

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

September 27, 2013

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 November 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 November 1, 2013.

This filing proposes a GCR rate of \$5.5633 per MCF of sales.

Sincerely,

Anita Noce
Corporate Assistant Controller

RECEIVED

SEP 30 2013

PUBLIC SERVICE
COMMISSION

Preliminary

Public Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

RECEIVED

SEP 30 2013

PUBLIC SERVICE
COMMISSION

Date Filed: September 24, 2013

Date Rates to be Effective: November 1, 2013

Reporting Period is Calendar Quarter Ended: July 31, 2013

OK D. Whitman
9-26-13

Re

20-04

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf \$	5.5497
+ Refund Adjustment (RA)	\$/Mcf \$	-
+ Actual Adjustment (AA)	\$/Mcf \$	0.0136
+ Balance Adjustment (BA)	\$/Mcf \$	(0.0000)
= Gas Cost Recovery Rate (GCR)	\$/Mcf \$	5.5633

GCR to be effective for service rendered from November 01, 2013 to January 31, 2014

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$ \$	752,073
	÷ Sales for the 12 months ended	Mcf	135,517
	= Expected Gas Cost (EGC)	\$/Mcf \$	5.5497
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 \$	(0.0554)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf \$	(0.0328) ✓
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf \$	0.0386 ✓
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf \$	0.0632 ✓
	= Actual Adjustment (AA)	\$/Mcf \$	0.0136
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf \$	(0.0000)
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf \$	-
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf \$	-
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf \$	-
	= Balance Adjustment (BA)	\$/Mcf \$	(0.0000)

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended			July 31, 2013		
(1) Supplier	(2) Dth	(3) Purchases Mcf	(4) Sales Mcf	(5)** Rate	(6) (4) X (5) Cost
	8/31/2012	4,290	3,816	5.3608	22,997.73
	9/30/2012	5,788	5,689	5.3608	31,028.17
	10/31/2012	10,438	10,031	5.3608	55,955.77
	11/30/2012	15,978	15,453	5.3608	85,654.47
	12/31/2012	16,440	15,988	5.3608	88,131.15
	1/31/2013	26,300	25,762	5.3608	140,988.39
	2/28/2013	20,894	20,729	5.3608	112,008.04
	3/31/2013	16,770	15,527	5.3608	89,898.02
	4/30/2013	13,985	13,488	5.3608	74,972.59
	5/31/2013	✓ 4,299 ✓	✓ 4,137 ✓	5.3608	23,045.97
	6/30/2013	✓ 1,773 ✓	✓ 1,719 ✓	5.3608	9,504.65
	7/31/2013	3,337	3,178	5.3608	17,888.37
		140,292	135,517		752,073.31

Line loss for 12 months ended July 31, 2013 is 3.4034% based on purchases of
140,292 Mcf and sales of 135,517 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 752,073.31
÷ Mcf Purchases (4)	Mcf	140,292
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.3608
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	140,292
= Total Expected Gas Cost (to Schedule IA)	\$	\$ 752,073.31

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

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

✓ \$5.361 Per Attached Schedule

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended July 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	135,517 ✓
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	0

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended July 31, 2013

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (May 13)</u>	<u>Month 2 (Jun 13)</u>	<u>Month 3 (Jul 13)</u>
Total Supply Volumes Purchased	Mcf	4,299.0 ✓	1,773.0 ✓	3,336.9 ✓
Total Cost of Volumes Purchased	\$	\$ 24,847.41 ✓	\$ 10,247.94 ✓	\$ 16,736.82
÷ Total Sales	Mcf	4,137.1	1,718.7	3,178.3
(may not be less than 95% of supply volumes)				
= Unit Cost of Gas	\$/Mcf	\$ 6.0060	\$ 5.9626	\$ 5.2660
- EGC in effect for month	\$/Mcf	\$ 6.5684	\$ 6.5684	\$ 6.5684
= Difference [(over-)/Under-Recovery]	\$/Mcf	\$ (0.5624)	\$ (0.6058)	\$ (1.3024)
x Actual sales during month	Mcf	4,137.1	1,718.7	3,178.3
= Monthly cost difference	\$	\$ (2,326.72)	\$ (1,041.17)	\$ (4,139.53)
		<u>Unit</u>		<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$			\$ (7,507.41)
÷ Sales for 12 months ended	Mcf			135,517.2
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf			\$ (0.0554)

TCO APP \$ 3.44
 X 1.022

 \$ 3.51568
 + 1.50

 \$ 5.01568
 X 3336.9

 \$ 16,736.82

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

Estimated sales price for the three months ending January 31, 2014: ✓

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
Nov-13	\$ 3.677 ✓	\$ (0.050) ✓	3.627	1.022	\$ 3.707	\$ 1.500	\$ 5.207
Dec-13	\$ 3.847 ✓	\$ (0.050) ✓	3.797	1.022 ✓	\$ 3.881	\$ 1.500	\$ 5.381
Jan-14	\$ 3.941 ✓	\$ (0.032) ✓	3.909	1.022 ✓	\$ 3.995	\$ 1.500	\$ 5.495
							<u>\$ 16.082</u>

* Settle price as of September 23, 2013 taken from NYMEX website
[Nymex New York Mercantile Exchange](http://nymex.com) & www.barchart.com

Average Cost \$ 5.361

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	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf \$	0.0386
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