

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)	2004-00066

O R D E R

On October 27, 1998, in Case No. 1998-00244, 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 March 1, 2004, Sigma filed its proposed GCA to be effective April 1, 2004.

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 change in wholesale gas costs.
2. Sigma's notice sets out an Expected Gas Cost ("EGC") of \$7.4149 per Mcf. Sigma incorrectly calculated its total EGC, using sales rather than purchases to calculate the total amount. Correcting this results in an EGC of \$7.7030 per Mcf, 2.34 cents per Mcf more than the prior EGC of \$7.6796.
3. Sigma's notice sets out no current refund adjustment.
4. Sigma's notice sets out a current quarter actual adjustment ("AA") of (35.72) cents per Mcf. Sigma's notice includes a total AA of (30.17) cents per Mcf, which is a decrease of 2.7 cents per Mcf from the previous total AA.

5. Sigma's notice sets out a current quarter balance adjustment ("BA") of .74 cent per Mcf. The total BA of 6.43 cents per Mcf represents an increase of 1.04 cent per Mcf from the previous total BA.

6. Sigma's gas cost recovery rate is \$7.4656 per Mcf, which is .68 cent per Mcf more than the previous rate of \$7.4588 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Sigma on and after April 1, 2004.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Sigma are denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after April 1, 2004.

3. 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 25th day of March, 2004.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2004-00066 DATED March 25, 2004

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	\$7.4656	\$13.7156
All Over 1st Mcf	\$4.5522	\$7.4656	\$12.0178