

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST RECOVERY)	CASE NO.
FILING OF SIGMA GAS CORPORATION)	2002-00187

O R D E R

On October 27, 1998, in Case No. 1998-00244, the Commission approved rates for Sigma Gas Corporation ("Sigma") and provided for their further adjustment on a quarterly basis in accordance with Sigma's gas cost adjustment ("GCA") clause.

On June 3, 2002, Sigma filed its proposed GCA to be effective July 1, 2002. On June 5, 2002, Sigma revised its filing to reflect an updated gas cost from one of its suppliers. Sigma requests a waiver of the 30-day notice period in order to have rates effective July 1, 2002. Sigma gave 29 days notice to the Commission of its change in rates. As KRS 278.180(2) permits the Commission to shorten the required notice period for good cause, the Commission finds the utility's request should be granted.

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

1. Sigma's notice includes revised rates designed to pass on to its customers its expected increase in wholesale gas costs. Sigma's Expected Gas Cost (EGC) is \$5.7668 per Mcf, \$1.3456 per Mcf more than the prior EGC of \$4.4212.
2. Sigma's notice sets out no current refund adjustment.

3. Sigma's notice sets out a current quarter actual adjustment ("AA") of (42.12) cents per Mcf. Sigma's notice includes a total AA of (90.53) cents per Mcf, which is a decrease of 32.89 cents per Mcf from the previous total AA.

4. Sigma's notice sets out a current quarter balance adjustment ("BA") of (3.2) cents per Mcf. The total BA of (1.61) cent per Mcf represents a decrease of 1.4 cent per Mcf from the previous total BA.

5. Sigma's gas cost recovery rate is \$4.8454 per Mcf, which is \$1.0027 more than the previous rate of \$3.8427 per Mcf.

6. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for bills rendered by Sigma on and after July 1, 2002.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for bills rendered on and after July 1, 2002.

2. Within 20 days of the date of this Order, Sigma shall file with this Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 28th day of June, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00187 DATED JUNE 28, 2002

The following rates and charges are prescribed for the customers in the area served by Sigma Gas Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

	<u>Base Rate</u>	<u>Gas Cost Recovery</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$6.25	\$4.8454	\$11.0954
All Over 1st Mcf	\$4.5522	\$4.8454	\$ 9.3976