

March 19, 2013

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
PO Box 615  
Frankfort, KY 40602

RECEIVED

MAR 21 2013

PUBLIC SERVICE  
COMMISSION

RE: Equitable Gas Company, LLC  
Case No.  
GCR Filing Proposed to Become  
Effective May 1, 2013

Dear Mr. Derouen:

Enclosed are an original and ten (10) copies of Equitable Gas Company, LLC's (Equitable) Gas Cost Recovery (GCR) filing for the calendar quarter ended January 31, 2013, for rates proposed to become effective May 1, 2013. Also included are an original and ten (10) copies of One Hundred Forty-Second Revised Sheet No. 2 and One Hundred Thirty-Fourth Revised Sheet No. 5, to Equitable's PSC Kentucky No. 1 Tariff, which are being filed pursuant to the Purchased Gas Adjustment Provision of that Tariff.

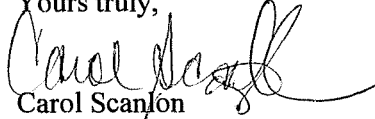
This filing proposes a GCR rate of \$5.1984 per Mcf of sales, an increase of \$0.0448 per Mcf from the current PGA, which was approved in Case No. 2012-00584 effective February 1, 2013.

For the purpose of forecasting its Expected Gas Cost (EGC), Equitable is assuming purchases based on the Appalachian Index price of gas for Columbia Transmission. This price is developed by averaging the estimated cost of gas over 3 months beginning May 2013.

Schedule 1 of the filing is a summary of the proposed PGA rate components. Schedule 2 is a summary of the expected gas costs based on purchases for the 12 months ended January 2013. Schedule 3 is a listing by month of Equitable's sales to its customer's for the 12 months ended January 2013.

Schedules 4 and 5 are summaries of ACA components, which are presently unreconciled.

Yours truly,

  
Carol Scanlon  
Manager, Rates

Enclosures

EQUITABLE GAS COMPANY, LLC  
225 NORTH SHORE DRIVE  
PITTSBURGH, PA 15212-5861

ONE HUNDRED FORTY-SECOND REVISED SHEET NO. 2  
CANCELING  
ONE HUNDRED FORTY-FIRST REVISED SHEET NO. 2  
P.S.C.K.Y. NO. 1

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RATE

Customer: Various

Expiration: See "Special Conditions"

Point of Delivery:

At connection along Kentucky West Virginia Gas Company's well connection and gathering system in Eastern Kentucky included in Equitable Gas Company's service area.

Rate:

Customer Service Charge: \$7.50

	<u>Base Rate</u>	+	<u>Gas Cost Recovery Rate*</u>	=	<u>Total Rate</u>	
All Mcf	\$2.1322		\$5.1984 per MCF		\$7.3306	(I)

The minimum monthly bill shall be \$7.50.

\*The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 4 and 5 of this tariff.

The following adjustment shall be made to the above rates:

- (1) Customer bills may also include gross receipts license taxes as authorized under the Kentucky Education Reform Act of 1990.

Gas delivered pursuant to this tariff is from pipelines owned and operated by Equitable Gas Company's supplier and all gas sold hereunder is made available by said supplier. Equitable shall have the right to abandon gas service to any customer served from any line which is no longer operated by its supplier for any reason whatsoever. All gas sold and delivered under this Tariff shall be delivered at the varying pressures of Equitable's supplier's pipeline, and it shall be the responsibility of the customer to supply, maintain, and operate the necessary regulator and related equipment for the customer's use.

(I) Indicates Increase.

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ISSUED: March 19, 2013

EFFECTIVE: May 1, 2013

WILLIAM R. LUCAS  
PRESIDENT

Issued By: \_\_\_\_\_  
Carol A. Scanlon  
Manager, Rates

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PURCHASED GAS ADJUSTMENT CLAUSE

(Continued)

Definitions

For purposes of this tariff:

- a. "Average Expected Cost" is the cost of purchased gas which results from the application of supplier rates currently in effect, or reasonably expected to be in effect during the calendar quarter, on purchased gas volumes during the twelve-month period ending with the reporting period to which the GCR will apply, divided by the corresponding sales volume. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments to its calculations. Any adjustments of this type shall be described in the quarterly Gas Cost Recovery Report.
- b. "GCR" means the quarterly updated gas cost recovery rate and is the sum of the expected gas cost component plus the supplier refund adjustment plus the actual cost adjustment plus the balancing adjustment; i.e.,  $GCR = EGC + RA + ACA + BA$ .
- c. "Calendar Quarters" means each of the four three-month periods of (1) February, March, and April; (2) May, June, and July; (3) August, September, and October; (4) November, December, and January.
- d. "Reporting Period" means the three-month accounting period that ended approximately sixty (60) days prior to the filing date of the updated gas cost recovery rates; i.e., the calendar quarters ended April 30, July 31, October 31, and January 31 of each year.

Gas Cost Recovery Rate (GCR):

Expected Gas Supply Cost (EGC)	5.7321	(I)
Refund Adjustment (RA)	0.0000	
Actual Cost Adjustment (ACA)	(0.3491)	(R)
Balance Adjustment (BA)	<u>(0.1846)</u>	(I)
Total Gas Cost Recovery Rate per Mcf	5.1984	(I)

(I) Indicates Increase. (R) Indicates Reduction.

ISSUED: March 19, 2013

EFFECTIVE: May 1, 2013

WILLIAM R. LUCAS  
PRESIDENT

Issued By: \_\_\_\_\_

Carol A. Scanlon  
Manager, Rates

Equitable Gas Company, LLC  
Kentucky Division

Summary of Proposed Tariff Rates

	<u>Current Tariff Rate</u> (1) \$/Mcf (a)	<u>Current GCR Rate</u> (2) \$/Mcf (b)	<u>Proposed GCR Rate</u> (3) \$/Mcf	<u>Difference</u> (4) \$/Mcf (3) - (2)	<u>Proposed Tariff Rate</u> (5) \$/Mcf (1) + (4)
All MCF	7.2858	5.1536	5.1984	0.0448	7.3306

- (a) Non-Gas Rate approved by the Commission at Case No. 2003-00411.  
(b) Rate approved by the Commission at Case No. 2012-00584.

Equitable Gas Company, LLC  
Kentucky Division

Summary of Gas Cost Recovery Rate  
Proposed to Become Effective for the  
Period May 1, 2013 through July 31, 2013

Line No.	<u>Units</u> (1)	<u>Amount</u> (2)	
<u>GCR Components</u>			
1	Expected Gas Cost (EGC)	\$/Mcf	5.7321
2	Supplier Refund (RA)	\$/Mcf	0.0000
3	Actual Cost Adjustment (ACA)	\$/Mcf	(0.3491)
4	Balance Adjustment (BA)	\$/Mcf	<u>(0.1846)</u>
5	Gas Cost Recovery Rate (EGC + RA + ACA + BA)	\$/Mcf	<u>5.1984</u>
 <u>Expected Gas Cost Calculation (EGC)</u>			
6	Total Expected Cost of Gas	\$	1,069,710 (a)
7	Total Annual Sales	Mcf	<u>186,617 (b)</u>
8	Expected Gas Cost Rate (EGC) (Line 6 ÷ Line 7)	\$/Mcf	<u>5.7321</u>
 <u>Supplier Refund Adjustment Summary</u>			
9	Current Quarter Refund Adjustment	\$/Mcf	0.0000 (c)
10	Previous Quarter Refund Adjustment	\$/Mcf	0.0000 (d)
11	2nd Previous Quarter Refund Adjustment	\$/Mcf	0.0000 (e)
12	3rd Previous Quarter Refund Adjustment	\$/Mcf	<u>0.0000 (f)</u>
13	Supplier Refund Adjustment (RA)	\$/Mcf	<u>0.0000</u>
 <u>Actual Cost Adjustment Summary</u>			
14	Current Quarter Adjustment	\$/Mcf	(0.4421) (g)
15	Previous Quarter Adjustment	\$/Mcf	(0.0258) (d)
16	2nd Previous Quarter Adjustment	\$/Mcf	0.0881 (e)
17	3rd Previous Quarter Adjustment	\$/Mcf	0.0307 (f)
18	Actual Cost Adjustment (ACA)	\$/Mcf	<u>(0.3491)</u>
 <u>Balance Adjustment Summary</u>			
19	Current Quarter Adjustment	\$/Mcf	(0.0640) (h)
20	Previous Quarter Adjustment	\$/Mcf	(0.0641) (d)
21	2nd Previous Quarter Adjustment	\$/Mcf	(0.0260) (e)
22	3rd Previous Quarter Adjustment	\$/Mcf	(0.0305) (f)
23	Balance Adjustment (BA)	\$/Mcf	<u>(0.1846)</u>

(a) See Schedule 2.

(b) See Schedule 3.

(c) No supplier refunds were received during November 2012 through January 2013.

(d) As approved in Case No. 2012-00584.

(e) As approved in Case No. 2012-00432.

(f) As approved in Case No. 2012-00259.

(g) See Schedule 4.

(h) See Schedule 5.

Equitable Gas Company, LLC  
Kentucky Division

Calculation of Expected Gas Cost Based on Purchases  
for the Twelve Months Ended January 2013 At Supplier  
Costs Estimated to Become Effective May 1, 2013

	<u>Purchases</u>	<u>Purchases</u>	<u>Average Rate</u>	<u>Annual Cost</u>
	(1)	(2)	(3)	(4)
	Mcf	Dth	\$/Dth	\$
			(a)	(2) x (3)
<u>PURCHASES</u>				
1 February 2012	28,116	38,990	4.8038	187,300
2 March	12,517	30,050	4.8038	144,354
3 April	14,365	18,874	4.8038	90,667
4 May	3,901	12,012	4.8038	57,703
5 June	3,893	(39)	4.8038	(187)
6 July	2,736	5,433	4.8038	26,099
7 August	3,376	4,149	4.8038	19,931
8 September	6,150	3,865	4.8038	18,567
9 October	18,164	9,896	4.8038	47,538
10 Novemeber	25,713	22,531	4.8038	108,234
11 December	29,177	32,181	4.8038	154,591
12 January 2013	38,509	44,738	4.8038	214,912
13 Total	<u>186,617</u>	<u>222,680</u>	<u>-</u>	<u>1,069,710</u>

(a) Estimated average rate based on average Nymex prices plus TCO basis for a 3 month period, plus \$0.72065/Dth VTS Rate from Kentucky West Virginia Gas Company, and adjusted for 11% retainage.

Equitable Gas Company, LLC  
Kentucky Division

## Summary of Sales

<u>Line</u> <u>No.</u>	<u>Month</u>	<u>Sales</u> (1) Mcf
1	February 2012	28,116
2	March	12,517
3	April	14,365
4	May	3,901
5	June	3,893
6	July	2,736
7	August	3,376
8	September	6,150
9	October	18,164
10	Novemeber	25,713
11	December	29,177
12	January 2013	38,509
13	Total	<u>186,617</u>

Equitable Gas Company, LLC  
Kentucky Division

Calculation of Actual Cost Adjustment for the Period  
November 2012 through January 2013

<u>Description</u>	<u>Unit</u> (1)	<u>November</u> (2)	<u>December</u> (3)	<u>January</u> (4)	<u>Total</u> (5)
1 Supply Volume Per Invoice	Dth	20,570	32,181	34,912	87,663
2 Supply Cost Per Books	\$	95,809	164,597	165,905	426,311
3 Sales Volume (c)	Mcf	(3,411) 29,124	29,177	38,509	93,399
4 EGC Rate in Effect (a), (c)	\$/Mcf	4.0277			
EGC Rate in Effect (b), (c)		5.3977	5.3977	5.3977	
5 EGC Revenue (Line 3 x Line 4)	\$	143,464	157,486	207,862	508,812
6 Over/(Under) Recovery (Line 5 - Line 2)	\$	47,655	(7,111)	41,957	82,501
7 Total Current Quarter Actual Cost to be included in rates					82,501
8 Sales for the 12 Months Ended January 2013					186,617
9 Current Quarter Actual Cost Adjustment (ACA) (Line 7 ÷ Line 8)					(0.4421)

- (a) Approved in Case No. 2012-00259.  
(b) Approved in Case No. 2012-00432.  
(c) November pro-rated for rate change.



Equitable Gas Company, LLC  
Kentucky Division

Calculation of Balancing Adjustment for  
Over/(Under) Recoveries of Gas Cost Incurred  
During the Twelve Month Period Beginning February 2012

	<u>Sales</u>	<u>ACA Rate</u>	<u>ACA Recovery</u>	<u>Over/(Under) Collection Balance</u>
	(1)	(2)	(3)	(4)
	Mcf	\$/Mcf	\$ (1) x (2)	\$
Balance Approved by the Commission in Case No. 2011-00517.				73,392
<u>Actual</u>				
February 2012	32,982	(0.3257)	(10,742)	62,649
March	12,517	(0.3257)	(4,077)	58,573
April	11,498	(0.3257)	(3,745)	54,828
May	6,768	(0.3257)	(2,204)	52,624
June	3,893	(0.3257)	(1,268)	51,356
July	2,635	(0.3257)	(858)	50,497
August	3,477	(0.3257)	(1,132)	49,365
September	6,150	(0.3257)	(2,003)	47,362
October	14,753	(0.3257)	(4,805)	42,557
Novemeber	29,124	(0.3257)	(9,486)	33,071
December	29,177	(0.3257)	(9,503)	23,568
January 2013	35,708	(0.3257)	(11,630)	11,938
 Total	 <u>188,682</u>		 <u>(61,454)</u>	
 Estimated Annual Sales				 186,617 Mcf
Balancing Adjustment (\$11,938 ÷ 186,617 Mcf)				(\$0.0640) /Mcf