below:

Estimated Per Month	Increase	Not Including Gas Costs	Including Gas Costs
Residential – based on average usage of 5.5 Mcf	\$7.28	14.0%	10.7%
Commercial – based on average usage of 30.4 Mcf	\$28.73	14.9%	10.2%
Industrial – based on average usage of 337.2 Mcf	\$27.05	2.5%	1.3%
Wholesale – based on average usage of 433.8 Mcf	\$96.36	6.2%	3.4%

In addition to the rate changes requested above, Columbia proposes changes to certain of its tariffs. These requested changes are summarized as follows:

- Delete Residential Service from the provisions of the Late Payment Penalty of its tariff.
- Modify the Customer Charge provision of Rate Schedule MLDS to segment the applicable rate into two blocks based upon the Customer’s Annual Transportation Volume.
- Modify the provisions of Rate Schedule SMRP Rider to include uncollectible expense, not recovered in base rates, in the calculation of the revenue requirement of future SMRP filings.
- Restore Tariff Sheet 7a and re-establish as the State Tax Adjustment Factor to be utilized to implement the effects of future changes in state taxes, resulting from action or inaction of the General Assembly, on the most recently approved base rates, which could be a collection from customers or a credit to customers. The factor will be set at zero until the effective date of a state tax change.

Columbia does not propose revisions to other tariffs or schedules not listed above. The rates contained in this notice are the rates proposed by Columbia but the Commission may order rates to be charged that differ from the proposed rates contained in this notice. A person may examine the application and any related documents Columbia, has filed with the PSC at the utility’s principal office, located at:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
Lexington, Kentucky, 40511
(800) 432-9345
<https://www.columbiagasky.com/>

A person that wishes to examine the application and any related documents may call Columbia at (800) 432-9345 and arrangements will be made to make a copy available for examination. A person may also examine the application: (i) at the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m.; or (ii) through the Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Commission through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

Any person may submit a timely written request to intervene to the Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request and including the status and interest of the party. If the Commission does not receive a request to intervene within thirty (30) days of the initial publication or mailing of this notice, the Commission may take final action on the application. Any comments regarding this application may be submitted through the Commission's website at <http://psc.ky.gov>/ or by mail to P.O. Box 615, Frankfort, Kentucky 40602.

¹ Customers taking Small Volume Gas Transportation Service ("SVGTS") are not charged the Gas Cost Adjustment because the customer purchases gas from an alternative supplier in Columbia's Customer CHOICE program. An actual gas cost adjustment, currently \$(1.0466) per Mcf, is applicable to volumes delivered under SVGTS if the customer was not supplied under SVGTS in the same billing month(s) one year previous. No change is proposed to the actual gas cost adjustment in this application.

²Applicable to all Rate Schedule DS customers except those served under Flex provisions.

³ The currently effective Gas Cost Adjustment is shown in both the present and proposed rates, however the Gas Cost Adjustment is revised quarterly and the proposed rates will vary as approved by the Commission. The Gas Cost Adjustment Commodity includes a Gas Cost Uncollectible Charge presently \$0.0103 per Mcf and proposed to be \$0.0057 per Mcf. The Gas Cost Adjustment total applicable to a customer currently served under Rate Schedule GS or IUS that was previously served under Rate Schedule SVGTS is presently \$4.2446 and is proposed to be \$4.2400 only for those months of the prior twelve months during which the customer was served under Rate Schedule SVGTS.

⁴The SMRP Rider is listed as it appears in Columbia Gas of Kentucky's tariff. Revised rates proposed in Case No. 2023-00335 have been placed into effect, subject to refund pursuant to the Commission's Order on December 5, 2023. Those rates per Mcf are Rate Schedules GSR & SVGTS: \$0.5301; Rate Schedules GSO, GDS & SVGTS: \$0.3210; Rate Schedules IUS & IUDS: \$0.2011; Rate Schedules IS, DS & SAS: \$0.0587.

⁵The Impact of Proposed Rates has been calculated using the SMRP rates currently being billed, subject to refund, as referenced in End Note 4 above.