

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF PUBLIC GAS COMPANY)	2017-00026

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 November 24, 2015, in Case No. 2015-00299,² the Commission entered an Order approving the transfer of Public’s assets to Kentucky Frontier Gas, LLC.

On January 3, 2017, Public filed its proposed Gas Cost Recovery (“GCR”) application for rates to be effective February 1, 2017. On January 10, 2017, Public filed a request for a waiver of the 30-day notice requirement so that its proposed rates could be effective February 1, 2017. In support of its request for a shortened notice period, Public stated that, although its filing was mailed on December 29, 2016, due to the New Year’s holidays on December 30, 2016 and January 2, 2017, it was not received by the Commission until January 3, 2017.

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. 2015-00299, *Joint Application of Kentucky Frontier Gas, LLC and Public Gas Company for Approval of Transfer and Acquisition of Assets and Financing* (Ky. PSC Nov. 24, 2015).

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

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

2. Public's notice sets out an Expected Gas Cost ("EGC") of \$6.5897 per Mcf, which is an increase of \$.7111 per Mcf from the previous EGC of \$5.8786 per Mcf.

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

4. Public's notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$.0346) per Mcf. Public's total ACA is \$.1160 per Mcf, which is a decrease of \$.0436 per Mcf from the previous total ACA of \$.1596 per Mcf.

5. Public's GCR rate is \$6.7057 per Mcf, which is an increase of \$.6675 per Mcf from the previous GCR rate of \$6.0382 per Mcf.

6. KRS 278.180(1) requires Public to provide the Commission with 30 days notice of any change in rates. Based on Public's application's acceptance for filing as of January 3, 2017, the earliest that Public's new rate and tariff can be effective is February 2, 2017, rather than its requested effective date of February 1, 2017.

7. Public's request to shorten its notice to the Commission by one day and to permit its change in rate to go into effect on February 1, 2017, rather than on February 2, 2017, is based on the closure of the Commission's offices on Friday, December 30, 2016, and Monday, January 2, 2017, for the New Year's holidays, as well as the closure of the Commission's offices on Saturday, December 31, 2016, and Sunday, January 1, 2017, is reasonable and should be approved.

8. The rate as proposed by Public and set forth in the Appendix to this Order is fair, just, and reasonable and should be approved for service rendered by Public on and after February 1, 2017.

IT IS THEREFORE ORDERED that:

1. Public's request to shorten its notice to the Commission from 30 days to 29 days for its new rate to be effective for service rendered on and after February 1, 2017, is granted.

2. The rate as proposed by Public and set forth in the Appendix to this Order is approved.

3. 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



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2017-00026 DATED **JAN 20 2017**

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.

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$10.00		
All Ccf	\$.30914	\$.67057	\$.97971

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