

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF BLUEGRASS GAS SALES, INC.)	2015-00297

ORDER

On July 17, 2012, in Case No. 2011-00364¹ 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 purchased gas cost adjustment clause.

On August 28, 2015, Bluegrass filed its proposed Gas Cost Recovery ("GCR") rate application to be effective October 1, 2015.

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 \$4.6843 per Mcf. Bluegrass miscalculated its EGC by using incorrect purchase and sales volumes. On Schedule II of its application, Bluegrass's purchase and sales volumes do not match the sum of the monthly purchase and sales volumes provided in Schedule IV of this application and Bluegrass's three previous applications. Correcting this produces purchase volumes of 56,724 Mcf instead of 58,628 Mcf and sales volumes of 55,308

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

Mcf instead of 57,163 Mcf. Bluegrass's corrected EGC is \$4.6841 per Mcf, which is a decrease of \$.1896 per Mcf from its previous EGC of \$4.8737 per Mcf.

3. Bluegrass's notice sets out no current quarter Refund Adjustment.

4. Bluegrass's notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$.0562) per Mcf. Bluegrass did not use the correct "EGC in effect for month" for April through June 2015 in calculating its monthly cost difference for each month, and did not use the correct sales volumes of 55,308 Mcf in the calculation of its current quarter ACA. Correcting this produces a current quarter ACA of (\$.0528) per Mcf. Bluegrass did not use the correct Previous Quarter Actual Adjustment of (\$.5680) per Mcf in the calculation of its total ACA. Bluegrass's corrected total ACA is (\$.7411) per Mcf, which is a decrease of \$.0352 per Mcf from its previous total ACA of (\$.7059) per Mcf.

5. Bluegrass's notice sets out a current quarter Balance Adjustment ("BA") of \$.0360 per Mcf. Bluegrass did not use the correct sales volumes of 55,308 Mcf in the calculation of its current quarter BA. Correcting this produces a current quarter BA of \$.0579 per Mcf. Bluegrass's corrected total BA is \$.0196 per Mcf, which is an increase of \$.0157 per Mcf from its previous total BA of \$.0039 per Mcf.

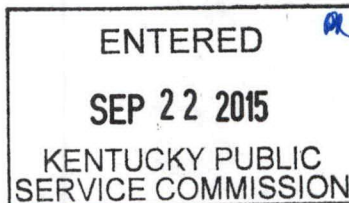
6. Bluegrass's corrected GCR rate is \$3.9626 per Mcf, which is a decrease of \$.2091 per Mcf from its previous GCR rate of \$4.1717 per Mcf.

7. The rate set forth in the Appendix to this Order is fair, just, and reasonable, and should be approved for service rendered by Bluegrass on and after October 1, 2015.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Bluegrass is denied
2. The rate set forth in the Appendix to this Order is approved for service rendered on and after October 1, 2015.
3. Within 20 days of the date of this Order, Bluegrass shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was 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. 2015-00297 DATED **SEP 22 2015**

The following rates and charges are prescribed for the customers in the area 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	\$5.1416	\$3.9626	\$ 9.1042

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