

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST RECOVERY        )  
FILING OF BLUEGRASS GAS SALES, INC.     ) CASE NO. 94-433-O

O R D E R

On May 31, 1996, in Case No. 94-433, the Commission approved certain rates for Bluegrass Gas Sales, Inc. ("Bluegrass") and provided by tariff for their further adjustment on a quarterly basis in accordance with Bluegrass's approved gas cost adjustment ("GCA") clause.

On December 1, 1999, Bluegrass filed its quarterly GCA filing to be effective January 1, 2000, and to remain in effect until April 1, 2000.

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

1. In its notice of December 1, 1999, Bluegrass proposed revised rates designed to pass on to its customers its expected wholesale decrease in gas costs. Bluegrass's proposed expected gas cost ("EGC") is \$3.6688 per Mcf, a decrease of 5.98 cents per Mcf from its previous EGC.

2. Bluegrass's notice set out no current quarter refund adjustment.

3. Bluegrass's notice set out a current quarter actual adjustment ("AA") of (1) cent per Mcf to return over-recoveries of July, August and September 1999 gas cost to its customers. The total AA of (38.98) cents per Mcf includes the current as well as the

previous quarter AAs, and represents an increase of 1.51 cents per Mcf from the previous quarter total AA.

4. Bluegrass's notice set out a proposed balance adjustment ("BA") of (.06) cents per Mcf to reconcile an over-recovery from expired AAs. The total BA of 5.30 cents per Mcf is 1.48 cents per Mcf more than the previous quarter total BA.

5. Bluegrass's GCR is \$3.3320 per Mcf, 2.99 cents per Mcf less than the previously authorized rate of \$3.3619.

6. Bluegrass's adjustment in rates contained in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved for service rendered on and after January 1, 2000.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are effective for service rendered on and after January 1, 2000.

2. Within 30 days of the date of this Order, Bluegrass shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this

By the Commission

ATTEST:

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Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 94-433-O DATED DECEMBER 15, 1999

The following rates and charges are prescribed for the customers 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 this Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf (Minimum Bill)	\$4.6137	\$3.3320	\$7.9457

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING

Case No. 94-433-O

Filing Date December 1, 1999

Utility Bluegrass Gas Sales, Inc.

Proposed Effective Date January 1, 2000

Wholesale Gas Supplier Sirius Energy Management

Wholesale Cost Change 5.98 cents per Mcf Decrease

Total filing reflects a decrease in retail rates due to changes in the expected gas cost and actual adjustments.

Retail Rate Change 2.99 cents/Mcf Decrease  
(Net effect of all adjustments)

Gas Cost Adjustment Components:

EGC	\$3.6688
RA	
AA	(.3898)
BA	<u>.0530</u>
GCR Rate	\$3.3320

Prepared By: Dawn McGee

Date: December 2, 1999