### COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

# PURCHASED GAS ADJUSTMENT)CASE NO.FILING OF BLUEGRASS GAS SALES, INC.)2016-00094

#### <u>ORDER</u>

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 25, 2016, Bluegrass filed its proposed Gas Cost Recovery ("GCR") rate application to be effective April 1, 2016. Bluegrass revised its application on March 10, 2016.

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

1. Bluegrass's revised notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

2. Bluegrass's revised notice sets out an Expected Gas Cost ("EGC") of \$3.8211 per Mcf, which is a decrease of \$.2763 per Mcf from its previous EGC of \$4.0974 per Mcf.

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

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

4. Bluegrass's revised notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$.3441) per Mcf. Bluegrass's total ACA is (\$.9797) per Mcf, which is a decrease of \$.2570 per Mcf from its previous total ACA of (\$.7227) per Mcf.

5. Bluegrass's revised notice sets out a current quarter Balance Adjustment ("BA") of (\$.0150) per Mcf. Bluegrass's total BA is \$.0372 per Mcf, which is a decrease of \$.0160 per Mcf from its previous total BA of \$.0532 per Mcf.

6. Bluegrass's GCR rate is \$2.8786 per Mcf, which is a decrease of \$.5493 per Mcf from its previous GCR rate of \$3.4279 per Mcf.

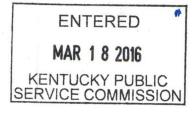
7. The amended rate, as proposed by Bluegrass and set forth in the Appendix to this Order, is fair, just, and reasonable and should be approved for service rendered by Bluegrass on and after April 1, 2016.

IT IS THEREFORE ORDERED that:

1. The amended rate proposed by Bluegrass and set forth in the Appendix to this Order is approved for service rendered on and after April 1, 2016.

2. 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



ATTEST:

Acting Executive Director

Case No. 2016-00094

## APPENDIX

# APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2016-00094 DATED MAR 1 8 2016

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>	Total
Customer Charge All Mcf	\$10.00 \$5.1416	\$2.8786	\$ 8.0202

\*Mark H O'Brien President Bluegrass Gas Sales, Inc. 3620 Rockland Mills Road Center City, KY 42214

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