#### COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

## <u>ORDER</u>

On May 31, 1996, in Case No. 94-433, 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 gas cost adjustment ("GCA") clause.

On December 3, 2001, Bluegrass filed its GCA to be effective January 1, 2002. As this filing results in a rate decrease, the 30-day notice requirement set out in KRS 278.180(1) is not controlling since KRS 278.180(2) permits a rate decrease to be implemented within a lesser period of time.

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 decrease in wholesale gas costs. Bluegrass's expected gas cost ("EGC") is \$4.5026 per Mcf, 33.09 cents per Mcf less than its previous EGC of \$4.8335.
  - 2. Bluegrass's notice sets out no current quarter refund adjustment.
- 3. Bluegrass's notice sets out a current quarter actual adjustment ("AA") of (5.28) cents per Mcf. Bluegrass's notice includes a total AA of \$1.1145 per Mcf which is a decrease of 7.63 cents per Mcf from the previous total AA.

4. Bluegrass's notice sets out a current quarter balance adjustment ("BA") of

(2.99) cents per Mcf. The total BA of (5.09) cents per Mcf represents a decrease of

2.15 cents per Mcf from the previous total BA.

5. Bluegrass's GCA is \$5.5662 per Mcf, which is 42.87 cents per Mcf less

than the previous rate of \$5.9949.

6. The rates in the Appendix to this Order are fair, just, and reasonable, in

the public interest, and should be approved for service rendered by Bluegrass on and

after January 1, 2002.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are

approved for service rendered on and after January 1, 2002.

2. Within 20 days of the date of this Order, Bluegrass shall file with this

Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 17<sup>th</sup> day of December, 2001.

By the Commission

ATTEST:

Executive Director

### APPENDIX

# APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-433-X DATED DECEMBER, 17, 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.

		Gas Cost Recovery	
	Base Rate	<u>Rate</u>	<u>Total</u>
All Mcf (Minimum Bill)	\$4.6137	\$5.5662	\$10.1799