

**Public Gas Company
8470 Station Street
Mentor, OH 44060
Tele (440) 701-5100**

July 1, 2015

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 August 1, 2015

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 August 1, 2015. Also included are an original and ten copies of 76th 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 \$4.1393 per MCF of sales.

Sincerely,



Cynthia Lembach
Staff Accountant

RECEIVED

JUL 9 2015

**PUBLIC SERVICE
COMMISSION**

PUBLIC GAS COMPANY
(NAME OF UTILITY)

FOR	Entire Service Area	
PSC KY NO.		1
76th Revised	SHEET NO.	1
CANCELLING PSC KY NO.		1
75th Revised	SHEET NO.	1

Applies to: All Customers
Rate, Monthly:

	Base Rate	Gas Cost	Rate per Unit (Mcf)
Customer Charge	\$ 10.00		
All Mcf	\$ 3.0914	\$4.1393	\$ 7.2307 (R)

DATE OF ISSUE July 1, 2015
Month / Date / Year

DATE EFFECTIVE August 1, 2015
Month / Date / Year

ISSUED BY ls\ Cynthia L Lembach
(Signature of Officer)

TITLE Staff Accountant

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf \$	4.4231
+ Refund Adjustment (RA)	\$/Mcf \$	-
+ Actual Adjustment (AA)	\$/Mcf \$	(0.2838)
+ Balance Adjustment (BA)	\$/Mcf \$	-
= Gas Cost Recovery Rate (GCR)	\$/Mcf \$	4.1393

GCR to be effective for service rendered from August 01, 2015 to October 31, 2015

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$ \$	645,354
	÷ Sales for the 12 months ended	Mcf	145,904
	= Expected Gas Cost (EGC)	\$/Mcf \$	4.4231
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 \$	(0.6380)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf \$	0.3174
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf \$	(0.0026)
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf \$	0.0394
	= Actual Adjustment (AA)	\$/Mcf \$	(0.2838)
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf \$	-
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf \$	-
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf \$	-
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf \$	-
	= Balance Adjustment (BA)	\$/Mcf \$	-

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended April 30, 2015

(1) Supplier	(2) Dth	(3) Purchases Mcf	(4) Sales Mcf	(5)** Rate	(6) (3) X (5) Cost
2/28/2014		24,148	24,961	4.5271 \$	109,319.32
3/31/2014		16,128	15,658	4.5271 \$	73,012.34
4/30/2014		12,800	13,851	4.5271 \$	57,946.30
5/31/2014		5,010	4,864	4.5271 \$	22,680.54
6/30/2014		3,304	3,208	4.5271 \$	14,957.39
7/31/2014		9,526	9,249	4.5271 \$	43,124.72
8/31/2014		2,091	2,291	4.5271 \$	9,466.07
9/30/2014		1,956	1,492	4.5271 \$	8,854.92
10/31/2014		4,799	3,430	4.5271 \$	21,725.34
11/30/2014		14,031	11,029	4.5271 \$	63,519.11
12/31/2014		18,977	15,761	4.5271 \$	85,909.92
1/31/2015		25,127	26,807	4.5271 \$	113,751.31
2/28/2015		28,901	26,717	4.5271 \$	130,836.41
3/31/2015		19,239	27,759	4.5271 \$	87,096.01
4/30/2015		9,594	13,297	4.5271 \$	43,432.56
		142,555	145,904	\$	645,354.30

Line loss for 12 months ended April 30, 2015 is -2.3495% based on purchases of
142,555 Mcf and sales of 145,904 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$ \$	645,354.30
÷ Mcf Purchases (4)	Mcf	142555.0
= Average Expected Cost Per Mcf Purchased	\$/Mcf \$	4.53
x Allowable Mcf Purchases (must not exceed Mcf sales + .95)	Mcf	142555.0
= Total Expected Gas Cost (to Schedule IA)	\$ \$	645,354.30

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

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

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended April 30, 2015

<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	145,904
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	0

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended April 30, 2015

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(Feb 15)</u>	<u>Month 2</u> <u>(Mar 15)</u>	<u>Month 3</u> <u>(Apr 15)</u>
Total Supply Volumes Purchased	Mcf	14,031.0	18,977.0	25,127.0
Total Cost of Volumes Purchased	\$	\$ 131,500.01	\$ 89,459.49	\$ 40,968.13
÷ Total Sales	Mcf	26,717.0	27,759.0	23,870.7
(may not be less than 95% of supply volumes)				
= Unit Cost of Gas	\$/Mcf	\$ 4.9220	\$ 3.2227	\$ 1.7163
- EGC in effect for month	\$/Mcf	\$ 4.9706	\$ 4.9706	\$ 4.9706
= Difference	\$/Mcf	\$ (0.0486)	\$ (1.7479)	\$ (3.2543)
[(over-)/Under-Recovery]				
x Actual sales during month	Mcf	26,717.0	27,759.0	13,297.0
= Monthly cost difference	\$	\$ (1,299.51)	\$ (48,519.40)	\$ (43,273.02)
		<u>Unit</u>		<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)		\$		\$ (93,091.93)
÷ Sales for 12 months ended		Mcf		145,904.4
= Actual Adjustment for the Reporting Period (to Schedule IC.)		\$/Mcf		\$ (0.6380)

**Public Gas Company
Natural Gas Sales Price Calculations - Public Gas Company, Inc.**

Estimated sales price for the three months ending April 30, 2015:

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
Aug-15	\$ 2.805	\$ (0.092)	\$ 2.713	1.118	\$ 3.034	1.500	\$ 4.534
Sep-15	\$ 2.819	\$ (0.112)	\$ 2.707	1.118	\$ 3.027	1.500	\$ 4.527
Oct-15	\$ 2.847	\$ (0.147)	\$ 2.700	1.118	\$ 3.020	1.500	\$ 4.520

* Settle price as of 6/27/2015 9:29:03 AM taken from NYMEX website

Average Cost \$ 4.5271

Nymex New Your Mercantile Exchange & www.barchart.com

www.cmegroup.com/trading/energy/natural-gas/tco-appalachia-natural-gas-basis-swap-futures-platts-iferc.html

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