

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF PUBLIC GAS COMPANY	)	2017-00158

ORDER

On March 27, 2013, in Case No. 2012-00431,<sup>1</sup> 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,<sup>2</sup> the Commission entered an Order approving the transfer of Public's assets to Kentucky Frontier Gas, LLC.

On March 31, 2017, Public filed its proposed Gas Cost Recovery ("GCR") rate application to be effective May 1, 2017.

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 \$5.6874 per Mcf. Public did not use the correct Allowable Mcf purchase in the calculation of its EGC. Public should have used 108,623 Mcf rather than 104,648 Mcf, since Lost and

---

<sup>1</sup> 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).

<sup>2</sup> 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).

Unaccounted for gas did not exceed 5 percent. Correcting this produces an EGC of \$5.9034 per Mcf, which is a decrease of \$.6863 per Mcf from the previous EGC of \$6.5897 per Mcf.

3. Public's notice sets out no Refund Adjustment.

4. Public's notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$.2344) per Mcf. Public's total ACA is (\$.1776) per Mcf, which is a decrease of \$.2936 per Mcf from the previous total ACA of \$.1160 per Mcf.

5. Public's corrected GCR rate is \$5.7258 per Mcf, which is a decrease of \$.9799 per Mcf from the previous GCR rate of \$6.7057 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 May 1, 2017.

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 on and May 1, 2017.

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

ENTERED  
APR 21 2017  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2017-00158 DATED **APR 21 2017**

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	\$ .57258	\$ .88172

\*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