

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF HERITAGE OPERATING, LP)	CASE NO. 2010-00362
D/B/A BRIGHT'S PROPANE SERVICE, INC.)	

O R D E R

On February 15, 1991, in Case No. 1990-00091,¹ the Commission approved rates for Bright's Propane Service, Inc. ("Bright's Propane") and provided for their further adjustment on a quarterly basis in accordance with Bright's Propane's Gas Cost Adjustment ("GCA") clause. On March 5, 2008, Heritage Operating, LP acquired the assets of the former Bright's Propane and adopted Bright's Propane's tariffs.

On September 10, 2010, Bright's Propane filed its proposed GCA to be effective November 1, 2010.

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

1. Bright's Propane's notice includes revised rates designed to pass on to its customers its expected change in wholesale propane costs.
2. Bright's Propane's notice sets out an Average Gas Cost ("AGC") component of \$.03889 per cubic foot, which is no change from the previous AGC.

¹ Case No. 1990-00091, Jurisdictional Status of Bright's Propane Service, Inc.'s Propane Distribution System (Ky. PSC Feb. 15, 1991).

3. Bright's Propane's notice sets out a current quarter Actual Adjustment ("AA") of \$.000386 per cubic foot. Bright's Propane incorrectly calculated its Total Difference amount, which should have been \$125.08 instead of (\$380.77). Correcting for this produces a current quarter AA of \$.0001942 per cubic foot. Bright's Propane also failed to include its previous quarter AA of \$.006920 and its second previous quarter AA of \$.0048796. Correcting for this produces a total AA of \$.011994 per cubic foot, which is an increase of \$.000233 per cubic foot from the previous total AA of \$.011761 per cubic foot.

4. Bright's Propane's notice sets out no balancing adjustment.

5. Bright's Propane's notice sets out \$.015 per cubic foot to recover overhead operating costs as approved in its tariff.

6. Bright's Propane's GCA is \$.06588 per cubic foot, which is an increase of \$.00023 per cubic foot from the previous rate of \$.06565 per cubic foot.

7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for final meter readings by Bright's Propane on and after November 1, 2010.

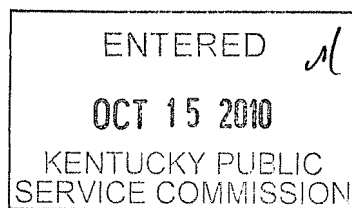
IT IS THEREFORE ORDERED that:

1. Bright's Propane's proposed rates are denied.

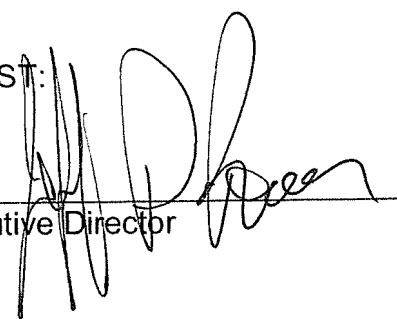
2. The rates in the Appendix attached hereto and incorporated herein are approved for final meter readings on and after November 1, 2010.

3. Within 20 days of the date of this Order, Bright's Propane shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00362 DATED OCT 15 2010

The following rates and charges are prescribed for the customers in the area served by Heritage Operating LP, d/b/a Bright's Propane Service, 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.

RATES: Monthly

All Propane	\$.06588 per cubic foot
Minimum Bill (First 400 cubic feet or less)	\$ 26.35

Kathy Caton
Heritage Operating, LP dba Bright's Propane
P. O. Box 321
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