

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST RECOVERY	)	CASE NO.
FILING OF BLUEGRASS GAS SALES, INC.	)	94-433-U

O R D E R

On May 31, 1996, in Case No. 94-433, the Commission approved certain rates for Bluegrass Gas Sales, Inc. ("Bluegrass") and provided by tariff for their further adjustment on a quarterly basis in accordance with Bluegrass's approved gas cost adjustment ("GCA") clause.

On March 1, 2001, Bluegrass filed its GCA to be effective April 1, 2001 in order to reflect a decrease in supplier costs.

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

1. In its notice of March 1, 2001, Bluegrass proposed revised rates designed to pass on to its customers its expected wholesale decrease in gas costs. Bluegrass's proposed expected gas cost ("EGC") is \$7.5653 per Mcf, a decrease of 52.4 cents per Mcf from its previous EGC of \$8.0893.
2. Bluegrass's notice set out no current quarter refund adjustment.
3. Bluegrass's notice set out a current quarter actual adjustment ("AA") of 32.32 cents per Mcf. Bluegrass's proposed total AA of 67.89 cents per Mcf represents

previous quarter AAs, and represents an increase of 31.05 cents per Mcf from the previous quarter total AA.

4. Bluegrass's notice set out a proposed current quarter balance adjustment ("BA") of .92 cent per Mcf. Bluegrass incorrectly calculated the dollar amount in Part 1 on Schedule V. Bluegrass calculated the dollar amount as (\$0), the correct amount is (\$364.01). Correcting for this produces a current quarter BA of .07 cent per Mcf. Bluegrass proposed a total BA of 2.40 cents per Mcf. Correcting for the current quarter BA, the correct total BA is 3.25 cents per Mcf which represents a decrease of .15 cent per Mcf from the previous total BA.

5. Bluegrass's GCR is \$8.2767 per Mcf, 21.50 per Mcf less than the previously authorized rate of \$8.4917.

6. Bluegrass's adjustment in rates contained in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved for service rendered on and after April 1, 2001.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are effective for service rendered on and after April 1, 2001.

2. Within 30 days of the date of this Order, Bluegrass shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 21<sup>st</sup> day of March, 2001.

By the Commission

Done at Frankfort, Kentucky, this 21<sup>st</sup> day of March, 2001.

By the Commission

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 94-433-U DATED March 21, 2001

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 this Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf (Minimum Bill)	\$4.6137	\$8.2767	\$12.8904