COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT) CASE NO. FILING OF PUBLIC GAS COMPANY) 2014-00346

ORDER

On March 27, 2013, in Case No. 2012-00431,¹ 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. 2012-00029,² the Commission entered an Order approving the transfer of Public's stock to Gas Natural, Inc.

On September 29, 2014, Public filed its proposed Gas Cost Recovery ("GCR") rate application to be effective November 1, 2014. Public filed revisions to its application on October 6, 2014.

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

 Public's revised notice includes a revised rate designed to pass on to its customers its expected change in wholesale gas costs.

¹ Case No. 2012-00431, Application of Public Gas Company for Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076 (Ky. PSC Mar. 27, 2013).

² 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).

2. Public's revised notice sets out an Expected Gas Cost ("EGC") of \$5.6624 per Mcf, which is a decrease of \$.2931 per Mcf from the previous EGC of \$5.9555 per Mcf.

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

4. Public's revised notice sets out a current quarter Actual Cost Adjustment ("ACA") of \$.0394 per Mcf. Public's total ACA is \$.2842 per Mcf, which is an increase of \$.0948 per Mcf from the previous total ACA of \$.1894 per Mcf.

5. Public's GCR is \$5.9466 per Mcf, which is a decrease of \$.1983 per Mcf from the previous GCR of \$6.1449 per Mcf.

6. The rate in the Appendix to this Order is fair, just, and reasonable and should be approved for service rendered by Public on and after November 1, 2014.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix attached hereto and incorporated herein is approved for service rendered on and after November 1, 2014.

2. Within 20 days of the date of this Order, Public shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED

OCT 1 6 2014

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2014-00346 DATED OCT 1 6 2014

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.

	Base Rate	Gas Cost Recovery Rate	<u>Total</u>
Customer Charge All Mcf	\$10.00 \$3.0914	\$5.9466	\$ 9.0380

Jessica Gojak Staff Accountant Public Gas Company, Inc. 8500 Station Street, Suite 100 Mentor, OH 44060