

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

June 29, 2011

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

RECEIVED

JUN 29 2011

**PUBLIC SERVICE
COMMISSION**


RE: Public Gas Company
Case No.
GCR Filing Proposed to Become
Effective August 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 August 1, 2011. Also included are an original and ten copies of 58th 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 \$6.6544 per MCF of sales.

Sincerely,



Bert R. Layne

Public Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: June 29, 2011

Date Rates to be Effective: August 1, 2011

Reporting Period is Calendar Quarter Ended: October 31, 2011

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

| <u>Component</u> | <u>Unit</u> | <u>Amount</u> |
|--------------------------------|-------------|---------------|
| Expected Gas Cost (EGC) | \$/Mcf | 6.7834 |
| + Refund Adjustment (RA) | \$/Mcf | |
| + Actual Adjustment (AA) | \$/Mcf | (.1290) |
| + Balance Adjustment (BA) | \$/Mcf | |
| = Gas Cost Recovery Rate (GCR) | | 6.6544 |

GCR to be effective for service rendered from August 1, 2011 to October 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 | .0117 |
| + | Previous Quarter Reported Actual Adjustment | \$/Mcf | (.1050) |
| + | Second Previous Quarter Reported Actual Adjustment | \$/Mcf | (.0551) |
| + | Third Previous Quarter Reported Actual Adjustment | \$/Mcf | .0194 |
| = | Actual Adjustment (AA) | \$/Mcf | (.1290) |

| 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 January 31, 2011

| (1) Supplier | (2) Dth | (3) BTU Conversion Factor | (4) Mcf | (5)** Rate | (6) (4) X (5) Cost |
|-----------------|------------|---------------------------------|------------|----------------|--------------------------|
| Month | | Purchases Mcfs | Rate | Sales Mcfs | |
| 02/28/10 | | 23,706 | 6.7834 | 23,100 | |
| 03/31/10 | | 18,159 | 6.7834 | 17,735 | |
| 04/30/10 | | 4,673 | 6.7834 | 4,552 | |
| 05/31/10 | | 3,086 | 6.7834 | 2,990 | |
| 06/30/10 | | 1,817 | 6.7834 | 1,761 | |
| 07/31/10 | | 1,324 | 6.7834 | 1,296 | |
| 08/31/10 | | 1,395 | 6.7834 | 1,362 | |
| 09/30/10 | | 1,847 | 6.7834 | 1,786 | |
| 10/31/10 | | 3,568 | 6.7834 | 3,459 | |
| 11/30/10 | | 11,836 | 6.7834 | 11,504 | |
| 12/31/10 | | 23,935 | 6.7834 | 23,055 | |
| 01/31/11 | | 24,975 | 6.7834 | 24,233 | |
| Totals | | <u>120,321</u> | | <u>116,833</u> | |

Line loss for 12 months ended January 31, 2011 is 2.900% based on purchases of 120,321 Mcf and sales of 116,833 Mcf.

| | Unit | Amount |
|---|--------|--------|
| 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.

\$6.7834 Per Attached Schedule

Jefferson Gas, LLC

06/27/11

Expected gas price, August, September and October 2011

Public Gas has asked for an estimate of their gas price for the months of August, September, and October 2011

| | Gas price* to Public Gas |
|----------------|--------------------------------|
| August 2011 | 6.55 |
| September 2011 | 6.58 |
| October 2011 | 6.63 |

*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 June 24, 2011.

6.550000+
6.580000÷
6.630000+
19.760000*

19.760000÷
3.=
6.586667*

6.586667÷
0.9710=
6.783386*

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 | <hr/> <hr/> |

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended

April 30, 2011

| <u>Particulars</u> | <u>Unit</u> | <u>Month 1 (Feb 11)</u> | <u>Month 2 (Mar 11)</u> | <u>Month 3 (Apr 11)</u> |
|---|-------------|-----------------------------|-----------------------------|-----------------------------|
| Total Supply Volumes Purchased | Mcf | 20,164 | 14,228 | 7,104 |
| Total Cost of Volumes Purchased | \$ | 135,159.29 | 85,040.76 | 46,183.10 |
| ÷ Total Sales (may not be less than 95% of supply volumes) | Mcf | 19,454 | 13,676 | 6,841 |
| <hr/> | | | | |
| = Unit Cost of Gas | \$/Mcf | 6.9476 | 6.2182 | 6.7509 |
| - EGC in effect for month | \$/Mcf | 6.6302 | 6.6302 | 6.6302 |
| <hr/> | | | | |
| = Difference [(over-)/Under-Recovery] | \$/Mcf | .3174 | (.4120) | .1207 |
| <hr/> | | | | |
| x Actual sales during month | Mcf | 19,454 | 13,676 | 6,841 |
| <hr/> | | | | |
| = Monthly cost difference | \$ | 6,174.70 | (5,634.51) | 825.71 |
| | | | | |
| | | | <u>Unit</u> | <u>Amount</u> |
| Total cost difference (Month 1 + Month 2 + Month 3) | | | \$ | 1,365.90 |
| ÷ Sales for 12 months ended January 31, 2011 | | | Mcf | 116,833 |
| <hr/> | | | | |
| Actual Adjustment for the Reporting Period (to Schedule IC.) | | | \$/Mcf | .0117 |

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 | _____ |

FOR Entire Service Area

PSC KY NO. 1

58th Revised SHEET NO. 1

CANCELLING PSC KY NO. 1

57th Revised SHEET NO. 1

Public Gas Company

(NAME OF UTILITY)

Applies to: All Customers

Rate, Monthly:

| | | | Base Rate | Gas Cost | Rate per Unit (Mcf) |
|----------|------------|--------------|--------------|-------------|------------------------|
| First | 0 to 1 Mcf | Minimum Bill | 3.2705 | 6.6544 | 9.9249 |
| All Over | 1 Mcf | | 2.1505 | 6.6544 | 8.8049 |

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

DATE EFFECTIVE August 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 _____