

The logo for Bluegrass Gas Sales features a stylized cross or plus sign on the left, with the company name in a dark rectangular box to its right.

**BLUEGRASS GAS SALES**

November 19, 2025

Mr. Kent Chandler, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, Kentucky 40602-0615

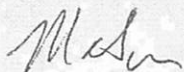
RE: Gas Cost Adjustment request

Dear Mr. Chandler:

Enclosed is the Quarterly Report of Gas Cost Recovery Rate Calculation for the quarter ended September 30, 2025 for Bluegrass Gas Sales, Inc. referenced above. Please find the complete report that is enclosed with this letter.

Please call me if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark H. O'Brien".

Mark H. O'Brien

Enclosure



**BLUEGRASS GAS SALES, INC.**

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**Case Number 2025-00378**

**QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION**

**DATE FILED:** **November 19, 2025**

**DATE RATES TO BE EFFECTIVE:** **January 1, 2026**

**REPORTING PERIOD IS CALENDAR QUARTER ENDED:** **September 30, 2025**

**Submitted By:** Mark H. O'Brien, President  
BlueGrass Gas Sales, Inc.  
P.O. Box 23539  
Anchorage, KY 40223  
(502)228-9698  
(502)228-7016 fax



# SCHEDULE I

## GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$5.9982
+ Refund Adjustment (RA)	\$/Mcf	\$0.0000
+ Actual Adjustment (AA)	\$/Mcf	\$0.6060
+ Balance Adjustment (BA)	\$/Mcf	(\$0.0372)
= Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>\$6.5670</u>

GCR to be effective for service rendered from January 1, 2026 to March 31, 2026.

### A. Expected Gas Cost Calculation

Total Expected Gas Cost (from Schedule II)	\$	\$397,451
/ Sales for 12 months ended September 30, 2026	Mcf	<u>66,262</u>
= Expected Gas Cost (EGC)	\$/Mcf	<u>\$5.9982</u>

### B. Refund Adjustment Calculation

Supplier Refund Adjustment for reporting period (from Schedule III)	\$/Mcf	\$0.0000
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
= Refund Adjustment (RA)	\$/Mcf	<u>\$0.0000</u>

### C. Actual Adjustment Calculation

Actual Adjustment for reporting period (from Schedule IV)	\$/Mcf	\$ (0.0247)
+ Previous Quarter Actual Adjustment	\$/Mcf	(0.0401)
+ Second Previous Quarter Actual Adjustment	\$/Mcf	0.4126
+ Third Previous Quarter Actual Adjustment	\$/Mcf	0.2582
= Actual Adjustment (AA)	\$/Mcf	<u>\$0.6060</u>

### D. Balance Adjustment Calculation

Balance Adjustment for the Reporting Period (from Schedule V)	\$/Mcf	\$ 0.0480
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0591)
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0267)
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	0.0006
= Balance Adjustment (BA)	\$/Mcf	<u>(\$0.0372)</u>



# SCHEDULE II

## EXPECTED GAS COST

Projected Purchases for 12 months ended: September 30, 2026

<u>Supplier</u>	<u>Dth</u>	<u>Btu Factor</u>	<u>Mcf</u>	<u>Rate</u>	<u>Cost</u>
Home Office, Inc.	69,864	1.028	67,961	\$5.8482	\$397,451
	0		0		\$0
	0		0		\$0
	0		0		\$0
	0		0		\$0
	0		0		\$0
	0		0		\$0
	0		0		\$0
	0		0		\$0
Totals	<u>69,864</u>		<u>67,961</u>		<u>\$397,451</u>

	<u>Unit</u>	<u>Amount</u>
Projected purchases for 12 months ended September 30, 2026	Mcf	67,961
- Projected sales for 12 months ended September 30, 2026	Mcf	<u>66,262</u>
= Projected line loss for 12 months ended September 30, 2026		<u>1,699</u>
 Total expected cost of purchases	\$	\$397,451
 / Mcf purchases	Mcf	<u>67,961</u>
= Average expected cost per Mcf	\$/Mcf	\$5.8482
 x Allowable Mcf purchases (not to exceed 95% of Mcf sales)	Mcf	<u>67,961</u>
= Total Expected Gas Cost (to Schedule I, part A)	\$	<u>\$397,451</u>



# SCHEDULE III

## SUPPLIER REFUND ADJUSTMENT

For the 3 month period ended: September 30, 2025

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	\$0
+ Interest		<u>\$0</u>
= Refund Adjustment including interest		\$0
/ Sales for 12 months ended September 30, 2025	Mcf	<u>66,262</u>
Supplier Refund Adjustment for the reporting period (to Schedule I, part B)	\$/Mcf	<u><u>\$0.0000</u></u>



# SCHEDULE IV

## ACTUAL ADJUSTMENT

For the 3 month period ended September 30, 2025

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> (July)	<u>Month 2</u> (Aug)	<u>Month 3</u> (Sept)
Total supply volume purchased	Mcf	609	789	923
Total cost of volumes purchased	\$	\$3,078	\$3,988	\$4,706
/ Total sales (may not be less than 95% of supply volumes)	Mcf	594	769	900
= Unit cost of gas	\$/Mcf	5.1806	5.1847	5.2301
- EGC in effect for month	\$/Mcf	\$5.9257	\$5.9257	\$5.9257
= Difference [(over)/under-recovery]	\$/Mcf	(\$0.7451)	(\$0.7410)	(\$0.6956)
x Actual sales during month	Mcf	594	769	900
= Monthly cost difference	\$	(\$443)	(\$570)	(\$626)

Total cost difference (Month 1+2+3) (\$1,639)

/ Sales for 12 months ended September 30, 2025 Mcf 66,262

Actual Adjustment for the reporting period  
(to Schedule I, part C) \$/Mcf (\$0.0247)



# SCHEDULE V

## BALANCE ADJUSTMENT

For the 3 month period ended: September 30, 2025

Particulars	Unit	Amount
(1) Total cost difference used to compute AA of the GCR effective 4 quarters prior to the effective date of the currently effective GCR	\$	(\$1,351)
Less: Dollar amount resulting from the AA of (0.0224) \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of 66,262 Mcf during the 12 month period the AA was in effect	\$	(\$1,484)
Equals: Balance Adjustment of the AA	\$	\$133
(2) Total supplier refund adjustment including interest used to compute RA of the GCR effective 4 quarters prior to the effective date of the currently effective GCR	\$	\$0
Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12 month period the RA was in effect	\$	\$0
Equals: Balance Adjustment of the RA	\$	\$0
(3) Total balance adjustment used to compute BA of the GCR effective 4 quarters prior to the effective date of the currently effective GCR	\$	\$1,448
Less: Dollar amount resulting from the BA of (0.0241) \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of 66,262 Mcf during the 12 month period the BA was in effect	\$	(\$1,597)
Equals: Balance Adjustment of the BA	\$	\$3,045
		\$0
Total Balance Adjustment Amount (1) + (2) + (3)	\$	\$3,178
Divide: Sales for 12 months ended September 30, 2025	Mcf	66,262
Equals: Balance Adjustment for the reporting period (to Schedule I, part D)	\$/Mcf	\$0.0480