

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

December 28, 2011

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

**RECEIVED**

**DEC 29 2011**

**PUBLIC SERVICE  
COMMISSION**

RE: Public Gas Company  
Case No.  
GCR Filing Proposed to Become  
Effective February 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 February 1, 2012. Also included are an original and ten copies of 60th 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 \$5.4401 per MCF of sales.

Sincerely,



Bert R. Layne

Public Gas Company

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed: December 29, 2011

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Date Rates to be Effective: February 1, 2012

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Reporting Period is Calendar Quarter Ended: April 30, 2012

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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	5.5780
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.1379)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		5.4401

GCR to be effective for service rendered from February 1, 2012 to April 30, 2012

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	(.0454)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	.0008
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.0117
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1050)
=	Actual Adjustment (AA)	\$/Mcf	(.1379)
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 July 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	
08/31/10		1,395	5.5780	1,362	
09/30/10		1,847	5.5780	1,786	
10/31/10		3,568	5.5780	3,459	
11/30/10		11,836	5.5780	11,504	
12/31/10		23,935	5.5780	23,055	
01/31/11		24,975	5.5780	24,233	
02/28/11		20,164	5.5780	19,454	
03/31/11		14,228	5.5780	13,676	
04/30/11		7,104	5.5780	6,841	
05/31/11		3,791	5.5780	3,616	
06/30/11		2,226	5.5780	2,141	
07/31/11		1,607	5.5780	1,546	
Totals		<u>116,676</u>		<u>112,673</u>	

Line loss for 12 months ended July 31, 2011 is 3.4309 % based on purchases of 116,676 Mcf and sales of 112,673 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.

**\$5.5780 Per Attached Schedule**

Jefferson Gas, LLC

12/27/11

Expected gas price, February, March, and April 2012

Public Gas has asked for an estimate of their gas price for the months of February, March, and April 2012

	Gas price* to Public Gas
February 2012	5.33
March 2012	5.38
April 2012	5.45

\*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 December 21, 2011.

5 • 330000 +  
5 • 380000 +  
5 • 450000 +  
16 • 160000 \* +  
  
16 • 160000 ÷  
3 • =  
5 • 386667 \* +  
  
5 • 386667 ÷  
0 • 965691 =  
5 • 578045 \* +

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/>		<hr/>
= Refund Adjustment including interest	\$	
÷ 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 October 31, 2011

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Aug 11)</u>	<u>Month 2 (Sep 11)</u>	<u>Month 3 (Oct 11)</u>
Total Supply Volumes Purchased	Mcf	1,671	1,915	4,502
Total Cost of Volumes Purchased	\$	10,813.04	11,214.24	25,557.85
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	1,591	1,842	4,336
= Unit Cost of Gas	\$/Mcf	6.7964	6.0881	5.8943
- EGC in effect for month	\$/Mcf	6.7834	6.7834	6.7834
= Difference [(over-)/Under-Recovery]	\$/Mcf	.0130	(.6953)	(.8891)
x Actual sales during month	Mcf	1,591	1,842	4,336
= Monthly cost difference	\$	20.68	(1,280.74)	(3,855.14)
Total cost difference (Month 1 + Month 2 + Month 3)	<u>Unit</u> \$			<u>Amount</u> (5,115.20)
÷ Sales for 12 months ended <u>July 31, 2011</u>	Mcf			112,673
Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf			(.0454)

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 <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  
 60th Revised SHEET NO. 1  
 CANCELLING PSC KY NO. 1  
 59th 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	5.4401	8.7106
All Over	1 Mcf		2.1505	5.4401	7.5906

DATE OF ISSUE December 28, 2011  
MONTH / DATE / YEAR  
 DATE EFFECTIVE February 1, 2012  
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 \_\_\_\_\_