

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS)	CASE NO.
ADJUSTMENT FILING OF BLUEGRASS GAS)	2021-00330
SALES, INC.)	

ORDER

On August 25, 2021, Bluegrass Gas Sales, Inc. (Bluegrass) filed its proposed Gas Cost Recovery (GCR) rate report to be effective October 1, 2021. Bluegrass's previous GCR rate was approved in Case No. 2021-00220.¹

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.²

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

¹ Case No. 2021-00220, *Electronic Purchased Gas Adjustment Filing of Bluegrass Gas Sales, Inc.* (Ky. PSC May 28, 2021).

² KRS 278.274(2); KRS 278.274(3)(c), and KRS 278.274(3)(d).

1. Bluegrass's report includes revised rates designed to pass on to its customers its expected change in gas costs.

2. Bluegrass's report sets out an Expected Gas Cost (EGC) of \$5.7782 per Mcf. Due to a spreadsheet rounding error, Bluegrass erroneously set out an incorrect EGC. Bluegrass's corrected EGC is \$5.7783, which is an increase of \$1.0405 per Mcf from its previous EGC of \$4.7378 per Mcf.

3. Bluegrass's report sets out no Refund Adjustment.

4. Bluegrass's report sets out a current quarter Actual Cost Adjustment (ACA) of (\$0.0376) per Mcf. Bluegrass's total ACA is (\$0.0433) per Mcf, which is an increase of \$0.0657 per Mcf from its previous total ACA of (\$0.1090) per Mcf.

5. Bluegrass's report sets out a current quarter Balance Adjustment (BA) of \$0.0523 per Mcf. Bluegrass's total BA is \$0.0573 per Mcf, which is an increase of \$0.0570 per Mcf from its previous total BA of \$0.0003 per Mcf.

6. Bluegrass's corrected GCR rate is \$5.7923 per Mcf, which is an increase of \$1.1632 per Mcf from its previous GCR rate \$4.6291 per Mcf.

7. The rates set forth in the Appendix to this Order are fair, just and reasonable and should be approved for service rendered by Bluegrass on and after October 1, 2021.

8. Should Bluegrass purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports then the supplier, cost, and amount must be documented in its cover letter to the Commission.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Bluegrass are denied.

2. The rates set forth in the Appendix to this Order are approved for service rendered on and after October 1, 2021.

3. Within 20 days of the date of entry of this Order, Bluegrass shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

4. This case is closed and removed from the Commission's docket.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

By the Commission

ENTERED
SEP 22 2021 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2021-00330

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00330 DATED SEP 22 2021

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

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
All Mcf	\$5.1416	\$5.7923	\$ 10.9339

*Bluegrass Gas Sales, Inc.
3620 Rockland Mills Road
Center City, KY 42214

*Julie Parson
Bluegrass Gas Sales, Inc.
3620 Rockland Mills Road
Center City, KY 42214

*Mark O'Brien
Bluegrass Gas Sales, Inc.
3620 Rockland Mills Road
Center City, KY 42214

*Teresa Florence
Bluegrass Gas Sales, Inc.
3620 Rockland Mills Road
Center City, KY 42214