

**Public Gas Company  
8470 Station Street  
Mentor, OH 44060  
Tele (440) 701-5100**

**RECEIVED**  
OCT 8 2015  
PUBLIC SERVICE  
COMMISSION

October 1, 2015

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

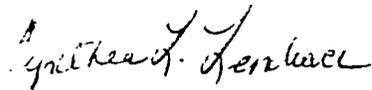
RE: Public Gas Company  
Case No.  
GCR Filing Proposed to Become  
Effective November 1, 2015

Dear Mr. Derouen:

Enclosed are an original and ten copies of Public Gas Company's Cost Recovery (GCR) filing for rates proposed to become effective October 1, 2015. Also included are an original and ten copies of 77th revision sheet No. 1 of Public's PSC Kentucky No. 1 Tariff, which is being filed pursuant to the Purchased Gas Adjustment provision of that Tariff.

This filing proposes a GCR rate of \$3.936 per MCF of sales.

Sincerely,



Cynthia Lembach  
Staff Accountant

Public Gas Company

Quarterly Report of Gas Cost  
Recovery Rate Calculation

RECEIVED  
OCT 8 2015  
PUBLIC SERVICE  
COMMISSION

Date Filed: October 1, 2015

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Date Rates to be Effective: November 1, 2015

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Reporting Period is Calendar Quarter Ended: July 31, 2015

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SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf \$	4.4277
+ Refund Adjustment (RA)	\$/Mcf \$	-
+ Actual Adjustment (AA)	\$/Mcf \$	(0.4917)
+ Balance Adjustment (BA)	\$/Mcf \$	-
= Gas Cost Recovery Rate (GCR)	\$/Mcf \$	3.936

GCR to be effective for service rendered from November 01, 2015 to February 28, 2016

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$ \$	603,132
	÷ Sales for the 12 months ended	Mcf	136,216
	= Expected Gas Cost (EGC)	\$/Mcf \$	4.4277
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	+ Supplier Refund Adjustment for Reporting Period (Schedule III)	\$/Mcf \$	-
	+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	= Refund Adjustment (RA)	\$/Mcf \$	-
C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf \$	(0.0069)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf \$	(0.3990)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf \$	(0.0832)
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf \$	(0.0026)
	= Actual Adjustment (AA)	\$/Mcf \$	(0.4917)
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf \$	-
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf \$	-
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf \$	-
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf \$	-
	= Balance Adjustment (BA)	\$/Mcf \$	-

## SCHEDULE II

## EXPECTED GAS COST

Actual \* MCF Purchases for 12 months ended July 31, 2015

(1) Supplier	(2) Dth	(3) Purchases Mcf	(4) Sales Mcf	(5)** Rate	(6) (3) X (5) Cost
2/28/2014		24,148	24,961	4.5271 \$	109,319.32
3/31/2014		16,128	15,658	4.5271 \$	73,012.34
4/30/2014		12,800	13,851	4.5271 \$	57,946.30
5/31/2014		5,010	4,864	4.5271 \$	22,680.54
6/30/2014		3,304	3,208	4.5271 \$	14,957.39
7/31/2014		9,526	9,249	4.5271 \$	43,124.72
8/31/2014		2,091	2,291	4.5271 \$	9,466.07
9/30/2014		1,956	1,492	4.5271 \$	8,854.92
10/31/2014		4,799	3,430	4.5271 \$	21,725.34
11/30/2014		14,031	11,029	4.5271 \$	63,519.11
12/31/2014		18,977	15,761	4.5271 \$	85,909.92
1/31/2015		25,127	26,807	4.5271 \$	113,751.31
2/28/2015		28,901	26,717	4.5271 \$	130,836.41
3/31/2015		19,239	27,759	4.5271 \$	87,096.01
4/30/2015		9,594	13,297	4.5271 \$	43,432.56
5/31/2015		4,069	4,245	4.5166 \$	18,378.11
6/30/2015		2,434	1,737	4.5166 \$	10,993.44
7/31/2015		2,030	1,651	4.5166 \$	9,168.73
		133,248	136,216	\$	603,131.93

Line loss for 12 months ended July 31, 2015 is -2.2277% based on purchases of  
 133,248 Mcf and sales of 136,216 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$ \$	603,131.93
÷ Mcf Purchases (4)	Mcf	133248.0
= Average Expected Cost Per Mcf Purchased	\$/Mcf \$	4.53
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	133248.0
= Total Expected Gas Cost (to Schedule IA)	\$ \$	603,131.93

\* Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

\*\* Supplier's tariff sheets or notices are attached.

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended July 31, 2015

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	0
+ Interest	\$	0
= Refund Adjustment including interest	\$	0
÷ Sales for 12 months ended	Mcf	136,216
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	0

## SCHEDULE IV

## ACTUAL ADJUSTMENT

For the 3 month period ended July 31, 2015

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>May-15</u>	<u>Month 2</u> <u>Jun-15</u>	<u>Month 3</u> <u>Jul-15</u>
Total Supply Volumes Purchased	Mcf	4,069.0	2,434.0	2,030.0
Total Cost of Volumes Purchased	\$	\$ 17,129.65	\$ 11,098.58	\$ 9,135.00
÷ Total Sales	Mcf	4,245.0	2,312.3	1,928.5
(may not be less than 95% of supply volumes)				
= Unit Cost of Gas	\$/Mcf	\$ 4.0353	\$ 4.7998	\$ 4.7368
- EGC in effect for month	\$/Mcf	\$ 4.4849	\$ 4.4849	\$ 4.4849
= Difference	\$/Mcf	\$ (0.4496)	\$ 0.3149	\$ 0.2519
[(over-)/Under-Recovery]				
x Actual sales during month	Mcf	4,245.0	1,737.0	1,651.0
= Monthly cost difference	\$	\$ (1,908.75)	\$ 546.98	\$ 415.96
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	\$ (945.81)
÷ Sales for 12 months ended			Mcf	136,216.4
= Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	\$ (0.0069)

Public Gas Company  
 Natural Gas Sales Price Calculations - Public Gas Company, Inc.

Estimated sales price for the three months ending April 30, 2015:

Col A	Col B	Col C	Col D (Col B + Col C)	Col E (Btu Factor Per Mcf)	Col F (Col D * Col E)	Col G	Col H (Col F + Col G)
Period	NYMEX Futures Settle Price*	TCO Basis Adjustment	Expected Appalachian Index Per Mmbtu	Mmbtu/Mcf Conversion Factor - Estimated	Expected Appalachian Index Per Mcf	Contract Addition Per Mcf	Total Expected Price per Mcf

Nov-15	\$ 2.730	\$ (0.155)	\$ 2.575	1.118	\$ 2.880	1.500	\$ 4.380
Dec-15	\$ 2.870	\$ (0.159)	\$ 2.711	1.118	\$ 3.032	1.500	\$ 4.532
Jan-16	\$ 2.980	\$ (0.174)	\$ 2.806	1.118	\$ 3.138	1.500	\$ 4.638

\* Settle price as of 09/30/15 09:02:12 CT taken from NYMEX website

Average Cost \$ 4.5166

Nymex Future	\$ 2.73	15-Nov
	\$ 2.87	
	\$ 2.98	
	\$ 2.99	
	\$ 2.95	
	\$ 2.82	
	\$ 2.82	
	\$ 2.85	
	\$ 2.89	
	\$ 2.90	
	\$ 2.90	
	\$ 2.93	

Nymex New York Mercantile Exchange & [www.barchart.com](http://www.barchart.com)

[www.cmegroup.com/trading/energy/natural-gas/tco-appalachia-natural-gas-basis-swap-futures-platts-iferc.html](http://www.cmegroup.com/trading/energy/natural-gas/tco-appalachia-natural-gas-basis-swap-futures-platts-iferc.html)