

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT     )  
FILING OF PUBLIC GAS COMPANY    )     CASE NO. 2012-00447

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 October 1, 2012, Public filed its proposed GCA to be effective November 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 \$5.5600 per Mcf, which is an increase of \$.9094 per Mcf from the previous EGC of \$4.6506 per Mcf.

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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).

3. Public's notice sets out no current quarter Refund Adjustment.

4. Public's notice sets out a current quarter Actual Adjustment ("AA") of \$.2093 per Mcf. Public did make the required adjustment to its Total Sales to exclude volumes less than 95 percent of supply volumes in calculating its Unit Cost of Gas. Correcting this produces a current quarter AA of (\$.0185) per Mcf. Public's total AA is (\$.8212) per Mcf, which is a decrease of \$.0193 per Mcf from the previous total AA of (\$.8019) per Mcf.

5. Public's GCA is \$4.7388 per Mcf, which is an increase of \$.8901 per Mcf from the previous GCA of \$3.8487 per Mcf.

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

Commissioner Breathitt is abstaining from this proceeding.

ENTERED   
OCT 22 2012  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
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Executive Director

Case No. 2012-00447

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2012-00447 DATED OCT 22 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	\$4.7388	\$8.0093
Over 1 Mcf	\$2.1505	\$4.7388	\$6.8893

Jonathan A Harrington  
Controller  
Public Gas Company  
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