



GASCO
DISTRIBUTION SYSTEMS, INC.

4445 EAST PIKE

ZANESVILLE, OH 43701

OFFICE 740 454-6198

FAX 740 454-7780

February 3, 2011

RECEIVED

FEB - 7 2011

PUBLIC SERVICE
COMMISSION

Ms Beth A. O'Donnell
Commonwealth of Kentucky
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Dear Ms O'Donnell:

Attached please find one original filing and ten copies of the quarterly report of gas cost recovery rate calculation for rates to be effective March 1, 2011. We request a waiver of the 30 day notice requirement so the new rates go into effect as close to March 1, 2011 as possible. Please have one copy of the filing time-stamped and returned to us in the self-addressed stamped envelope.

If there are any questions concerning the filing, please call me at 740-454-8871 extension 113. Thank you for your cooperation in this matter.

Very truly yours,

Trina L. King
Secretary

TLK

Enclosure

GASCO DISTRIBUTION SYSTEMS, INC.

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

February 3, 2011

Date Rates to be Effective:

March 1, 2011

Reporting Period is Period Ended:

October 31, 2010

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	7.3955
+ Refund Adjustment (RA)	\$/Mcf	-
+ Actual Adjustment (AA)	\$/Mcf	1.8550
+ Balance Adjustment (BA)	\$/Mcf	(1.3689)
= Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>7.8815</u>

GCR to be effective for service rendered from November 1, 2010 to January 31, 2011

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	246,448
	+ Sales for the 12 months ended October 31, 2010	Mcf	33,324
	= Expected Gas Cost (EGC)	\$/Mcf	<u>7.3955</u>
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Ach. III)	\$/Mcf	-
	+ 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	-0.0850
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.2734
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	-0.6163
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	2.2829
	+/- Other cost adjustments	\$/Mcf	0
	= Actual Adjustment (AA)	\$/Mcf	<u>1.8550</u>
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	0.0628
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	(0.2368)
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(0.8613)
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	(0.3336)
	= Balance Adjustment (BA)	\$/Mcf	<u>(1.3689)</u>

SCHEDULE II
EXPECTED GAS COST

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Actual Mcf	(5) ** Projected Rate	(6) (4) x (5) Cost	
The Titan Energy Group, Inc.	Mar-11	4,260	1.035	4,116	5.9497	24,488.97
The Titan Energy Group, Inc.	Apr-11	1,624	1.035	1,569	5.9497	9,335.08
The Titan Energy Group, Inc.	May-11	1,034	1.035	999	5.9497	5,943.75
The Titan Energy Group, Inc.	Jun-11	1,120	1.035	1,082	5.9497	6,437.58
The Titan Energy Group, Inc.	Jul-11	798	1.035	771	5.9497	4,587.22
The Titan Energy Group, Inc.	Aug-11	667	1.035	644	5.9497	3,831.61
The Titan Energy Group, Inc.	Sep-11	1,135	1.035	1,097	5.9497	6,526.82
The Titan Energy Group, Inc.	Oct-11	1,432	1.035	1,384	5.9497	8,234.38
The Titan Energy Group, Inc.	Nov-11	2,315	1.035	2,237	5.9497	13,309.48
The Titan Energy Group, Inc.	Dec-11	7,450	1.035	7,198	5.9497	42,825.94
The Titan Energy Group, Inc.	Jan-12	6,024	1.035	5,820	5.9497	34,627.25
The Titan Energy Group, Inc.	Feb-12	6,631	1.035	6,407	5.9497	38,119.73
Sub-total		34,490		33,324		\$198,267.80
Add in:	Annual East Tennessee Demand Charge		\$4,015.00 x 12 mo.			\$48,180.00
						<u>\$246,447.80</u>

Line loss for the 12 months ended is _____ - or 0.00% based on purchases of 33,324
Mcf and sales of 33,324 Mcf.

	Unit	Amount
Total Expected Cost of Purchase (6) (See attached schedule)	\$	\$246,447.80
/ MCF Purchases (4)	Mcf	33,324
= Average Expected Cost Per Mcf Purchased	\$/Mcf	7.3955
x Allowable Mcf purchases (must not exceed Mcf Sales / .95)	Mcf	35,078
= Total Expected Gas Cost (to Schedule IA.)	\$	259,418.74

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

** Supplier's tariff sheets or notices are attached

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended October 31, 2010

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	-0-
+ Interest	\$	-0-
<hr/>		<hr/>
= Refund Adjustment including interest	\$	-0-
/ sales for 12 months ended October 31, 2010	Mcf	<hr/> 33,324
<hr/>		
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	-0-

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended October 31, 2010

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>Aug-10</u>	Month 2 <u>Sep-10</u>	Month 3 <u>Oct-10</u>
Total Supply Volume Purchased	Mcf	644	1,097	1,384
Total Cost of Volume Purchased	\$	\$ 4,549.89	\$ 5,697.00	\$ 10,720.08
/ Total Sales (may not be less than 95% of supply volumes)	Mcf	644	1,097	1,384
<hr/> = Unit Cost of Gas	\$/Mcf	<hr/> 7.0650	<hr/> 5.1933	<hr/> 7.7457
- EGC in effect for month	\$/Mcf	<hr/> 7.6162	<hr/> 7.6162	<hr/> 7.6162
= Difference [(Over-)/ Under-Recovery]	\$/Mcf	<hr/> -0.5512	<hr/> -2.4229	<hr/> 0.1295
x Actual Sales During Period	Mcf	<hr/> 644	<hr/> 1,097	<hr/> 1,384
= Monthly cost difference	\$	\$ (354.94)	\$ (2,657.97)	\$ 179.26
Total cost difference (Month 1 + Month 2 + Month 3)			\$	-2,833.66
/ Sales for 12 months ended October 31, 2010.			Mcf	<hr/> 33,324
<hr/> = Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	(0.0850)

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended October 31, 2010

<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.	\$	-16,337.44
Less: Dollar amount resulting from the BA of (.5982) \$/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 30,808 Mcf during the 12-month period the BA was in effect.	\$	-18,429.35
Equals: Balance Adjustment for the BA.	\$	2,091.91
Total Balance Adjustment Amount (1) + (2) + (3)	\$	2,091.91
/ Sales for 12 months ended <u>October 31, 2010</u> .	Mcf	33,324
<hr/> = Balance Adjustment for the Reporting Period (to Schedule ID.)	\$ /Mcf	<hr/> 0.0628

2/3/11

GASCO DISTRIBUTION SYSTEMS INC. - ALBANY DIVISION
 GAS COST ESTIMATE March 2011 - April 2011

CHARGE TYPE		March 11		April 11																ANNUAL TOTAL
NYADEX		\$4,377.0	\$4,394.0	\$0.0000																
TCP La. (ZONE 1)+40/M1/1BTU		\$0.4000	\$0.4000	\$0.4000																
TOTAL		\$4,777.0	\$4,794.0	\$0.4000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
TITAN RETAINAGE	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300
LESS TITAN RETAINAGE		\$5,136.6	\$5,154.8	\$0.4301	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
TITAN TRANS FEE	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60
ETNG TRANS FEE	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027
TOTAL		\$5,739.3	\$5,757.5	\$1.0338	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027
VOLUME ESTIMATE(DTH)		4,260	1,524	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,884
TOTAL (S) GAS		\$2,449.24	\$9,350.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,799
LOCAL PROD. VOL. (DTH)																				0
LOCAL PROD. VOL. (MCF)																				\$0
LOCAL PROD. BTU																				\$0
LOCAL PROD. COSTS EST.																				0
LOCAL PROD. TOTAL COSTS S																				0
VOLUME ESTIMATE(MCF)		4,116	1,569	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,685
BTU CONVERSION	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035
AVERAGE RATE (MCF)		\$5.9400	\$5.9594	\$0.0000																
		March 2011 - April 2011 \$5.9497 per Mcf																		

NYMEX Natural Gas Futures



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Month	Price	Change	Low	High
Mar 11	4.3770	-0.0520	4.3680	4.4960
Apr 11	4.3940	-0.0510	4.3860	4.5070
May 11	4.4370	-0.0480	4.4300	4.5430
Jun 11	4.4890	-0.0500	4.4880	4.5960
Jul 11	4.5410	-0.0450	4.5400	4.6410
Aug 11	4.5610	-0.0480	4.5610	4.6630
Sep 11	4.5690	-0.0420	4.5690	4.6630
Oct 11	4.6100	-0.0420	4.6080	4.7040
Nov 11	4.7600	-0.0310	4.7600	4.8350
Dec 11	4.9790	-0.0260	4.9790	5.0480
Jan 12	5.0920	-0.0280	5.0880	5.1600
Feb 12	5.0700	-0.0270	5.0700	5.1230

Average	Price	Change
3 Month Avg	4.4027	-0.0503
6 Month Avg	4.4665	-0.0490
12 Month Avg	4.6566	-0.0408
24 Month Avg	4.8591	-0.0227
36 Month Avg	5.0055	-0.0151
Peak Avg (Nov11-Mar12)	4.9900	-0.0176
Off-Pk Avg (Apr11-Oct11)	4.5144	-0.0466

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