

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-S

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 November 30, 2000, Bluegrass filed its quarterly GCA filing to be effective January 1, 2001, and to remain in effect until March 31, 2001.

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

1. In its notice of November 30, 2000, Bluegrass proposed revised rates designed to pass on to its customers its expected wholesale increase in gas costs. Bluegrass's proposed expected gas cost ("EGC") is \$6.5446 per Mcf, an increase of 92.42 cents per Mcf from its previous EGC of \$5.6204.

2. Bluegrass's notice of November 30, 2000 set out no current quarter refund adjustment.

3. Bluegrass's notice of November 30, 2000 set out a current quarter actual adjustment ("AA") of 2.35 cents per Mcf to collect under-recoveries of July, August and September 2000 gas cost to its customers. Bluegrass's proposed total AA of 36.84

cents per Mcf includes the current, as well as the previous quarter AAs, and represents an increase of 3.35 cents per Mcf from the previous quarter total AA.

4. Bluegrass's notice of November 30, 2000 set out a proposed balance adjustment ("BA") of (.84) cent per Mcf to reconcile an over-recovery from expired AAs. The total BA of 3.40 cents per Mcf is .78 cent per Mcf less than the previous quarter total BA.

5. Bluegrass's GCR is \$6.9470 per Mcf, 94.99 cents per Mcf more than the previously authorized rate of \$5.9971.

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, 2001.

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, 2001.

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 20th day of December, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-433-S DATED DECEMBER 20, 2000

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	\$6.5446	\$11.1583