

September 23, 2013

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, KY 40602

RECEIVED

SEP 25 2013

PUBLIC SERVICE
COMMISSION

RE: Equitable Gas Company, LLC
Case No.
GCR Filing Proposed to Become
Effective November 1, 2013

Dear Mr. Derouen:

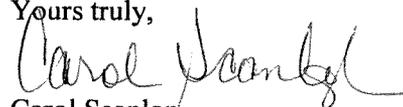
Enclosed are an original and ten copies of Equitable Gas Company, LLC's (Equitable) Gas Cost Recovery (GCR) filing for the calendar quarter ended July 31, 2013, for rates proposed to become effective November 1, 2013. Also included are an original and ten copies of One Hundred Forty-Fourth Revised Sheet No. 2 and One Hundred Thirty-Sixth Revised Sheet No. 5, to Equitable's PSC Kentucky No. 1 Tariff, which are being filed pursuant to the Purchased Gas Adjustment Provision of that Tariff.

This filing proposes a GCR rate of \$6.3594 per Mcf of sales, an increase of \$1.6148 per Mcf from the current PGA, which was approved in Case No. 2013-00236 effective August 1, 2013.

For the purpose of forecasting its Expected Gas Cost (EGC), Equitable is assuming purchases based on the Appalachian Index price of gas for Columbia Transmission. This price is developed by averaging the estimated cost of gas over 3 months beginning November 2013.

Schedule 1 of the filing is a summary of the proposed PGA rate components. Schedule 2 is a summary of the expected gas costs based on purchases for the 12 months ended July 2013. Schedule 3 is a listing by month of Equitable's sales to its customer's for the 12 months ended July 2013. Schedules 4 and 5 are summaries of ACA components, which are presently unreconciled.

Yours truly,



Carol Scanlon
Manager, Rates

CS/jcm
Enclosures

EQUITABLE GAS COMPANY, LLC
225 NORTH SHORE DRIVE
PITTSBURGH, PA 15212-5861

ONE HUNDRED FORTY-FOURTH REVISED SHEET NO. 2
CANCELING
ONE HUNDRED FORTY-THIRD REVISED SHEET NO. 2
P.S.C.K.Y. NO. 1

RATE

Customer: Various

Expiration: See "Special Conditions"

Point of Delivery:

At connection along Kentucky West Virginia Gas Company's well connection and gathering system in Eastern Kentucky included in Equitable Gas Company's service area.

Rate:

Customer Service Charge: \$7.50

All Mcf	<u>Base Rate</u>	+	<u>Gas Cost Recovery Rate*</u>	=	<u>Total Rate</u>	(I)
	\$2.1322		\$6.3594 per MCF		\$8.4916	

The minimum monthly bill shall be \$7.50.

*The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 4 and 5 of this tariff.

The following adjustment shall be made to the above rates:

- (1) Customer bills may also include gross receipts license taxes as authorized under the Kentucky Education Reform Act of 1990.

Gas delivered pursuant to this tariff is from pipelines owned and operated by Equitable Gas Company's supplier and all gas sold hereunder is made available by said supplier. Equitable shall have the right to abandon gas service to any customer served from any line which is no longer operated by its supplier for any reason whatsoever. All gas sold and delivered under this Tariff shall be delivered at the varying pressures of Equitable's supplier's pipeline, and it shall be the responsibility of the customer to supply, maintain, and operate the necessary regulator and related equipment for the customer's use.

(I) Indicates Increase.

ISSUED: September 23, 2013
EFFECTIVE: November 1, 2013

WILLIAM R. LUCAS
PRESIDENT

Issued By: _____
Carol A. Scanlon
Manager, Rates

PURCHASED GAS ADJUSTMENT CLAUSE
(Continued)

Definitions

For purposes of this tariff:

- a. "Average Expected Cost" is the cost of purchased gas which results from the application of supplier rates currently in effect, or reasonably expected to be in effect during the calendar quarter, on purchased gas volumes during the twelve-month period ending with the reporting period to which the GCR will apply, divided by the corresponding sales volume. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments to its calculations. Any adjustments of this type shall be described in the quarterly Gas Cost Recovery Report.
- b. "GCR" means the quarterly updated gas cost recovery rate and is the sum of the expected gas cost component plus the supplier refund adjustment plus the actual cost adjustment plus the balancing adjustment; i.e., $GCR = EGC + RA + ACA + BA$.
- c. "Calendar Quarters" means each of the four three-month periods of (1) February, March, and April; (2) May, June, and July; (3) August, September, and October; (4) November, December, and January.
- d. "Reporting Period" means the three-month accounting period that ended approximately sixty (60) days prior to the filing date of the updated gas cost recovery rates; i.e., the calendar quarters ended April 30, July 31, October 31, and January 31 of each year.

Gas Cost Recovery Rate (GCR):

Expected Gas Supply Cost (EGC)	6.1770	(I)
Refund Adjustment (RA)	0.0000	
Actual Cost Adjustment (ACA)	0.3318	(I)
Balance Adjustment (BA)	<u>(0.1494)</u>	(I)
Total Gas Cost Recovery Rate per Mcf	6.3594	(I)

(I) Indicates Increase.

ISSUED: September 23, 2013
EFFECTIVE: November 1, 2013

WILLIAM R. LUCAS
PRESIDENT

Issued By: _____
Carol A. Scanlon
Manager, Rates

Equitable Gas Company, LLC
Kentucky Division

Summary of Proposed Tariff Rates

	<u>Current Tariff Rate</u>	<u>Current GCR Rate</u>	<u>Proposed GCR Rate</u>	<u>Difference</u>	<u>Proposed Tariff Rate</u>
	(1)	(2)	(3)	(4)	(5)
	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf
	(a)	(b)		(3) - (2)	(1) + (4)
All MCF	6.8768	4.7446	6.3594	1.6148	8.4916

- (a) Non-Gas Rate approved by the Commission at Case No. 2003-00411.
(b) Rate approved by the Commission at Case No. 2013-00236.

Equitable Gas Company, LLC
Kentucky Division

Summary of Gas Cost Recovery Rate
Proposed to Become Effective for the
Period Nov 1, 2013 through Jan 31, 2014

<u>Line No.</u>	<u>Units</u> (1)	<u>Amount</u> (2)	
<u>GCR Components</u>			
1	\$/Mcf	6.1770	
2	\$/Mcf	0.0000	
3	\$/Mcf	0.3318	
4	\$/Mcf	<u>(0.1494)</u>	
5	\$/Mcf	<u>6.3594</u>	
			(EGC + RA + ACA + BA)
 <u>Expected Gas Cost Calculation (EGC)</u>			
6	\$	1,344,466	(a)
7	Mcf	<u>217,656</u>	(b)
8	\$/Mcf	<u>6.1770</u>	
			(Line 6 ÷ Line 7)
 <u>Supplier Refund Adjustment Summary</u>			
9	\$/Mcf	0.0000	(c)
10	\$/Mcf	0.0000	(d)
11	\$/Mcf	0.0000	(e)
12	\$/Mcf	<u>0.0000</u>	(f)
13	\$/Mcf	<u>0.0000</u>	
 <u>Actual Cost Adjustment Summary</u>			
14	\$/Mcf	0.8651	(g)
15	\$/Mcf	(0.0654)	(d)
16	\$/Mcf	(0.4421)	(e)
17	\$/Mcf	(0.0258)	(f)
18	\$/Mcf	<u>0.3318</u>	
 <u>Balance Adjustment Summary</u>			
19	\$/Mcf	(0.0036)	(h)
20	\$/Mcf	(0.0177)	(d)
21	\$/Mcf	(0.0640)	(e)
22	\$/Mcf	(0.0641)	(f)
23	\$/Mcf	<u>(0.1494)</u>	

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during May 2013 through July 2013.

(d) As approved in Case No. 2013-00236.

(e) As approved in Case No. 2013-00111.

(f) As approved in Case No. 2012-00584.

(g) See Schedule 4.

(h) See Schedule 5.

Equitable Gas Company, LLC
Kentucky Division

Calculation of Expected Gas Cost Based on Purchases
for the Twelve Months Ended July 2013 At Supplier
Costs Estimated to Become Effective November 1, 2013

	<u>Purchases</u> (1) Mcf	<u>Purchases</u> (2) Dth	<u>Average Rate</u> (3) \$/Dth (a)	<u>Annual Cost</u> (4) \$ (2) x (3)
<u>PURCHASES</u>				
1 August 2012	3,376	4,149	5.0311	20,874
2 September	6,150	3,865	5.0311	19,445
3 October	18,164	9,896	5.0311	49,788
4 November	25,713	22,531	5.0311	113,356
5 December	29,177	32,580	5.0311	163,913
6 January 2013	38,509	49,564	5.0311	249,361
7 February	33,638	45,919	5.0311	231,023
8 March	33,850	44,739	5.0311	225,086
9 April	13,922	29,711	5.0311	149,479
10 May	8,095	13,116	5.0311	65,988
11 June	3,484	6,477	5.0311	32,586
12 July	3,578	4,684	5.0311	23,566
13 Total	<u>217,656</u>	<u>267,231</u>	<u>-</u>	<u>1,344,466</u>

- (a) Estimated average rate based on average Nymex prices plus TCO basis for a 3 month period, plus \$0.72065/Dth VTS Rate from Kentucky West Virginia Gas Company, and adjusted for 11% retainage.

Equitable Gas Company, LLC
Kentucky Division

Summary of Sales

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Sales</u> (1) Mcf
1	August 2012	3,376
2	September	6,150
3	October	18,164
4	November	25,713
5	December	29,177
6	January 2013	38,509
7	February	33,638
8	March	33,850
9	April	13,922
10	May	8,095
11	June	3,484
12	July	3,578
13	Total	<u>217,656</u>

Equitable Gas Company, LLC
Kentucky Division

Calculation of Actual Cost Adjustment for the Period
May 2013 through July 2013

<u>Description</u>	<u>Unit</u> (1)	<u>May</u> (2)	<u>June</u> (3)	<u>July</u> (4)	<u>Total</u> (5)
1 Supply Volume Per Invoice	Dth	13,519	4,780	35,394	53,693
2 Supply Cost Per Books	\$	73,449	25,970	175,799	275,218
3 Sales Volume (c)	Mcf	(1,047) 9,142	3,484	3,578	15,157
4 EGC Rate in Effect (a), (c)	\$/Mcf	5.6906			
EGC Rate in Effect (b), (c)		5.7321	5.7321	5.7321	
5 EGC Revenue (Line 3 x Line 4)	\$	46,447	19,969	20,509	86,925
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	(27,002)	(6,001)	(155,290)	(188,293)
7 Total Current Quarter Actual Cost to be included in rates					(188,293)
8 Sales for the 12 Months Ended July 2013					217,656
9 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					0.8651

(a) Approved in Case No. 2012-00584.

(b) Approved in Case No. 2013-00111.

(c) May pro-rated for rate change.

Equitable Gas Company, LLC
Kentucky Division

Calculation of Balancing Adjustment for
Over/(Under) Recoveries of Gas Cost Incurred
During the Twelve Month Period Beginning August 2012

	<u>Sales</u>	<u>ACA</u> <u>Rate</u>	<u>ACA</u> <u>Recovery</u>	<u>Over/(Under)</u> <u>Collection</u> <u>Balance</u>
	(1)	(2)	(3)	(4)
	Mcf	\$/Mcf	\$ (1) x (2)	\$
Balance Approved by the Commission in Case No. 2012-00259.				(5,903)
<u>Actual</u>				
August 2012	3,477	0.0307	107	(5,796)
September	6,150	0.0307	189	(5,607)
October	14,753	0.0307	453	(5,154)
November	29,124	0.0307	894	(4,260)
December	29,177	0.0307	896	(3,364)
January 2013	35,708	0.0307	1,096	(2,268)
February	36,439	0.0307	1,119	(1,149)
March	33,850	0.0307	1,039	(110)
April	12,875	0.0307	395	285
May	9,142	0.0307	281	566
June	3,484	0.0307	107	673
July	3,387	0.0307	104	777
 Total	 <u>217,566</u>		 <u>6,679</u>	
 Estimated Annual Sales				 217,656 Mcf
Balancing Adjustment (\$777 ÷ 217,656 Mcf)				(\$0.0036) /Mcf