

**BURKESVILLE GAS COMPANY, INC.**

119 Upper River St. - P. O. Box 69  
Burkesville, Kentucky 42717  
Telephone (270) 864-9400 - Fax (270) 864-5135  
Corporate Office  
P. O. Box 191, Greenville, Texas 75403-0191  
Telephone (903) 454-4000 - Fax (903) 454-2320

November 8, 2004

Mr. Thomas M. Dorman  
Executive Director  
Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602-0615

**RECEIVED**

NOV 09 2004

PUBLIC SERVICE  
COMMISSION

Case 2004-00438

RE: Gas Cost Adjustment Filing

Dear Mr. Dorman:

Enclosed are the original and 10 copies of the necessary filings for the quarterly report of the Gas Cost Recovery Rate Calculation for Burkesville Gas Company, Inc. for the reporting period of calendar quarter ended September 30, 2004. In an effort to bring our filings up to date, this filing covers the fifteen month period of July 1, 2003 through September 30, 2004.

The EGC for our last filing effective November 2003 (Case #2003-0382) should have been 9.0094. However, due to a billing error, the new rate was not billed until December 2003. In order to mitigate the impact on the customers, Burkesville Gas Company, Inc. chose to include this underbilling in the true-up component of the Gas Cost Recovery Rate Calculation.

If you need additional information, please contact me at 1-903-454-4000 or e-mail - [beveret@chilitech.com](mailto:beveret@chilitech.com).

Sincerely,



Brenda Everette

Enclosure

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NOV 09 2004

CASE # 2004-00438

PUBLIC SERVICE  
COMMISSION

**BURKESVILLE GAS COMPANY**

**QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION**

DATE FILED:

08-Nov-04

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RATES TO BE EFFECTIVE:

10-Dec-04

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REPORTING PERIOD IS CALENDER QUARTER ENDED:

30-Sep-04

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Prepared By: \_\_\_\_\_  
Brenda Everette

## SCHEDULE I

## GAS COST RECOVERY RATE SUMMARY

COMPONENT	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	11.1002
REFUND ADJUSTMENT (RA)	\$/MCF	0.0000
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>(0.0792)</u>
GAS COST RECOVERY RATE (GCR)		<u>11.0210</u>

GCR TO BE EFFECTIVE FOR SERVICE RENDERED FROM DECEMBER 10, 2004 TO MARCH 31, 2005

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(A) EXPECTED GAS COST CALCULATION

TOTAL EXPECTED GAS COST (SCH II)	\$	\$	520,457
SALES FOR THE 15 MONTH ENDED SEPTEMBER 30, 2004	MCF		<u>46887</u>
EXPECTED GAS COST (EGC)	\$/MCF		<u>11.1002</u>

(B) REFUND ADJUSTMENT CALCULATION

SUPPLIER REFUND ADJUSTMENT FOR REPORT PERIOD (SCH III)	\$/MCF		0.0000
PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF		0.0000
SECOND PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF		0.0000
THIRD PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF		<u>0.0000</u>
REFUND ADJUSTMENT (RA)	\$/MCF		<u>0.0000</u>

(C) ACTUAL ADJUSTMENT CALCULATION

ACTUAL ADJUSTMENT FOR THE REPORTING PERIOD (SCH IV)	\$/MCF		-0.0792
PREVIOUS QUARTER ACTUAL ADJUSTMENT	\$/MCF		
SECOND PREVIOUS QUARTER ACTUAL ADJUSTMENT	\$/MCF		
THIRD PREVIOUS QUARTER ACTUAL ADJUSTMENT	\$/MCF		<u></u>
ACTUAL ADJUSTMENT (AA)			<u>-0.0792</u>

SCHEDULE II  
EXPECTED GAS COST

1	2	3	4	5 2 X 3 X 4
SUPPLIER	MCF PURCHASED	DTH FACTOR	RATE	COST
EAGLE ENERGY PARTNERS	46304	1.0387	\$ 9.50	\$ 456,912
APACHE TRANSMISSION	46304	1.0387	\$ 1.74	\$ 83,687

TOTALS \$ 540,599

LINE LOSS FOR 15 MONTHS ENDED SEPTEMBER 30, 2004 IS: -1.2438%  
BASED ON PURCHASES OF: 46304 AND SALES OF: 46887

	UNIT	AMOUNT
TOTAL EXPECTED COST OF PURCHASES (5)	\$	\$ 540,599
/ MCF PURCHASES (2)	MCF	46304
AVERAGE EXPECTED COST PER MCF PURCHASED		11.2400
TIMES ALLOWABLE MCF PURCHASES (NOT TO EXCEED MCF SALES /.95)		<u>46304</u>
TOTAL EXPECTED GAS COST (TO SCH IA)		<u>\$ 520,457</u>

**SCHEDULE III**  
**SUPPLIER REFUND ADJUSTMENT**

DETAILS FOR 15 MONTHS ENDING SEPTEMBER 30, 2004

<b>PARTICULARS</b>	<b>UNIT</b>	<b>AMOUNT</b>
TOTAL SUPPLIER REFUND RECEIVED	\$	0.0000
INTEREST	\$	<u>0.0000</u>
REFUND ADJUSTMENT INCLUDING INTEREST		0.0000
SALES FOR 15 MONTHS ENDED _____	MCF	<u>                    </u>
SUPPLIER FUND ADJUSTMENT FOR THE REPORTING PERIOD (TO SCH IB)	\$/MCF	0.0000

QTR GCA REPORT      SCH IV  
 ACTUAL ADJUSTMENT  
 THE FIFTEEN MONTH PERIOD ENDING SEPTEMBER 30, 2004

PARTICULARS	UNIT	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12
		Jul-03	Aug-03	Sep-03	Oct-03	** Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04
TOTAL SUPPLY VOLUMES PURCH.	MCF	696	643	715	2097	3910	8676	10312	7854	4687	2612	1110	751
TUAL COST OF VOLUMES PURCH.	\$	6,779.20	5,486.34	6,205.00	18,683.88	40,221.64	79,283.83	91,991.10	69,783.66	41,382.53	23,571.27	9,885.21	6,744.19
TOTAL SALES VOLUME (MAY NOT BE LESS THAN 95% OF SUPPLY VOLUMES)	MCF	1066	890	954	2162	4024	8242	9796	8579	5232	3187	1186	975
UNIT COST OF SALES	\$/MCF	6.3619	6.1617	6.5076	8.6431	9.9964	9.6195	9.3907	8.1339	7.9091	7.3965	8.3377	6.9157
EGC IN EFFECT FOR MONTH	\$/MCF	7.0625	7.0625	7.0625	7.0625	7.0625	9.0094	9.0094	9.0094	9.0094	9.0094	9.0094	9.0094
DIFFERENCE (OVER)/UNDER RECOVERY	\$/MCF	-0.7006	-0.9008	-0.5549	1.5806	2.9339	0.6101	0.3813	-0.8755	-1.1003	-1.6129	-0.6717	-2.0937
ACTUAL SALES DURING MONTH	MCF	1066	890	954	2162	4024	7654	8167	8579	5232	3187	1186	975
MONTHLY COST DIFFERENCE (RECOVERY DIFF*ACTUAL SALES)	\$	(746.60)	(802.11)	(529.09)	3,416.87	11,804.97	4,669.38	3,113.87	(7,511.59)	(5,757.35)	(5,139.89)	(796.33)	(2,041.78)
TOTAL COST DIFFERENCE MONTH 1 TO 15													(3,711.37)
SALES FOR 15 MONTHS ENDING SEPTEMBER 30, 2004													46887
ACTUAL ADJUSTMENT (AA) FOR THE REPORTING PERIOD (SCH IC)													(0.0792)

\*\* The EGC in effect with our last filing (Case #2003-00382) for November 2003 should have been 9.0094. However, due to a billing error, the new rate was not billed until December 2003. In order to mitigate the impact on the customers, Burkesville Gas chose to include this underbilling in the true-up component of the Gas Cost Recovery Rate Calculation.

	<u>MONTH 13</u>	<u>MONTH 14</u>	<u>MONTH 15</u>
	Jul-04	Aug-04	Sep-04
	746	752	743
	7,070.84	7,513.35	7,363.93
	929	934	950
	7,6088	8,0460	7,7556
	9,0094	9,0094	9,0094
	-1,4006	-0,9634	-1,2538
	929	934	950
	(1,301.60)	(899.63)	(1,190.50)