COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)CASE NO.APPLICATION OF PUBLIC GAS)2015-00338COMPANY, INC.))

<u>O R D E R</u>

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 October 8, 2015, Public filed its proposed Gas Cost Recovery ("GCR") rate application to be effective November 1, 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 \$4.4277 per Mcf, which is an increase of \$.0046 per Mcf from the previous EGC of \$4.4231 per Mcf.

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).

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 (\$.0069) per Mcf. Public's total ACA is (\$.4917) per Mcf, which is a decrease of \$.0463 per Mcf from the previous total ACA of (\$.4454) per Mcf.

5. Public's GCR rate is \$3.9360 per Mcf, which is a decrease of \$.0417 per Mcf from the previous GCR rate of \$3.9777 per Mcf.

6. The rate 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 November 1, 2015. Although Public's GCR rate filing did not provide 30 days' notice to the Commission as required by Public's tariff, KRS 278.180(2) authorizes the Commission to make a reduction in rates effective in less than 30 days.

IT IS THEREFORE ORDERED that:

1. The rate as proposed by Public and set forth in the Appendix to this Order is approved for service rendered on and after November 1, 2015.

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 rate approved herein and reflecting that it was approved pursuant to this Order.

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ATTEST Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00338 DATED **OCT 2 0 2015**

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The following rates and charges are prescribed for the customers in the area 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 <u>Rate</u>	<u>Total</u>
Customer Charge All Mcf	\$10.00 \$3.0914	\$3.9360	\$ 7.0274

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