

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF BLUEGRASS GAS SALES, INC.)	2016-00309

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 August 24, 2016, Bluegrass filed its proposed Gas Cost Recovery (“GCR”) rate application to be effective October 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 \$4.6723 per Mcf, which is an increase of \$.4182 per Mcf from its previous EGC of \$4.2541 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 (\$.0048) per Mcf. Bluegrass’s total ACA is (\$.5970) per Mcf, which is an increase of \$.0480 per Mcf from its previous total ACA of (\$.6450) 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 (\$.0667) per Mcf. Bluegrass's total BA is (\$.1046) per Mcf, which is a decrease of \$.1246 per Mcf from its previous total BA of \$.0200 per Mcf.

6. Bluegrass's GCR rate is \$3.9707 per Mcf, which is an increase of \$.3416 per Mcf from its previous GCR rate of \$3.6291 per Mcf.

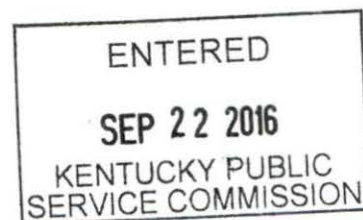
7. The rate as proposed by Bluegrass and set forth in the Appendix to this Order is fair, just, and reasonable and should be approved for service rendered by Bluegrass on and after October 1, 2016.

IT IS THEREFORE ORDERED that:

1. The rate as proposed by Bluegrass and set forth in the Appendix to this Order is approved for service rendered on and after October 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 rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission



ATTEST:


Executive Director *for*

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00309 DATED **SEP 22 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	\$3.9707	\$ 9.1123

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

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