

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF PUBLIC GAS COMPANY)	2016-00351

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 September 30, 2016, Public filed its proposed Gas Cost Recovery ("GCR") rate application to be effective November 1, 2016.

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 \$5.8786 per Mcf, which is an increase of \$.2693 per Mcf from the previous EGC of \$5.6093 per Mcf.
3. Public's notice sets out no current quarter Refund Adjustment.

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

4. Public's notice sets out a current quarter Actual Cost Adjustment ("ACA") of \$.0070 per Mcf. Public's total ACA is \$.1596 per Mcf, which is an increase of \$.0139 per Mcf from the previous total ACA of \$.1457 per Mcf.

5. Public's GCR rate is \$6.0382 per Mcf, which is an increase of \$.2832 per Mcf from the previous GCR rate of \$5.7550 per Mcf.

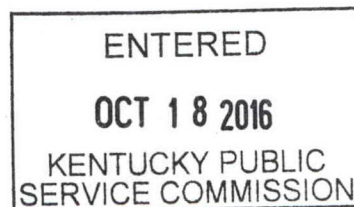
6. The rate as proposed by Public and set forth in the Appendix to this Order is fair, just, and reasonable and should be approved for service rendered by Public on and after November 1, 2016.

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 November 1, 2016.

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



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00351 DATED **OCT 18 2016**

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	\$.60382	\$.91296

*Dennis Horner
Kentucky Frontier Gas
4891 Independence Street, Suite 200
Wheat Ridge, COLORADO 80033

*Public Gas Company, Inc.
4891 Independence Street, Suite 200
Wheat Ridge, CO 80033