

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF GAS COST	)	
RECOVERY FILING OF	)	CASE NO. 2003-00187
BLUEGRASS GAS SALES, INC.	)	

O R D E R

On May 31, 1996, in Case No. 1994-00433, 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 June 3, 2003, Bluegrass filed its proposed GCA to be effective July 1, 2003. Bluegrass requests a waiver of the 30-day notice period because it could not file the report by June 1, 2003. As KRS 278.180 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. Bluegrass's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Bluegrass's expected gas cost ("EGC") is \$7.8084 per Mcf, 1.67 cents per Mcf more than its previous EGC of \$7.7917.
3. Bluegrass's notice sets out no current quarter refund adjustment.

4. Bluegrass's notice sets out a current quarter actual adjustment ( AA ) of \$1.1723 per Mcf. Bluegrass s notice includes a total AA of \$1.4472 per Mcf, which is an increase of \$1.4162 per Mcf from the previous total AA.

5. Bluegrass's notice sets out a current quarter balance adjustment ( BA ) of 6.31 cents per Mcf. The total BA of 41.75 cents per Mcf represents a decrease of 9.75 cents per Mcf from the previous total BA.

6. Bluegrass's GCA is \$9.6731 per Mcf, which is \$1.3354 per Mcf more than the previous rate of \$8.3377.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Bluegrass on and after July 1, 2003.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after July 1, 2003.

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 24<sup>th</sup> day of June, 2003.

By the Commission

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2003-00187 DATED June 24, 2003

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	\$9.6731	\$14.2868