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October 3, 2011

Jed Weinberg  
Manager  
Montgomery Gas Company  
P. O. Box 783  
Hindman, KY 41822

RE: Case No 2011-00388  
Montgomery Gas Company  
Filing Deficiencies

The Commission staff has reviewed your application in the above case. This filing is rejected for the reasons set forth below.

Filing deficiencies pursuant to:

(1) On September 21, 2011, the Commission received Jakes Branch Gas Company, Inc.'s application for a rate increase with an effective date of November 1, 2011. 807 KAR 5:026: Section 9(1) (a) requires that a farm-tap rate adjustment can be put into effect only after 60 days' notice has been given to the Commission. This notice provision has not been complied with and the application is therefore deficient. In addition, the proposed tariff was submitted to the Commission without a signature of the issuer.

(2) 807 KAR 5:026: Section 9(1)(a)(1) The percentage change in rates does not exceed the percentage change in the price index during the most recent twelve (12) month period immediately preceding the date the proposed tariff is filed.

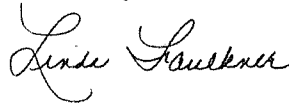
(3) 807 KAR 5:026: Section 9(1)(a)(2) The proposed rate does not exceed the highest average volumetric rate of a local gas distribution utility approved by the commission and in effect on the date the proposed tariff is filed.

(4) 807 KAR 5:026: Section 9(1)(d) requires that Jakes Branch Gas' mail notice to its customers no later than twenty (20) days prior to the filing date of the proposed tariff and shall follow the requirements in 807 KAR 5:026: Section 9(4). The application was submitted without a copy of this public notice and is therefore deficient.

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. If your filing contains a proposed effective date, the rejection of your filing for reasons of deficiencies voids that proposed effective date. When you file the required information to correct the deficiencies, you may refile your proposed tariff with a new proposed effective date that is at least 60 days from the date you file the required information. You are requested to file 10 copies of this information within 15 days of date of this letter. If you need further assistance, please contact my staff at 502/564-3940.

In all future correspondence or filings connected with this case, please reference the above case number. If you need further assistance, please contact my staff at 502-564-3940.

Sincerely,



Linda Faulkner  
Filings Division Director

LF/tw