

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST RECOVERY)	CASE NO.
FILING OF SIGMA GAS CORPORATION)	98-244-M

O R D E R

On October 27, 1998, in Case No. 98-244, the Commission approved rates for Sigma Gas Corporation ("Sigma") and provided for their further adjustment on a quarterly basis in accordance with Sigma's gas cost adjustment ("GCA") clause.

On December 3, 2001, Sigma filed its GCA to be effective January 1, 2002. As this filing results in a rate decrease, the 30-day notice requirement set out in KRS 278.180(1) is not controlling since KRS 278.180(2) permits a rate decrease to be implemented within a lesser period of time.

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

1. Sigma's notice includes revised rates designed to pass on to its customers its expected decrease in wholesale gas costs. Sigma's Expected Gas Cost ("EGC") is \$5.0960 per Mcf, 32.05 cents per Mcf less than the prior EGC of \$5.4165.
2. Sigma's notice sets out no current refund adjustment.
3. Sigma's notice sets out a current quarter actual adjustment ("AA") of (4.15) cents per Mcf. Sigma's notice includes a total AA of (52.38) cents per Mcf, which is an increase of .25 cent per Mcf from the previous total AA.

4. Sigma's notice sets out a current quarter balance adjustment ("BA") of .4 cent per Mcf. The total BA of (.4) cent per Mcf represents an increase of .3 cent per Mcf from the previous total BA.

5. Sigma's gas cost recovery rate is \$4.5682 per Mcf, which is 31.5 cents less than the previous rate of \$4.8832 per Mcf.

6. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for bills rendered by Sigma on and after January 1, 2002.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for bills rendered on and after January 1, 2002.

2. Within 20 days of the date of this Order, Sigma shall file with this Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 13th day of December, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 98-244-M DATED 12/13/2001

The following rates and charges are prescribed for the customers in the area served by Sigma Gas Corporation. 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</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$6.25	\$4.5682	\$10.8182
All Over 1st Mcf	\$4.5522	\$4.5682	\$ 9.1204