

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT     )  
FILING OF PUBLIC GAS COMPANY    )     CASE NO. 2012-00277

ORDER

On October 10, 1986, in Case No. 9565,<sup>1</sup> the Commission approved rates for Public Gas Company ("Public") and provided for their further adjustment in accordance with Public's Gas Cost Adjustment ("GCA") clause. On March 9, 2012, in Case No. 2012-00029,<sup>2</sup> the Commission entered an Order approving the transfer of Public's stock to Gas Natural, Inc.

On June 28, 2012, Public filed its proposed GCA to be effective August 1, 2012.

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

1. Public's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Public's proposed Expected Gas Cost ("EGC") is \$4.6506 per Mcf, which is a decrease of \$.0053 per Mcf from the previous EGC of \$4.6559 per Mcf.
3. Public's notice sets out no current quarter Refund Adjustment.

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<sup>1</sup> Case No. 9565, Notice of Public Gas Company, Inc. of General Rate Adjustment Effective May 12, 1986 (Ky. PSC Oct. 10, 1986).

<sup>2</sup> Case No. 2012-00029, Joint Application of Gas Natural, Inc. and Kentucky Energy Development, LLC for an Order Approving a Transfer and Acquisition of Ownership and Control of Public Gas Company, Inc. (Ky. PSC Mar. 9, 2012).

4. Public's notice sets out a current quarter Actual Adjustment ("AA") of \$.0970 per Mcf. Public did not use the \$5.5780 EGC in effect for month for February, March, and April 2012. Correcting this produces a current quarter AA of (\$.3422). Public's total AA is (\$.8019) per Mcf, which is a decrease of \$.3539 per Mcf from the previous total AA of (\$.4480) per Mcf.

5. Public's GCA is \$3.8487 per Mcf, which is a decrease of \$.3592 per Mcf from the previous GCA of \$4.2079 per Mcf.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by Public on and after August 1, 2012.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Public is denied.
2. The rate in the Appendix attached hereto and incorporated herein is approved for service rendered on and after August 1, 2012.
3. Within 20 days of the date of this Order, Public shall file its revised tariffs with this Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED *P*  
JUL 23 2012  
KENTUCKY PUBLIC  
SERVICE COMMISSION

Commissioner Breathitt is abstaining from this proceeding.

ATTEST:

  
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Executive Director

Case No. 2012-00277

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2012-00277 DATED JUL 23 2012

The following rates and charges are prescribed for the customers served by Public Gas Company. 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.

Rates:

	<u>Base Rate</u>	<u>Gas Cost</u>	<u>Rate per Mcf</u>
Minimum Bill - First Mcf	\$3.2705	\$3.8487	\$7.1192
Over 1 Mcf	\$2.1505	\$3.8487	\$5.9992

Jonathan A Harrington  
Controller  
Public Gas Company  
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