

2004-00084

Elam Utility Company  
459 Main Street  
West Liberty, Kentucky 41472  
606-743-3695 fax 606-743-2292

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PUBLIC SERVICE  
COMMISSION

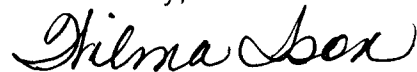
Public Service Commission  
P. O. Box 615  
Frankfort, Kentucky 40602

Dear Sir:

Please find enclosed the Gas Cost Recovery filing for Elam Utility Company for the period ending FEBRUARY 29, 2004.

If you have any questions or need additional information please contact Harrod and Associates at 502-695-7300.

Sincerely,



President

Enc.

ELAM UTILITY

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed:

**MARCH 12, 2004**

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Date Rates to be Effective:

**APRIL 1, 2004**

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Reporting Period is Calendar Quarter Ended:

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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      | 7.3534        |
| + Refund Adjustment (RA)       | \$/Mcf      | -0-           |
| + Actual Adjustment (AA)       | \$/Mcf      | 0.5412        |
| + Balance Adjustment (BA)      | \$/Mcf      | -0-           |
| = Gas Cost Recovery Rate (GCR) |             | 7.8946        |

GCR to be effective for service rendered from \_\_\_\_\_ to \_\_\_\_\_

| A. | <u>EXPECTED GAS COST CALCULATION</u>  | <u>Unit</u> | <u>Amount</u> |
|----|---------------------------------------|-------------|---------------|
|    | Total Expected Gas Cost (Schedule II) | \$          | 151,347       |
| ÷  | Sales for the 12 months ended _____   | Mcf         | 20,582        |
| =  | Expected Gas Cost (EGC)               | \$/Mcf      | 7.3534        |

| 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      | 0.2841        |
| +  | Previous Quarter Reported Actual Adjustment              | \$/Mcf      | 0.0059        |
| +  | Second Previous Quarter Reported Actual Adjustment       | \$/Mcf      | 0.2512        |
| +  | Third Previous Quarter Reported Actual Adjustment        | \$/Mcf      | -0-           |
| =  | Actual Adjustment (AA)                                   | \$/Mcf      | 0.5412        |

| 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)                                  | \$/Mcf      |               |

SCHEDULE II

EXPECTED GAS COST

Actual \* MCF Purchases for 2 months ended FEBRUARY 29, 2004

| (1)<br>Supplier | (2)<br>Dth | (3)<br>BTU<br>Conversion Factor | (4)<br>Mcf | (5)**<br>Rate | (6)<br>(4) X (5)<br>Cost |
|-----------------|------------|---------------------------------|------------|---------------|--------------------------|
| COLUMBIA GAS    | 19,130     | 1039.0                          | 18,412     | 7.3798        | 135,877                  |
| JEFFERSON GAS   | 2,170      | 1000.0                          | 2,170      | 7.1290        | 15,470                   |

(SCHEDULE ATTACHED)

|        |               |               |                |
|--------|---------------|---------------|----------------|
| Totals | <u>21,300</u> | <u>20,582</u> | <u>151,347</u> |
|--------|---------------|---------------|----------------|

Line loss for 12 months ended 2/29/04 is 0.03 % based on purchases of  
51,115 Mcf and sales of 51,099 Mcf.

|   |                   |               |
|---|-------------------|---------------|
| Total Expected Cost of Purchases (6)                        | <u>Unit</u><br>\$ | <u>Amount</u> |
| ÷ Mcf Purchases (4)   | Mcf               | <u>N/A</u>    |
| = Average Expected Cost Per Mcf Purchased                   | \$/Mcf            |               |
| x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95) | Mcf               | <u>N/A</u>    |
| = 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.

ELAM UTILITY  
 GAS COST RECOVERY RATE CALCULATION  
 SCHEDULE II

Columbia Gas

| <u>Period</u> | <u>DTH</u>   | <u>BTU</u> | <u>MCF</u>   | <u>Cost</u>      | <u>Rate</u> |
|---------------|--------------|------------|--------------|------------------|-------------|
| Jan-04        | 10,602       | 1042.9     | 10,166       | 75,913.61        | 7.4674      |
| Feb-04        | <u>8,528</u> | 1034.2     | <u>8,246</u> | <u>59,963.24</u> | 7.2718      |
|               | 19,130       | 1039.0     | 18,412       | 135,876.85       | 7.3798      |

Jefferson Gas

| <u>Period</u> | <u>DTH</u>           | <u>BTU</u> | <u>MCF</u>           | <u>Cost</u>              | <u>Rate</u>          |
|---------------|----------------------|------------|----------------------|--------------------------|----------------------|
| Jan-04        | 1,399                | 1000.0     | 1,399                | 9,977.57                 | 7.1319               |
| Feb-04        | <u>771</u>           | 1000.0     | <u>771</u>           | <u>5,492.46</u>          | 7.1238               |
|               | 2,170                | 1000.0     | 2,170                | 15,470.03                | 7.1290               |
|               | <u><u>21,300</u></u> |            | <u><u>20,582</u></u> | <u><u>151,346.88</u></u> | <u><u>7.3534</u></u> |

SCHEDULE III  
SUPPLIER REFUND ADJUSTMENT

Details for the months ended \_\_\_\_\_

| <u>Particulars</u>   | <u>Unit</u> | <u>Amount</u> |
|--|-------------|---------------|
| Total supplier refunds received  | \$          | -0-           |
| + Interest   | \$          | -0-           |
| = Refund Adjustment including interest                                     | \$          | -0-           |
| ÷ Sales for 12 months ended  | Mcf         | -0-           |
| = Supplier Refund Adjustment for the Reporting Period<br>(to Schedule IB.) | \$/Mcf      | -0-           |

SCHEDULE IV  
ACTUAL ADJUSTMENT

For the 2 month period ended 2/29/04

| <u>Particulars</u>  | <u>Unit</u> | Month 1<br>( <u>JAN</u> ) | Month 2<br>( <u>FEB</u> ) | Month 3<br>( <u>      </u> ) |
|---|-------------|---------------------------|---------------------------|------------------------------|
| Total Supply Volumes Purchased                                | Mcf         | 11,565                    | 9,017                     |                              |
| Total Cost of Volumes Purchased                               | \$          | 85,891                    | 65,456                    |                              |
| ÷ Total Sales<br>(may not be less than 95% of supply volumes) | Mcf         | 10,454                    | 9,380                     |                              |
| = Unit Cost of Gas  | \$/Mcf      | 8.2161                    | 6.9783                    |                              |
| - EGC in effect for month                                     | \$/Mcf      | 6.8981                    | 6.8987                    |                              |
| = Difference<br>[(over-)/Under-Recovery]                      | \$/Mcf      | 1.3174                    | 0.0796                    |                              |
| x Actual sales during month                                   | Mcf         | 10,454                    | 9,380                     |                              |
| = Monthly cost difference                                     | \$          | 13,772                    | 747                       |                              |

|  | <u>Unit</u> | <u>Amount</u> |
|--|-------------|---------------|
| Total cost difference (Month 1 + Month 2 + Month 3)            | \$          | 14,519        |
| ÷ Sales for 12 months ended <u>FEBRUARY</u>                    | Mcf         | 51,099        |
| = Actual Adjustment for the Reporting Period (to Schedule IC.) | \$/Mcf      | 0.2841        |

SCHEDULE V  
BALANCE ADJUSTMENT

For the 3 month period ended \_\_\_\_\_

|     | <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      | N/A           |