

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF PUBLIC GAS COMPANY)

CASE NO. 2013-00014

ORDER

On October 10, 1986, in Case No. 9565,¹ 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 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 January 11, 2013, Public filed its proposed GCA to be effective February 1, 2013.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Public's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Public's proposed Expected Gas Cost ("EGC") is \$5.4649 per Mcf, which is a decrease of \$.0951 per Mcf from the previous EGC of \$5.5600 per Mcf.

¹ Case No. 9565, Notice of Public Gas Company, Inc. of General Rate Adjustment Effective May 12, 1986 (Ky. PSC Oct. 10, 1986).

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 March 9, 2012).

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

4. Public's notice sets out a current quarter Actual Adjustment ("AA") of \$.0632 per Mcf. Public's total AA is (\$.7126) per Mcf, which is an increase of \$.1086 per Mcf from the previous total AA of (\$.8212) per Mcf.

5. Public's GCA is \$4.7523 per Mcf, which is an increase of \$.0135 per Mcf from the previous GCA of \$4.7388 per Mcf. Due to a spread sheet error, Public proposed a GCA of \$4.7522 per Mcf.

6. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered by Public on and after February 10, 2013. Public did not give the 30 days' notice required for its increase in rates to be effective February 1, 2013.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Public is denied.

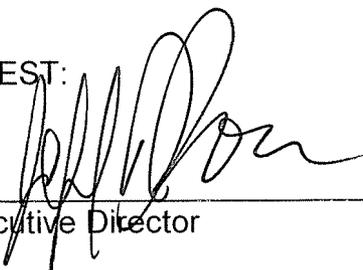
2. The rates in the Appendix attached hereto and incorporated herein is approved for service rendered on and after February 10, 2013.

3. Within 20 days of the date of this Order, Public shall file its revised tariff sheets with this Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED ^A
JAN 22 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00014 DATED JAN 22 2013

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.

Rates:

	<u>Base Rate</u>	<u>Gas Cost</u>	<u>Rate per Mcf</u>
Minimum Bill - First Mcf	\$3.2705	\$4.7523	\$8.0228
Over 1 Mcf	\$2.1505	\$4.7523	\$6.9028

Larry Brainard
Controller
Public Gas Company
8500 Station Street
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