

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT ) CASE NO.  
FILING OF BLUEGRASS GAS SALES, INC. ) 2015-00069

ORDER

On July 17, 2012, in Case No. 2011-00364<sup>1</sup> 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 February 27, 2015, Bluegrass filed its proposed Gas Cost Recovery rate ("GCR") application to be effective April 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 \$4.8203 per Mcf, which is a decrease of \$.9176 per Mcf from its previous EGC of \$5.7379 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 (\$.0491) per Mcf. Bluegrass did not use the correct "EGC in effect for month" for October through December 2014 in calculating its monthly cost difference for each month. Correcting this produces a current quarter ACA of (\$.0871) per Mcf. Bluegrass

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

did not use the correct Previous Quarter Actual Adjustment of (\$.0322) per Mcf in the calculation of its total ACA. Bluegrass's corrected total ACA is \$.5247 per Mcf, which is a decrease of \$.0945 per Mcf from its previous total ACA of \$.6192 per Mcf.

5. Bluegrass's notice sets out a current quarter Balance Adjustment ("BA") of (\$.0012) per Mcf. Bluegrass used an incorrect expired previous quarter ACA and BA in calculating its current quarter BA. The calculation should be revised to reflect the correct expired ACA of (\$.0269) per Mcf, and the correct expired BA of \$.0206 per Mcf. Bluegrass's corrected current quarter BA is \$.0010 per Mcf. Bluegrass did not use the correct Previous Quarter BA of (\$.0383) per Mcf or the correct Second Previous Quarter BA of \$.0422 per Mcf in the calculation of its total BA. Bluegrass's corrected total BA is (\$.0402) per Mcf, which is an increase of \$.0011 per Mcf from its previous total BA of (\$.0413) per Mcf.

6. Bluegrass's corrected GCR is \$5.3048 per Mcf, which is a decrease of \$1.0110 per Mcf from its previous rate of \$6.3158 per Mcf.

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

IT IS THEREFORE ORDERED that:

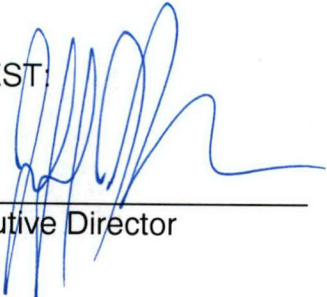
1. The rate proposed by Bluegrass is denied
2. The rate in the Appendix to this Order is approved for service rendered on and after April 1, 2015.
3. Within 20 days of the date of this Order, Bluegrass shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff

sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED  
MAR 16 2015  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2015-00069 DATED **MAR 16 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	\$5.3048	\$ 10.4464

\*Bluegrass Gas Sales, Inc.  
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Center City, KY 42214

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