COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)CASE NO.FILING OF PUBLIC GAS COMPANY)2015-00228

<u>ORDER</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 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 July 9, 2015, Public filed its proposed Gas Cost Recovery ("GCR") rate application to be effective August 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.

Public's notice sets out an Expected Gas Cost ("EGC") of \$4.4231

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).

per Mcf, which is a decrease of \$.0618 per Mcf from the previous EGC of \$4.4849 per Mcf.

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 (\$.6380) per Mcf. Public did not use the correct Total Supply Volumes Purchased for the months of February through April 2015. The Supply Volumes Purchased for February, March, and April should be 28,901 Mcf, 19,239 Mcf, and 9,594 Mcf respectively.³ Public also used incorrect amounts for Total Sales for the months of February 2015 and April 2015. The Total Sales for February and April should be 27,455.95 Mcf and 13,297 Mcf respectively.⁴ Public did not use the correct EGC in effect of \$4.6713 per Mcf for February 2015 through April 2015. Correcting these amounts produces a current quarter ACA of (\$.3990) per Mcf. Public did not use the correct total ACA. Public's corrected total ACA is (\$.4454) per Mcf, which is a decrease of \$.6198 per Mcf from the previous total ACA of \$.1744 per Mcf.

5. Public's corrected GCR rate is \$3.9777 per Mcf, which is a decrease of \$6816 per Mcf from the previous GCR rate of \$4.6593 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 August 1, 2015. Although Public's GCR rate filing did not provide 30 days' notice to the Commission as

-2-

³ See Application, Appendix B at 3.

⁴ For April, the Total Sales should match the sales shown on Appendix B at 3. For February, the Total Sales is limited to 95 percent of the Total Purchases, due to greater than 5-percent line loss for the month.

required by Public's tariff, KRS 278.180(2) authorizes the Commission to make a reduction in rates effective in less than 30 days.

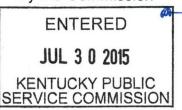
IT IS THEREFORE ORDERED that:

1. The rate proposed by Public is denied.

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

3. 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:

Caron D. Guerwell Executive Director

Case No. 2015-00228

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00228 DATED JUL 3 0 2015

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	\$3.9777	\$ 7.0691

.

*Cynthia Lembach Staff Accountant Public Gas Company, Inc. 8500 Station Street, Suite 100 Mentor, OH 44060

*Public Gas Company, Inc. 8500 Station Street, Suite 100 Mentor, OH 44060