

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF)	CASE NO.
BLUEGRASS GAS SALES)	2014-00067

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 February 28, 2014, Bluegrass filed its proposed GCA to be effective April 1, 2014.

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

1. Bluegrass’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Bluegrass’s notice sets out an Expected Gas Cost (“EGC”) of \$6.5013 per Mcf, which is an increase of \$.6735 per Mcf from its previous EGC of \$5.8278 per Mcf.
3. Bluegrass’s notice sets out no current quarter Refund Adjustment.
4. Bluegrass’s notice sets out a current quarter Actual Adjustment (“AA”) of (\$.0993) per Mcf. Bluegrass did not use the correct “EGC in effect for month” for October through December 2013 in calculating its monthly cost difference for each month. Correcting this produces a current quarter AA of \$.0074 per Mcf. Bluegrass’s

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

total AA is (\$.1692) per Mcf, which is a decrease of \$.1374 per Mcf from its previous total AA of (\$.0318) per Mcf.

5. Bluegrass's notice sets out a current quarter Balance Adjustment ("BA") of \$.0032 per Mcf. Bluegrass used an incorrect expired previous quarter BA in calculating its current quarter BA. The calculation should be revised to reflect a corrected expired BA of \$.0086 per Mcf. Correcting this produces a current quarter BA of (\$.0001) per Mcf. Bluegrass's total BA is \$.1794 per Mcf, which is an increase of \$.0065 per Mcf from its previous total BA of \$.1729 per Mcf.

6. Bluegrass's GCA is \$6.5115 per Mcf, which is an increase of \$.5426 per Mcf from its previous rate of \$5.9689 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 April 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 April 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 sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED ²
MAR 19 2014
KENTUCKY PUBLIC
SERVICE COMMISSION

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00067 DATED **MAR 19 2014**

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	\$6.5115	\$ 11.6531

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