

Public Gas Company
220 Lexington Green, Bldg 2, Suite 130
P.O. Box 24032
Lexington, KY 40524-4032
Tele (859) 245-8193

March 29, 2011

Mr. Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RECEIVED

MAR 29 2011

**PUBLIC SERVICE
COMMISSION**

RE: Public Gas Company
Case No.
GCR Filing Proposed to Become
Effective May 1, 2011

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 May 1, 2011. Also included are an original and ten copies of 57th revised 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 \$6.4044 per MCF of sales.

Sincerely,



Bert R. Layne

Public Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: March 29, 2011

Date Rates to be Effective: May 1, 2011

Reporting Period is Calendar Quarter Ended: July 31, 2011

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.9285
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.5241)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		6.4044

GCR to be effective for service rendered from May 1, 2011 to July 31, 2011

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	
÷	Sales for the 12 months ended _____	Mcf	
=	Expected Gas Cost (EGC)	\$/Mcf	
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Sch.III)		
+	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	(.1050)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0551)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.0194
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.3834)
=	Actual Adjustment (AA)	\$/Mcf	(.5241)
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)		

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended October 31, 2010

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Month		Purchases Mcfs	Rate	Sales Mcfs	
11/30/09		8,715	6.9285	8,434	
12/31/09		21,356	6.9285	20,585	
01/31/10		23,166	6.9285	22,355	
02/28/10		23,706	6.9285	23,100	
03/31/10		18,159	6.9285	17,735	
04/30/10		4,673	6.9285	4,552	
05/31/10		3,086	6.9285	2,990	
06/30/10		1,817	6.9285	1,761	
07/31/10		1,324	6.9285	1,296	
08/31/10		1,395	6.9285	1,362	
09/30/10		1,847	6.9285	1,786	
10/31/10		3,568	6.9285	3,459	
Totals		<u>112,812</u>		<u>109,415</u>	

Line loss for 12 months ended October 31, 2010 is 3.01% based on purchases of 112,812 Mcf and sales of 109,415 Mcf.

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

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

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

\$6.9285 Per Attached Schedule

Jefferson Gas, LLC

03/29/11

Expected gas price, May, June and July 2011

Public Gas has asked for an estimate of their gas price for the months of May, June and July 2011

	Gas price* to Public Gas
May 2011	6.64
June 2011	6.72
July 2011	6.80

*Jefferson Gas purchases gas from various producers based on the NYMEX futures price. This index changes daily, and has been somewhat volatile in the past. Therefore, gas may be more or less than indicated above, depending on the actual NYMEX price for the periods indicated above. The above estimated gas prices were derived from the NYMEX futures prices issued by the NYMEX web site on March 24, 2011.

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6.640000÷
6.720000÷
6.800000÷
20.160000*÷

20.160000÷
  3.0=
6.720000*÷

6.720000÷
  0.9699=
6.928549*÷
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SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

| Details for the 3 months ended (reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	
+ Interest	\$	
<hr/> = Refund Adjustment including interest	\$	<hr/>
÷ Sales for 12 months ended	Mcf	<hr/>
<hr/> = Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended January 31, 2011

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Nov 10)</u>	<u>Month 2 (Dec 10)</u>	<u>Month 3 (Jan 11)</u>
Total Supply Volumes Purchased	Mcf	11,836	23,935	24,975
Total Cost of Volumes Purchased	\$	64,174.79	161,800.60	166,728.11
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	11,504	23,055	24,233
<hr/>				
= Unit Cost of Gas	\$/Mcf	5.5785	7.0180	6.8802
- EGC in effect for month	\$/Mcf	6.8749	6.8749	6.8749
<hr/>				
= Difference [(over-)/Under-Recovery]	\$/Mcf	(1.2964)	.1431	.0053
x Actual sales during month	Mcf	11,504	23,055	24,233
<hr/>				
= Monthly cost difference	\$	(14,913.79)	3,299.17	128.43
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	(11,486.19)
÷ Sales for 12 months ended <u>October 31, 2010</u>			Mcf	109,415
<hr/>				
Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	(.1050)

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____ (reporting period)

	<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	\$	
	Less: 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.	\$	
	Equals: 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.		
	Less: 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.	\$	
	Equals: 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	\$	
	Less: 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.	\$	
	Equals: 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	

Entire Service Area

FOR _____ 1

PSC KY NO. _____

57th Revised _____ 1

_____ SHEET NO. _____ 1

Public Gas Company

(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

56th 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	6.4044	9.6749
All Over	1 Mcf		2.1505	6.4044	8.5549

DATE OF ISSUE March 29, 2011
MONTH / DATE / YEAR

DATE EFFECTIVE May 1, 2011
MONTH / DATE / YEAR

ISSUED BY Bert R. Layne
SIGNATURE OF OFFICER

TITLE Treasurer

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