

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

RECEIVED

MAR 28 2012

**PUBLIC SERVICE
COMMISSION**

March 27, 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 May 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 May 1, 2012. Also included are an original and ten copies of 61st 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 \$4.2079 per MCF of sales.

Sincerely,



Bert R. Layne

Public Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: March 27, 2012

Date Rates to be Effective: May 1, 2012

Reporting Period is Calendar Quarter Ended: July 31, 2012

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	4.6559
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.4480)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		4.2079

GCR to be effective for service rendered from May 1, 2012 to July 31, 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	(.4151)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0454)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.0008
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	.0117
=	Actual Adjustment (AA)	\$/Mcf	(.4480)
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, 2011

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
11/30/10		11,836	4.6559	11,504	
12/31/10		23,935	4.6559	23,055	
01/31/11		24,975	4.6559	24,233	
02/28/11		20,164	4.6559	19,454	
03/31/11		14,228	4.6559	13,676	
04/30/11		7,104	4.6559	6,841	
05/31/11		3,791	4.6559	3,616	
06/30/11		2,226	4.6559	2,141	
07/31/11		1,607	4.6559	1,546	
08/31/11		1,671	4.6559	1,591	
09/30/11		1,915	4.6559	1,842	
10/31/11		4,502	4.6559	4,336	
			117,954	113,835	

Line loss for 12 months ended October 31, 2011 is 3.4921 % based on purchases of 117,954 Mcf and sales of 113,835 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.

\$4.6559 Per Attached Schedule

Jefferson Gas, LLC

03/27/12

Expected gas price, May, June, and July 2012

Public Gas has asked for an estimate of their gas price for the months of May, June, and July 2012

	Gas price* to Public Gas
May 2012	4.37
June 2012	4.49
July 2012	4.62

*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 22, 2012.

4 • 370000 +
4 • 490000 +
4 • 620000 +
13 • 480000 * +

13 • 480000 ÷
3 • =
4 • 493334 * +

4 • 493334 ÷
0 • 965079 =
4 • 655924 * +

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 January 31, 2012

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Nov 11)</u>	<u>Month 2 (Dec 11)</u>	<u>Month 3 (Jan 12)</u>
Total Supply Volumes Purchased	Mcf	12,721	18,881	20,126
Total Cost of Volumes Purchased	\$	71,797.32	100,616.85	101,173.40
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	12,120	18,225	19,349
= Unit Cost of Gas	\$/Mcf	5.9239	5.5208	5.2289
- EGC in effect for month	\$/Mcf	6.4563	6.4563	6.4563
= Difference [(over-)/Under-Recovery]	\$/Mcf	(.5324)	(.9355)	(1.2274)
x Actual sales during month	Mcf	12,120	18,225	19,349
= Monthly cost difference	\$	(6,452.69)	(17,049.49)	(23,748.96)
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	(47,251.14)
÷ Sales for 12 months ended <u>October 31, 2011</u>			Mcf	113,835
<u>Actual Adjustment for the Reporting Period (to Schedule IC.)</u>			\$/Mcf	(.4151)

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	_____

Public Gas Company

(NAME OF UTILITY)

Entire Service Area
 FOR _____ 1
 PSC KY NO. _____
 61st Revised SHEET NO. _____ 1
 CANCELLING PSC KY NO. _____
 60th 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	4.2079	7.4784
All Over	1 Mcf		2.1505	4.2079	6.3584

DATE OF ISSUE March 27, 2012
MONTH / DATE / YEAR
 DATE EFFECTIVE May 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 _____