

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)	2006-00395

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.¹

On August 31, 2006, Sigma filed its proposed GCA to be effective September 1, 2006. On September 21, 2006, Sigma filed additional information, which Staff used to recalculate Sigma’s entire GCA filing. Sigma requests an effective date of September 1, 2006 although it did not request a waiver from the filing requirements of KRS 278.180. Since Sigma’s revised rate is an increase from its previously approved GCA and it did not request a waiver, Sigma’s request for a September 1, 2006 effective date is denied.

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

¹ Case No. 1998-00244, The Petition of Sigma Gas Corporation for Adjustment of Rates, Order dated October 27, 1998.

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 \$11.3895 per Mcf, which is a decrease of \$1.3555 per Mcf from its prior EGC of \$12.745.

3. Sigma's notice sets out no current refund adjustment.

4. Sigma's notice sets out a current quarter actual adjustment ("AA") of \$3.2226 per Mcf. Sigma's total AA is \$3.2836 per Mcf, which is an increase of \$3.3697 per Mcf from its previous total AA.

5. Sigma's notice sets out a current quarter balance adjustment ("BA") of (.02) cent per Mcf. Sigma's notice sets out a total BA of (.43) cent per Mcf which is 7.2 cents per Mcf from its previous total BA.

6. Sigma's gas cost recovery rate is \$14.6688 per Mcf, which is an increase of \$2.0862 per Mcf from its previous rate of \$12.5826.

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 October 1, 2006.

IT IS THEREFORE ORDERED that:

1. Sigma's request for an effective date of September 1, 2006 is denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after October 1, 2006.

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

Done at Frankfort, Kentucky, this 28th day of September, 2006.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a horizontal line.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00395 DATED September 28, 2006

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	\$14.6688	\$20.9188
All Over 1st Mcf	\$4.5522	\$14.6688	\$19.2210