

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST)
ADJUSTMENT FILING OF) CASE NO. 2006-00318
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") and provided for their further adjustment on a quarterly basis in accordance with Bright's gas cost adjustment ("GCA") clause.

On June 26, 2006, Bright's filed its proposed GCA to be effective August 1, 2006.

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

1. Bright's notice includes revised rates designed to pass on to its customers its expected change in wholesale propane costs.
2. Bright's notice sets out an Average Gas Cost component ("AGC") of 3.108 cents per cubic foot. Bright's incorrectly carried forward its beginning balance from the previous GCA. Correcting for this produces an AGC of 3.201 cents per cubic foot, which is a decrease of .274 cents from the previous AGC of 3.475.
3. Bright's notice sets out a current quarter actual adjustment ("AA") of (.13) cent per cubic foot. Bright's incorrectly calculated its quarterly cost difference. Correcting for this produces a current quarter actual adjustment of .106 cent per cubic foot. Bright's total AA is (.023) cent per cubic foot, which is a decrease of .1143 cent from the previous total AA.

¹ Case No. 1990-00091, Jurisdictional Status of Bright's Propane Service, Inc.'s Propane Distribution System, Order dated February 15, 1991.

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

5. Bright's notice sets out 1.5 cents per cubic foot to recover overhead operating costs as approved in its tariff.

6. Bright's gas cost adjustment ("GCA") is 4.678 cents per cubic foot, which is a decrease of .3883 cent per cubic foot from the previous rate of 5.066.

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 on and after August 1, 2006.

IT IS THEREFORE ORDERED that:

1. Bright'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 August 1, 2006.

3. Within 20 days of the date of this Order, Bright's shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of July, 2006.

By the Commission

ATTEST.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00318 DATED July 24, 2006.

The following rates and charges are prescribed for the customers in the area served by 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 this Commission prior to the effective date of this Order.

RATES: Monthly

All Propane	\$.04678 per cubic foot
Minimum Bill (First 400 Cubic feet or less)	\$ 18.71