

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF BLUEGRASS GAS SALES, INC.) CASE NO. 2012-00527

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 November 30, 2012, Bluegrass filed its proposed GCA to be effective January 1, 2013.

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 \$5.4911 per Mcf, which is an increase of \$.8340 per Mcf from its previous EGC of \$4.6571 per Mcf.
3. Bluegrass's notice sets out no current quarter Refund Adjustment.
4. Bluegrass's notice sets out a current quarter Actual Adjustment ("AA") of (\$.0049) per Mcf. Bluegrass's total AA is (\$1.3404) per Mcf, which is an increase of \$.0192 per Mcf from its previous total AA of (\$1.3596) 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 (\$.0275) per Mcf. Revising the calculation to reflect the correct expired BA produces a current quarter BA of \$.0076 per Mcf. Bluegrass's total BA is (\$.0114) per Mcf, which is an increase of \$.0073 per Mcf from its previous total BA of (\$.0187) per Mcf.

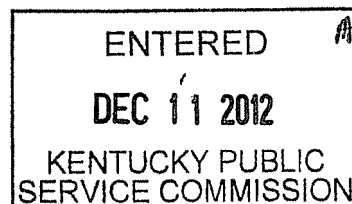
6. Bluegrass's GCA is \$4.1393 per Mcf, which is an increase of \$.8605 per Mcf from its previous rate of \$3.2788 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Bluegrass on and after January 1, 2013.

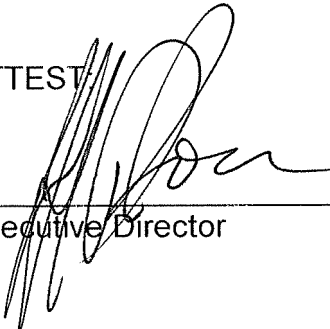
IT IS THEREFORE ORDERED that:

1. The rates proposed by Bluegrass are denied.
2. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered on and after January 1, 2013.
3. Within 20 days of the date of this Order, Bluegrass shall file with the Commission its revised tariffs setting out the rates approved herein, reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST



Executive Director

Case No. 2012-00527

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00527 DATED **DEC 11 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.

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$10.00		
All Mcf	\$4.9708	\$4.1393	\$ 9.1101

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