

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-T

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 January 5, 2001, Bluegrass filed an interim GCA to be effective January 25, 2001 in order to reflect an increase in supplier costs. Bluegrass also requested a waiver of the 30-day notice requirement.

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

1. In its notice of January 5, 2001, 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 \$8.0893 per Mcf, an increase of \$1.5447 per Mcf from its previous EGC of \$6.5446.

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

3. Bluegrass's notice set out no current quarter actual adjustment ("AA"). Bluegrass's proposed total AA of 36.84 cents per Mcf represents previous quarter AAs, and represents no increase from the previous quarter total AA.

4. Bluegrass's notice set out no proposed balance adjustment ("BA"). The total BA of 3.40 cents per Mcf represents no change from the previous quarter total BA.

5. Bluegrass's gas cost recovery is \$8.4917 per Mcf, \$1.5447 per Mcf more than the previously authorized rate of \$6.9470.

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 February 4, 2001. Bluegrass requested a waiver of the 30-day notice requirement, requesting an effective date of January 25, 2001. KRS 278.180(1) allows the Commission to shorten the notice period based upon a showing of good cause; however, Bluegrass's notice did not provide a reason for its request.

IT IS THEREFORE ORDERED that:

1. Bluegrass's motion to shorten the 30-day notice period is denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are effective for service rendered on and after February 4, 2001.
3. 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 2nd day of February, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-433-T DATED FEBRUARY 2, 2001

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	\$8.4917	\$13.1054