

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
BLUEGRASS GAS SALES) 2013-00422

ORDER

On July 17, 2012, in Case No. 2011-00364¹ the Commission approved rates for Bluegrass Gas Sales, Inc. ("Bluegrass") and provided for their further adjustment on a quarterly basis in accordance with Bluegrass's gas cost adjustment ("GCA") clause.

On December 2, 2013, Bluegrass filed its proposed GCA to be effective January 1, 2014. Bluegrass amended its application on December 12, 2013.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Bluegrass's amended notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Bluegrass's amended notice sets out an Expected Gas Cost ("EGC") of \$5.8278 per Mcf, which is an increase of \$.2968 per Mcf from its previous EGC of \$5.5310 per Mcf.
3. Bluegrass's amended notice sets out no current quarter Refund Adjustment.
4. Bluegrass's amended notice sets out a current quarter Actual Adjustment ("AA") of (\$.0123) per Mcf. Bluegrass did not use the correct "EGC in effect for month"

¹ Case No. 2011-00364, Alternative Rate Filing Adjustment of Bluegrass Gas Sales, Inc. (Ky. PSC July 17, 2012).

for July through September 2013 in calculating its monthly cost difference for each month. Correcting this produces a current quarter AA of (\$.0269) per Mcf. Bluegrass did not use the correct Second Previous Quarter Actual Adjustment in calculating its total AA. Correcting this produces a total AA of (\$.0318) per Mcf, which is a decrease of \$.0220 per Mcf from its previous total AA of (\$.0098) per Mcf.

5. Bluegrass's amended notice sets out a current quarter Balance Adjustment ("BA") of \$.0196 per Mcf. Bluegrass's current quarter BA should be revised to reflect a correction resulting from an error made in the AA in Case No. 2012-00527² in which the AA was set out as (\$.0075) per Mcf Instead of \$.0086 per Mcf. Correcting this produces a current quarter BA of \$.0206 per Mcf. Bluegrass's total BA is \$.1729 per Mcf, which is an increase of \$.0120 per Mcf from its previous total BA of \$.1609 per Mcf.

6. Bluegrass's GCA is \$5.9689 per Mcf, which is an increase of \$.2868 per Mcf from its previous rate of \$5.6821 per Mcf.

7. The rate in the Appendix to this Order is fair, just and reasonable, and should be approved for service rendered by Bluegrass on and after January 1, 2014.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Bluegrass is denied.
2. The rate in the Appendix to this Order is fair, just and reasonable, and should be approved for service rendered on and after January 1, 2014.
3. Within 20 days of the date of this Order, Bluegrass shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff

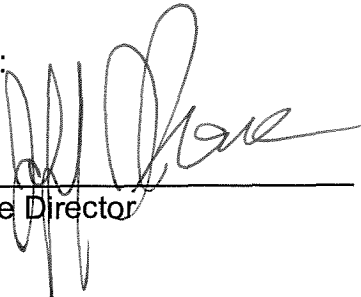
² -Case No. 2012-00527, Purchased Gas Adjustment Filing of Bluegrass Gas Sales, Inc. (Ky. PSC December 11, 2012).

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

By the Commission

ENTERED
DEC 17 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00422 DATED DEC 17 2013

The following rates and charges are prescribed for the customers served by Bluegrass Gas Sales, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$10.00		
All Mcf	\$5.1416	\$5.9689	\$ 11.1105

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