COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)CASE NO.FILING OF PEOPLES GAS KY LLC)2015-00083

<u>ORDER</u>

On April 29, 2004, in Case No. 2003-00411,¹ the Commission approved rates for Equitable Gas Company, a division of Equitable Resources, Inc. ("Equitable"), and provided for their further adjustment on a quarterly basis in accordance with Equitable's Purchased Gas Adjustment clause. Equitable is regulated pursuant to KRS 278.485 and 807 KAR 5:026, the statute and regulation governing gathering systems that provide service to retail customers who tap onto such systems. Peoples Gas KY LLC ("Peoples") acquired Equitable on December 17, 2013.

On March 20, 2015, Peoples filed its proposed Gas Cost Recovery ("GCR") rate application to be effective May 1, 2015.

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

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

2. Peoples' Expected Gas Cost ("EGC") is \$4.8065 per Mcf, which is a decrease of \$.6063 per Mcf from its previous EGC of \$5.4128 per Mcf.

¹ Case No. 2003-00411, Application of Equitable Gas Company to Increase Rates Pursuant to KRS 278.485 (Ky. PSC Apr. 29, 2004).

3. Peoples' notice sets out no Refund Adjustment.

4. Peoples' notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$.3421) per Mcf. Peoples' total ACA is \$.0090 per Mcf, which is a decrease of \$.0170 per Mcf from the previous total ACA of \$.0260 per Mcf.

5. Peoples' notice sets out a current quarter Balance Adjustment ("BA") of \$.0189 per Mcf. Peoples' total BA is \$.0505 per Mcf, which is an increase of \$.0143 per Mcf from the previous total BA of \$.0362 per Mcf.

6. Peoples' GCR rate is \$4.8660 per Mcf, which is a decrease of \$.6090 per Mcf from its previous rate of \$5.4750 per Mcf.

7. The rate in the Appendix to this Order is fair, just, and reasonable and should be approved for final meter readings by Peoples on and after May 1, 2015.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix to this Order is approved for final meter readings on and after May 1, 2015.

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

By the Commission ENTERED APR 0 9 2015 KENTUCKY PUBLIC ICE COMMISSION

ATTEST: Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00083 DATED APR 0 9 2015

The following rates and charges are prescribed for the customers in the area served by People Gas KY LLC. 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:

Customer Charge

\$7.50

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	Base Rate	Gas Cost Recovery <u>Rate</u>	Total Rate
All Mcf	\$2.1322	\$4.8660	\$ 6.9982

The minimum bill shall be \$7.50.

*Peoples Gas KY, LLC 375 North Shore Drive Suite 600 Pittsburgh, PA 15212

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