

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF BLUEGRASS GAS SALES, INC.)	2023-00290

ORDER

On August 31, 2023, Bluegrass Gas Sales, Inc. (Bluegrass) filed its proposed Gas Cost Recovery (GCR) rate report to be effective October 1, 2023. Bluegrass's previous GCR rate was approved in Case No. 2023-00189.¹

LEGAL STANDARD

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

¹ Case No. 2023-00189, *Electronic Purchased Gas Adjustment Filing of Bluegrass Gas Sales, Inc.* (Ky. PSC June 30, 2023).

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

DISCUSSION

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that Bluegrass's report includes revised rates designed to pass on to its customers an expected change in gas costs. Bluegrass's report sets out an Expected Gas Cost (EGC) of \$4.8459 per Mcf. Due to a spreadsheet rounding error, Bluegrass erroneously set out an incorrect EGC rate. Bluegrass's corrected EGC rate is \$4.8460 per Mcf, which is an increase of \$0.2696 per Mcf from its previous EGC of \$4.5764 per Mcf. Bluegrass's report sets out no Refund Adjustment. Bluegrass's report sets out a current quarter Actual Cost Adjustment (ACA) of (\$0.1107) per Mcf. Bluegrass's total ACA is (\$1.8935) per Mcf, which is a decrease of \$0.2025 per Mcf from its previous total ACA of (\$1.6910) per Mcf. Bluegrass's report sets out a current quarter Balance Adjustment (BA) of (\$0.0221) per Mcf. Bluegrass's total BA is \$0.0072 per Mcf, which is a decrease of \$0.0258 per Mcf from its previous total BA of \$0.0330 per Mcf.

Based on the calculations above, the Commission finds that Bluegrass's corrected GCR rate is \$2.9597 per Mcf, which is an increase of \$0.0413 per Mcf from its previous GCR rate of \$2.9184 per Mcf. The Commission further finds that the rates set forth in the Appendix to this Order are fair, just and reasonable and are approved for service rendered by Bluegrass on and after October 1, 2023.


For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Bluegrass should submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports. 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, 2023.
3. Bluegrass shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports.
4. Within 20 days of the date of service 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.
5. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ENTERED
SEP 22 2023 bsb
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00290 DATED SEP 22 2023

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	\$6.5622	\$2.9597	\$ 9.5219

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