

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

RECEIVED

OCT 1 2012

PUBLIC SERVICE  
COMMISSION

September 26, 2012

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, 2012

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, 2012. Also included are an original and ten copies of 64<sup>st</sup> 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 \$4.9666 per MCF of sales.

Sincerely,



Jonathan A. Harrington  
Controller

Public Gas Company

Quarterly Report of Gas Cost  
Recovery Rate Calculation

**RECEIVED**

OCT 0 1 2012

PUBLIC SERVICE  
COMMISSION

Date Filed: September 26, 2012

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Date Rates to be Effective: November 1, 2012

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Reporting Period is Calendar Quarter Ended: January 31, 2013

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SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf \$	5.5600
+ Refund Adjustment (RA)	\$/Mcf \$	-
+ Actual Adjustment (AA)	\$/Mcf \$	(0.5934)
+ Balance Adjustment (BA)	\$/Mcf \$	-
= Gas Cost Recovery Rate (GCR)	\$/Mcf \$	4.9666

GCR to be effective for service rendered from November 01, 2012 to January 31, 2013

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$ \$	546,783
	÷ Sales for the 12 months ended	Mcf	98,342
	= Expected Gas Cost (EGC)	\$/Mcf \$	5.5600
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 \$	0.2093
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf \$	(0.3422)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf \$	(0.4151)
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf \$	(0.0454)
	= Actual Adjustment (AA)	\$/Mcf \$	(0.5934)
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, 2012		
(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
5/31/2011		3,791	3,616	5.5600	20,105.02
6/30/2011		2,226	2,141	5.5600	11,904.00
7/31/2011		1,607	1,546	5.5600	8,595.79
8/31/2011		1,671	1,591	5.5600	8,845.99
9/30/2011		1,915	1,842	5.5600	10,241.55
10/31/2011		4,502	4,336	5.5600	24,108.23
11/30/2011		12,721	12,120	5.5600	67,387.41
12/31/2011		18,881	18,225	5.5600	101,331.31
1/31/2012		20,126	19,349	5.5600	107,580.77
2/29/2012		20,857	19,997	5.5600	111,183.66
3/31/2012		8,192	7,871	5.5600	43,762.89
4/30/2012		5,945	5,708	5.5600	31,736.58
		102,434	98,342		546,783.19

Line loss for 12 months ended April 30, 2012 is 3.9948% based on purchases of  
102,434 Mcf and sales of 98,342 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 546,783.19
÷ Mcf Purchases (4)	Mcf	102,434
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.3379
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	102,434
= Total Expected Gas Cost (to Schedule IA)	\$	\$ 546,783.19

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

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

**\$5.3220 Per Attached Schedule**

## SCHEDULE III

## SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended July 31, 2012

<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	98,342
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	0

## SCHEDULE IV

## ACTUAL ADJUSTMENT

For the 3 month period ended April 30, 2012

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(May 12)</u>	<u>Month 2</u> <u>(Jun 12)</u>	<u>Month 3</u> <u>(Jul 12)</u>
Total Supply Volumes Purchased	Mcf	5,618.0	3,370.0	3,199.0
Total Cost of Volumes Purchased	\$	\$ 21,405.25	\$ 14,187.70	\$ 14,619.43
÷ Total Sales	Mcf	2,711.0	1,664.0	1,989.0
(may not be less than 95% of supply volumes)				
= Unit Cost of Gas	\$/Mcf	\$ 7.8957	\$ 8.5263	\$ 7.3501
- EGC in effect for month	\$/Mcf	\$ 4.6559	\$ 4.6559	\$ 4.6559
= Difference	\$/Mcf	\$ 3.2398	\$ 3.8704	\$ 2.6942
[(over-)/Under-Recovery]				
x Actual sales during month	Mcf	2,711.0	1,664.0	1,989.0
= Monthly cost difference	\$	\$ 8,783.11	\$ 6,440.28	\$ 5,358.84
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	\$ 20,582.23
÷ Sales for 12 months ended			Mcf	98,342.0
= Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	\$ 0.2093

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended April 30, 2012

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR <b>Less:</b> Dollar amount resulting from the AA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the AA was in effect.	\$	_____
<b>Equals:</b> Balance Adjustment for the AA.	\$	_____
(2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR. <b>Less:</b> Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect.	\$	_____
<b>Equals:</b> Balance Adjustment for the RA	\$	_____
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR <b>Less:</b> Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect.	\$	_____
<b>Equals:</b> Balance Adjustment for the BA.	\$	_____
Total Balance Adjustment Amount (1) + (2) + (3)	\$	_____
÷ Sales for 12 months ended	Mcf	_____
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	_____

	FOR	Entire Service Area	
	PSC KY NO.		1
	64rd Revised	SHEET NO.	1
Public Gas Company	CANCELLING PSC KY NO.		1
(NAME OF UTILITY)	63nd Revised	SHEET NO.	1

Applies to: All Customers  
Rate, Monthly:

		Base Rate	Gas Cost	Rate per Unit (Mcf)
First	0 to 1 Mcf Minimum Bill	3.2705	4.9666	8.2371
All Over	1 Mcf	2.1505	4.9666	7.1171

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DATE OF ISSUE September 26, 2012  
MONTH/DATE/YEAR

DATE EFFECTIVE November 1, 2012  
MONTH/DATE/YEAR

ISSUED BY Jonathan A. Harrington  
SIGNATURE OF OFFICER

TITLE Controller

BY AUTHORITY OF ORDER THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



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

**Estimated sales price for the three months ending January 31, 2013:**

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-12	\$ 3.215	\$ 0.050	\$ 3.265	1.161	\$ 3.791	\$ 1.500	\$ 5.291
Dec-12	\$ 3.488	\$ 0.050	\$ 3.538	1.161	\$ 4.108	\$ 1.500	\$ 5.608
Jan-13	\$ 3.638	\$ 0.050	\$ 3.688	1.161	\$ 4.282	\$ 1.500	\$ 5.782
							\$ 16.680

\* Settle price as of September 26, 2012 taken from NYMEX website  
<http://www.cmegroup.com>

Average Cos \$ 5.560

**Actual sales price for the three months ended July 31, 2012**

Col A	Col B	Col C	Col D	Col E (Btu Factor Per Mcf)	Col F (Col D * Col E)	Col G	Col H (Col F + Col G)
Period			Appalachian Index Per Mmbtu (Per Platt's Gas Daily)	Mmbtu/Mcf Conversion Factor - Actual	Appalachian Index Per Mcf	Contract Addition Per Mcf	Total Price per Mcf
May-12	N/A	N/A	\$ 2.036	1.116	\$ 2.272	\$ 1.500	\$ 3.772
Jun-12	N/A	N/A	\$ 2.429	1.116	\$ 2.711	\$ 1.500	\$ 4.211
Jul-12	N/A	N/A	\$ 2.774	1.116	\$ 3.096	\$ 1.500	\$ 4.596

**Actual sales total for the three months ended April 30, 2012 based on volumes utilized**

Col A	Col B	Col C	Col D	Col E	Col F	Col G	Col H (Col D * Col E)
Period			Purchased Gas Volume (Mcfs)	Total Price per Mcf (Calculation above)			Total Price
May-12	N/A	N/A	5,618	\$ 3.772	N/A	N/A	21,192.08
Jun-12	N/A	N/A	3,370	\$ 4.211	N/A	N/A	14,190.27
Jul-12	N/A	N/A	3,199	\$ 4.596	N/A	N/A	14,701.96