

Sigma Gas Corporation

P. O. Box 22
Salyersville, Kentucky 41465

RECEIVED

JUN 01 2004

PUBLIC SERVICE
COMMISSION

(606) 349-1505
(606) 886-7075

Estill Branham
Manager

May 28, 2004

Mr. Thomas Dorman
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

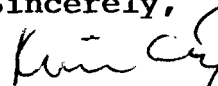
Case 2004-00207

Dear Mr. Dorman:

Enclosed you will find the Gas Cost Recovery for July 2004 thru September 2004.

If you have any questions, please call at the above number.

Sincerely,


Kimberly Crisp

Sigma Gas Corp

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

May 28, 2004

Date Rates to be Effective:

July 1, 2004

Reporting Period is Calendar Quarter Ended:

March 31, 2004

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.9806
+ Refund Adjustment (RA)	\$/Mcf	(0.6163)
+ Actual Adjustment (AA)	\$/Mcf	.044
+ Balance Adjustment (BA)	\$/Mcf	0.0091
<u>= Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	<u>6.4083</u>

GCR to be effective for service rendered from July to Sept

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	321128
+ Sales for the 12 months ended <u>March 31, 2004</u>	Mcf	46003
<u>= Expected Gas Cost (EGC)</u>	\$/Mcf	<u>6.9806</u>

<u>B. REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	0.0023
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	0.0074
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	(0.0091)
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	(0.0091)
<u>= Refund Adjustment (RA)</u>	\$/Mcf	<u>(0.0091)</u>

<u>C. ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	.208
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0572)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.1615)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.7056)
<u>= Actual Adjustment (AA)</u>	\$/Mcf	<u>(0.6163)</u>

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	(0.0023)
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	.0074
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(0.0091)
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	.044
<u>= Balance Adjustment (BA)</u>	\$/Mcf	<u>.044</u>

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended March 31, 2004

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
<u>Quaker Road Gas Co</u>			<u>46880</u>	<u>6.85</u>	<u>321128</u>

Totals

46880

321128

Line loss for 12 months ended March 31, 04 is 1.9 % based on purchases of 46880 Mcf and sales of 46003 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	<u>321128</u>
+ Mcf Purchases (4)	Mcf	<u>46880</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	<u>6.85</u>
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	<u>46880</u>
= Total Expected Gas Cost (to Schedule IA.)	\$	<u>321128</u>

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
**Supplier's tariff sheets or notices are attached.

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended March 31, 2004

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Jan)</u>	<u>Month 2 (Feb)</u>	<u>Month 3 (Mar)</u>
Total Supply Volumes Purchased	Mcf	10 329	8601	5609
Total Cost of Volumes Purchased	\$	93215	61314	42701
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	10 329	8601	5508
= Unit Cost of Gas	\$/Mcf	9.0246	7.1287	7.7525
- EGC in effect for month	\$/Mcf	7.6796	7.6796	7.6796
= Difference [(Over-)/Under-Recovery]	\$/Mcf	1.345	(.5509)	.0729
x Actual sales during month	Mcf	10329	8601	5508
= Monthly cost difference	\$	13 893	(4738)	402

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	9557
+ Sales for 12 months ended <u>March 31, 2004.</u>	Mcf	46003
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.208

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended March 31, 04

<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.	\$	(15 296)
Less: Dollar amount resulting from the AA of (1.3302) \$/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 46003 Mcf during the 12-month period the AA was in effect.	\$	(15190)
Equals: Balance Adjustment for the AA.	\$	<u>(106)</u>
(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.	\$	<u> </u>
(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.	\$	<u> </u>
Total Balance Adjustment Amount (1) + (2) + (3)	\$	<u>(106)</u>
+ Sales for 12 months ended <u>March 31, 2004</u>	Mcf	<u>46003</u>
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	<u>(.0023)</u>

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Manager

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	<u>Base Rate</u>	<u>Gas Cost Recovery</u>	<u>Total</u>
First MCF (Minimum Bill)	6.25	6.4083	12.6583
All over First MCF	4.5522	6.4083	10.9605