COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT) CASE NO. FILING OF BLUEGRASS GAS SALES, INC.) 2015-00173

ORDER

On July 17, 2012, in Case No. 2011-00364,¹ 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 May 29, 2015, Bluegrass filed its proposed Gas Cost Recovery ("GCR") rate application to be effective July 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 \$4.8737 per Mcf, which is an increase of \$.0534 per Mcf from its previous EGC of \$4.8203 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 (\$.0817) per Mcf. Bluegrass did not use the correct "EGC in effect for month" for January through March 2015 in calculating its monthly cost difference for each

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

month. Correcting this produces a current quarter ACA of (\$.5680) per Mcf. Bluegrass did not use the correct Previous Quarter Actual Adjustment of (\$.0871) per Mcf or the correct Second Previous Quarter Actual Adjustment of (\$.0332) per Mcf in the calculation of its total ACA. Bluegrass's corrected total ACA is (\$.7059) per Mcf, which is a decrease of \$1.2306 per Mcf from its previous total ACA of \$.5247 per Mcf.

- 5. Bluegrass's notice sets out a current quarter Balance Adjustment ("BA") of (\$.0003) per Mcf. Bluegrass used an incorrect expired previous quarter BA in calculating its current quarter BA. The calculation should be revised to reflect the correct expired BA of (\$.0001) per Mcf. Bluegrass's corrected current quarter BA is (\$.0010) per Mcf. Bluegrass did not use the correct Previous Quarter Balance Adjustment of \$.0010 per Mcf, the correct Second Previous Quarter Balance Adjustment of (\$.0383) per Mcf, or the correct Third Previous Quarter Balance Adjustment of \$.0422 per Mcf in the calculation of its total BA. Bluegrass's corrected total BA is \$.0039 per Mcf, which is an increase of \$.0441 per Mcf from its previous total BA of (\$.0402) per Mcf.
- 6. Bluegrass's corrected GCR rate is \$4.1717 per Mcf, which is a decrease of \$1.1331 per Mcf from its previous GCR rate of \$5.3048 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 July 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 by Bluegrass on and after July 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 rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

JUN 1 7 2015

KENTUCKY PUBLIC

ATTEST

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00173 DATED JUN 1 7 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.

	Base Rate	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
Customer Charge All Mcf	\$10.00 \$5.1416	\$4.1717	\$ 9.3133

*Bluegrass Gas Sales, Inc. 3620 Rockland Mills Road Center City, KY 42214

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