COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF BLUEGRASS GAS SALES, INC.) CASE NO. 2012-00389

ORDER

On July 17, 2012, in Case No. 2011-00364, the Commission approved rates for Bluegrass Gas Sales, Inc. ("Bluegrass") and provided for their further adjustment on a quarterly basis in accordance with Bluegrass's Gas Cost Adjustment ("GCA") clause.¹

On August 30, 2012, Bluegrass filed its proposed GCA to be effective October 1, 2012.

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

- 1. Bluegrass's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
- 2. Bluegrass's notice sets out an Expected Gas Cost ("EGC") of \$4.6571 per Mcf, which is an increase of \$.1519 per Mcf from its previous EGC of \$4.5052 per Mcf.
 - 3. Bluegrass's notice sets out no current guarter Refund Adjustment.
- 4. Bluegrass's notice sets out a current quarter Actual Adjustment ("AA") of (\$.1584) per Mcf. Bluegrass's total AA is (\$1.3596) per Mcf, which is a decrease of \$.1642 per Mcf from its previous total AA of (\$1.1954) per Mcf.

¹ Case No. 2011-00364, Alternative Rate Filing Adjustment of Bluegrass Gas Sales, Inc. (Ky. PSC July 17, 2012).

- 5. Bluegrass's notice sets out a current quarter Balance Adjustment ("BA") of \$.0206 per Mcf. Bluegrass's total BA is (\$.0187) per Mcf, which is an increase of \$.0037 per Mcf from its previous total BA of (\$.0224) per Mcf.
- 6. Bluegrass's GCA is \$3.2788 per Mcf, which is a decrease of \$.0086 per Mcf from its previous rate of \$3.2874 per Mcf.
- 7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered on and after October 1, 2012.

IT IS THEREFORE ORDERED that:

- 1. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered on and after October 1, 2012.
- 2. Within 20 days from the date of this Order, Bluegrass shall file its revised tariff sheets with the Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.

ENTERED (A)

SEP 13 2012

KENTUCKY PUBLIC SERVICE COMMISSION

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00389 DATED SEP 1 3 2012

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 the Commission prior to the effective date of this Order.

	Gas Cost Recovery <u>Base Rate</u> <u>Rate</u> <u>Total</u>		
Customer Charge All Mcf	\$10.00 \$4.9708	\$3.2788	\$ 8.2496

Mark H O'Brien Bluegrass Gas Sales P.O. Box 23539 Anchorage, KENTUCKY 40223