

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS)	CASE NO.
ADJUSTMENT FILING OF BLUEGRASS GAS)	2022-00060
SALES, INC)	

ORDER

On February 24, 2022, Bluegrass Gas Sales, Inc. (Bluegrass) filed its proposed Gas Cost Recovery (GCR) rate report to be effective April 1, 2022. Bluegrass's previous GCR rate was approved in Case No. 2021-00431.¹

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.²

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

¹ Case No. 2021-00431, *Electronic Purchased Gas Adjustment Filing of Bluegrass Gas Sales, Inc.* (Ky. PSC Dec. 16, 2021).

² KRS 278.274(2); KRS 278.274(3)(c), and KRS 278.274(3)(d).

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

2. Bluegrass's report sets out an Expected Gas Cost (EGC) of \$6.7837 per Mcf. Due to a spreadsheet rounding error Bluegrass erroneously set out an incorrect EGC rate. Bluegrass's corrected EGC is \$6.7836 per Mcf, which is a decrease of \$0.1712 per Mcf from its previous EGC of \$6.9548 per Mcf.

3. Bluegrass's report sets out no Refund Adjustment.

4. Bluegrass's report sets out a current quarter Actual Cost Adjustment (ACA) of \$0.5160 per Mcf. Bluegrass's total ACA is \$0.4907 per Mcf, which is an increase of \$0.5778 per Mcf from its previous total ACA of (\$0.0871) per Mcf.

5. Bluegrass's report sets out a current quarter Balance Adjustment (BA) of (\$0.0001) per Mcf. Bluegrass's total BA is \$0.0635 per Mcf, which is a decrease of \$0.0020 per Mcf from its previous total BA of \$0.0655 per Mcf.

6. Bluegrass's corrected GCR rate is \$7.3378 per Mcf, which is an increase of \$0.4046 per Mcf from its previous GCR rate of \$6.9332 per Mcf.

7. The rates set forth in the Appendix to this Order are fair, just and reasonable and are approved for service rendered by Bluegrass on and after April 1, 2022.

8. Should Bluegrass purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports then the supplier, cost, and amount must be documented in its cover letter to the Commission.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Bluegrass are denied.

2. The rates and set forth in the Appendix to this Order are approved for service rendered on and after April 1, 2022.

3. Within 20 days of the date of entry 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.

4. This case is closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman

Commissioner



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00060 DATED MAR 30 2022

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 the 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>
All Mcf	\$5.1416	\$7.3378	\$ 12.4794

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING
for Bluegrass Gas Sales, Inc.

Case No.: 2022-00060
Filing Date: February 24, 2022
Proposed Effective Date: April 1, 2022
Approved Effective Date: April 1, 2022

Wholesale Gas Supplier: Atmos Energy Marketing through Home Office Inc.

Wholesale Cost: Decreased \$0.1712 per Mcf
Retail Rate: Increased \$0.4046 per Mcf

Gas Cost Adjustment Components:

	Rates	Prior
Expected Gas Cost (EGC)	\$ 6.7836	\$ 6.9548
Refund Adjustment (RA)	\$ 0.0000	\$ 0.0000
Actual Cost Adjustment (ACA)	\$ 0.4907	(\$ 0.0871)
Balancing Adjustment (BA)	\$ 0.0635	\$ 0.0655
Gas Cost Recovery (GCR)	\$ 7.3378	\$ 6.9332

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