

Public Gas Company
8500 Station Street, Suite 100
Mentor, OH 44060
Tele (440) 974-3770

RECEIVED

APR - 3 2013

PUBLIC SERVICE
COMMISSION

March 26, 2012

Mr. Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

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

Dear Mr. Derouen:

Enclosed are an original and ten copies of Public Gas Company's Cost Recovery (GCR) filing for rates proposed to become effective May 1, 2013. Also included are an original and ten copies of 66th revision sheet No. 1 of Public's PSC Kentucky No. 1 Tariff, which is being filed pursuant to the Purchased Gas Adjustment provision of that Tariff.

This filing proposes a GCR rate of \$5.4076 per MCF of sales.

Sincerely,



Larry Brainard
Controller

Public Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

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APR - 3 2013

PUBLIC SERVICE
COMMISSION

Date Filed: March 26, 2013

Date Rates to be Effective: May 1, 2013

Reporting Period is Calendar Quarter Ended: July 31, 2013

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

| <u>Component</u> | <u>Unit</u> | <u>Amount</u> |
|--------------------------------|-------------|---------------|
| Expected Gas Cost (EGC) | \$/Mcf \$ | 6.1431 |
| + Refund Adjustment (RA) | \$/Mcf \$ | - |
| + Actual Adjustment (AA) | \$/Mcf \$ | (0.7372) |
| + Balance Adjustment (BA) | \$/Mcf \$ | 0.0017 |
| = Gas Cost Recovery Rate (GCR) | \$/Mcf \$ | 5.4076 |

GCR to be effective for service rendered from May 01, 2013 to July 31, 2013

| A. | <u>EXPECTED GAS COST CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
|----|---------------------------------------|-------------|---------------|
| | Total Expected Gas Cost (Schedule II) | \$ \$ | 670,642 |
| | ÷ Sales for the 12 months ended | Mcf | 109,170 |
| | = Expected Gas Cost (EGC) | \$/Mcf \$ | 6.1431 |

| B. | <u>REFUND ADJUSTMENT CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
|----|------------------------------------------------------------------|-------------|---------------|
| | + Supplier Refund Adjustment for Reporting Period (Schedule III) | \$/Mcf \$ | - |
| | + Previous Quarter Supplier Refund Adjustment | \$/Mcf | |
| | + Second Previous Quarter Supplier Refund Adjustment | \$/Mcf | |
| | + Third Previous Quarter Supplier Refund Adjustment | \$/Mcf | |
| | = Refund Adjustment (RA) | \$/Mcf \$ | - |

| C. | <u>ACTUAL ADJUSTMENT CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
|----|----------------------------------------------------------|-------------|---------------|
| | Actual Adjustment for the Reporting Period (Schedule IV) | \$/Mcf \$ | 0.0386 |
| | + Previous Quarter Reported Actual Adjustment | \$/Mcf \$ | (0.0185) |
| | + Second Previous Quarter Reported Actual Adjustment | \$/Mcf \$ | (0.3422) |
| | + Third Previous Quarter Reported Actual Adjustment | \$/Mcf \$ | (0.4151) |
| | = Actual Adjustment (AA) | \$/Mcf \$ | (0.7372) |

| D. | <u>BALANCE ADJUSTMENT CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
|----|----------------------------------------------------------|-------------|---------------|
| | Balance Adjustment for the Reporting Period (Schedule V) | \$/Mcf \$ | 0.0017 |
| | + Previous Quarter Reported Balance Adjustment | \$/Mcf \$ | - |
| | + Second Previous Quarter Reported Balance Adjustment | \$/Mcf | |
| | + Third Previous Quarter Reported Balance Adjustment | \$/Mcf | |
| | = Balance Adjustment (BA) | \$/Mcf \$ | 0.0017 |

SCHEDULE II

EXPECTED GAS COST

| Actual * MCF Purchases for 12 months ended | | | October 31, 2012 | | |
|--------------------------------------------|------------|---------------------------------|------------------|---------------|--------------------------|
| (1) Supplier | (2) Dth | (3) BTU Conversion Factor | (4) Mcf | (5)** Rate | (6) (4) X (5) Cost |
| 11/30/2011 | | 12,721 | 12,120 | 6.2400 | 75,628.51 |
| 12/31/2011 | | 18,881 | 18,225 | 6.2400 | 113,723.56 |
| 1/31/2012 | | 20,126 | 19,349 | 6.2400 | 120,737.30 |
| 2/29/2012 | | 20,857 | 19,997 | 6.2400 | 124,780.80 |
| 3/31/2012 | | 8,192 | 7,871 | 6.2400 | 49,114.85 |
| 4/30/2012 | | 5,945 | 5,708 | 6.2400 | 35,617.78 |
| 5/31/2012 | | 3,045 | 2,711 | 6.2400 | 16,916.57 |
| 6/30/2012 | | 2,502 | 1,664 | 6.2400 | 10,383.32 |
| 7/31/2012 | | 3,943 | 1,989 | 6.2400 | 12,411.31 |
| 8/31/2012 | | 4,290 | 3,816 | 6.2400 | 23,811.75 |
| 9/30/2012 | | 5,788 | 5,689 | 6.2400 | 35,499.22 |
| 10/31/2012 | | 10,438 | 10,031 | 6.2400 | 62,593.20 |
| | | 116,728 | 109,170 | | 681,218.18 |

Line loss for 12 months ended October 31, 2012 is 116,728 Mcf and sales of 109,170 Mcf. 6.4749% based on purchases of Mcf.

| | Unit | Amount |
|-------------------------------------------------------------|--------|---------------|
| Total Expected Cost of Purchases (6) | \$ | \$ 681,218.18 |
| ÷ Mcf Purchases (4) | Mcf | 116,728 |
| = Average Expected Cost Per Mcf Purchased | \$/Mcf | \$ 5.8359 |
| x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95) | Mcf | 114,916 |
| = Total Expected Gas Cost (to Schedule IA) | \$ | \$ 670,642.22 |

* Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

** Supplier's tariff sheets or notices are attached.

\$6.2400 Per Attached Schedule

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended January 31, 2013

| <u>Particulars</u> | <u>Unit</u> | <u>Amount</u> |
|----------------------------------------------------------------------------|-------------|---------------|
| Total supplier refunds received | \$ | 0 |
| + Interest | \$ | 0 |
| = Refund Adjustment including interest | \$ | 0 |
| ÷ Sales for 12 months ended | Mcf | 109,170 |
| = Supplier Refund Adjustment for the Reporting Period (to Schedule IB.) | \$/Mcf | 0 |

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended January 31, 2013

| <u>Particulars</u> | <u>Unit</u> | <u>Month 1 (Nov 12)</u> | <u>Month 2 (Dec 12)</u> | <u>Month 3 (Jan 13)</u> |
|----------------------------------------------------------------|-------------|-----------------------------|-----------------------------|-----------------------------|
| Total Supply Volumes Purchased | Mcf | 16,265.0 | 16,828.0 | 27,117.0 |
| Total Cost of Volumes Purchased | \$ | \$ 87,534.48 | \$ 94,857.52 | \$ 139,872.85 |
| ÷ Total Sales | Mcf | 15,453.0 | 15,988.0 | 25,762.0 |
| (may not be less than 95% of supply volumes) | | | | |
| = Unit Cost of Gas | \$/Mcf | \$ 5.6646 | \$ 5.9330 | \$ 5.4294 |
| - EGC in effect for month | \$/Mcf | \$ 5.5600 | \$ 5.5600 | \$ 5.5600 |
| = Difference | \$/Mcf | \$ 0.1046 | \$ 0.3730 | \$ (0.1306) |
| [(over-)/Under-Recovery] | | | | |
| x Actual sales during month | Mcf | 15,453.0 | 15,988.0 | 25,762.0 |
| = Monthly cost difference | \$ | \$ 1,615.80 | \$ 5,964.24 | \$ (3,363.87) |
| | | | <u>Unit</u> | <u>Amount</u> |
| Total cost difference (Month 1 + Month 2 + Month 3) | | | \$ | \$ 4,216.17 |
| ÷ Sales for 12 months ended | | | Mcf | 109,170.0 |
| = Actual Adjustment for the Reporting Period (to Schedule IC.) | | | \$/Mcf | \$ 0.0386 |

SCHEDULE V

BALANCE ADJUSTMENT

For the 12 month period ended January 31, 2013

| <u>Particulars</u> | <u>Unit</u> | <u>Amount</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------|
| (1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR | \$ | (5,115.2000) |
| Less: Dollar amount resulting from the AA of (0.0454) \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of <u>116,679</u> Mcf during the 12-month period the AA was in effect. | \$ | 5,297.2266 |
| Equals: Balance Adjustment for the AA. | \$ | 182.0266 |
| (2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR. | \$ | |
| Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of <u>116,679</u> Mcf during the 12-month period the RA was in effect. | \$ | - |
| Equals: Balance Adjustment for the RA | \$ | - |
| (3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR | \$ | |
| Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of <u>116,679</u> Mcf during the 12-month period the BA was in effect. | \$ | - |
| Equals: Balance Adjustment for the BA. | \$ | - |
| Total Balance Adjustment Amount (1) + (2) + (3) | \$ | 182.0266 |
| ÷ Sales for 12 months ended | Mcf | 109,170 |
| = Balance Adjustment for the Reporting Period (to Schedule ID.) | \$/Mcf | 0.0017 |

PUBLIC GAS COMPANY

(NAME OF UTILITY)

FOR Entire Service Area
 PSC KY NO. _____ 1
 66th Revised SHEET NO. _____ 1
 CANCELLING PSC KY NO. _____ 1
 65rd Revised SHEET NO. _____ 1

Applies to: All Customers
 Rate, Monthly:

| | Base Rate | Gas Cost | Rate per Unit (Mcf) |
|---------|--------------|-------------|------------------------|
| All Mcf | 3.0914 | 5.4076 | 8.4990 |

DATE OF ISSUE March 26, 2013
Month / Date / Year

DATE EFFECTIVE May 1, 2013
Month / Date / Year

ISSUED BY \s\ Larry Brainard
(Signature of Officer)

TITLE Controller

Jefferson Gas, LLC
 Natural Gas Sales Price Calculations - Public Gas Company, Inc.

Estimated sales price for the three months ending April 30, 2013:

| Col A | Col B | Col C | Col D (Col B + Col C) | Col E (Btu Factor Per Mcf) | Col F (Col D * Col E) | Col G | Col H (Col F + Col G) |
|--------|-----------------------------------|----------------------------|--------------------------------------------|-----------------------------------------------|------------------------------------------|---------------------------------|------------------------------------|
| Period | NYMEX Futures Settle Price* | TCO Basis Adjustment | Expected Appalachian Index Per Mmbtu | Mmbtu/Mcf Conversion Factor - Estimated | Expected Appalachian Index Per Mcf | Contract Addition Per Mcf | Total Expected Price per Mcf |
| May-13 | \$ 3.991 | \$ 0.050 | \$ 4.041 | 1.161 | \$ 4.692 | \$ 1.500 | \$ 6.192 |
| Jun-13 | \$ 4.031 | \$ 0.050 | \$ 4.081 | 1.161 | \$ 4.738 | \$ 1.500 | \$ 6.238 |
| Jul-13 | \$ 4.076 | \$ 0.050 | \$ 4.126 | 1.161 | \$ 4.790 | \$ 1.500 | \$ 6.290 |
| | | | | | | | \$ 18.720 |

* Settle price as of March 26, 2013 taken from NYMEX website
<http://www.cmegroup.com>

Average Cos \$ 6.240