

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF BLUEGRASS GAS SALES, INC.)	2016-00183

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 26, 2016, Bluegrass filed its proposed Gas Cost Recovery (“GCR”) rate application to be effective July 1, 2016.

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 \$4.2541 per Mcf, which is an increase of \$.4330 per Mcf from its previous EGC of \$3.8211 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 (\$.2333) per Mcf. Bluegrass’s total ACA is (\$.6450) per Mcf, which is an increase of \$.3347 per Mcf from its previous total ACA of (\$.9797) per Mcf.

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

5. Bluegrass's notice sets out a current quarter Balance Adjustment ("BA") of (\$.0182) per Mcf. Bluegrass's total BA is \$.0200 per Mcf, which is a decrease of \$.0172 per Mcf from its previous total BA of \$.0372 per Mcf.

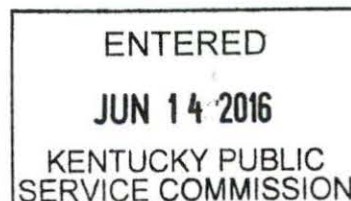
6. Bluegrass's notice sets out a GCR rate of \$3.6290 per Mcf. Bluegrass's GCR rate was miscalculated due to a spreadsheet error. Bluegrass's corrected GCR rate is \$3.6291 per Mcf, which is an increase of \$.7505 per Mcf from its previous GCR rate of \$2.8786 per Mcf.

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, 2016.

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, 2016.
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



ATTEST:


Acting Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00183 DATED **JUN 14 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.

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$10.00		
All Mcf	\$5.1416	\$3.6291	\$ 8.7707

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