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PUBLIC SERVICE  
COMMISSION

**EAST KENTUCKY UTILITIES, INC.**

**P.O. Box 408  
Prestonsburg, KY 41653**

October 26, 2005

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, KY 40602-0615

Re: Gas Cost Recovery  
East Kentucky Utilities, Inc.

*Case No. 2005-00439*

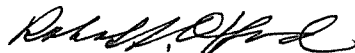
Dear Ms. O'Donnell:

Kentucky Frontier Gas, LLC. is the contract operator for the Floyd County gas system through a Service Agreement with East Kentucky Utilities, Inc. We assumed operations of the system on August 15, 2005.

On behalf of EKU we are filing for Gas Cost Recovery for the period November and December, 2005. Enclosed is a Rates and Charges form and related calculations on which we are basing our request for rate changes. We respectfully request a waiver of the 30 day notice requirement for this filing. If you have questions please call Bob Richardson at 303-422-3400.

Sincerely,

East Kentucky Utilities, Inc.



By: Robert J. Oxford  
Member Manager  
Kentucky Frontier Gas, LLC.

Enc.

FOR ENTIRE AREA SERVED  
Community, Town or City

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P.S.C. KY. NO. \_\_\_\_\_

PUBLIC SERVICE  
COMMISSION

97<sup>th</sup> \_\_\_\_\_ SHEET NO. 1

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

96<sup>th</sup> \_\_\_\_\_ SHEET NO. 1

**EAST KENTUCKY UTILITIES, INC**

\_\_\_\_\_  
(Name of Utility)

**RATES AND CHARGES**

**RATE SCHEDULE: APPLICABLE IN ALL TERRITORY SERVED BY COMPANY.**

**AVAILABILITY OF SERVICE: FOR ALL RESIDENTIAL AND COMMERCIAL PURPOSES.**

<b><u>RATES: Monthly</u></b>	<b><u>Base Rate</u></b>	<b><u>Gas Cost Recovery Rate</u></b>	<b><u>Total Rate</u></b>
<b>First Mcf</b>	<b>\$10.00</b>	<b>\$17.6082</b>	<b>\$27.6082</b>
<b>All Over 1 Mcf</b>	<b>\$ 5.2553</b>	<b>\$17.6082</b>	<b>\$22.8635</b>
<b><u>Minimum Bill</u></b>	<b>\$27.6082</b>		

DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE November 1, 2005  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE PRESIDENT

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2005-00335 DATED \_\_\_\_\_

**EAST KENTUCKY UTILITIES, INC.**  
**Cost of Gas Purchases Based on Wholesale Rates**  
**Effective November 1, 2005**

	<u>1/1-12/31/2004</u>			<u>Gas Cost Effective</u>
	<u>MCF</u>	<u>DTH</u>		<u>November 1, 2005</u>
Southeastern Gas Co.	204		3.50 Per MCF	\$ 714.00
Equitable Energy LLC	<u>70,072</u>	89,472	13.39 Per DTH *	1,198,030.08
<b>TOTAL</b>	<u><b>70,276</b></u>			<u><b>\$ 1,198,744.08</b></u>

	<u>1/1-12/31/2004</u>			<u>Gas Cost Effective</u>
	<u>MCF</u>	<u>DTH</u>		<u>August 1, 2005</u>
Southeastern Gas Co.	204		3.50 Per MCF	\$ 714.00
Equitable Energy LLC	<u>70,072</u>	89,472	10.80 Per DTH *	967,297.60
<b>TOTAL</b>	<u><b>70,276</b></u>			<u><b>\$ 967,011.60</b></u>

<b>INCREASE GAS COSTS</b>				\$ 231,732.48
<b>Plus Allowable</b>				
<b>Line Loss</b>		4.7072%		<u>10,908.11</u>
<b>2004 MCF PURCHASED</b>	<u>70,276</u>		<b>GAS COST INCREASE</b>	<u><b>\$ 242,640.59</b></u>
<b>2004 MCF SOLD</b>	<u>66,968</u>			
<b>ACTUAL LINE LOSS</b>	<u>3,308</u>	<b>LINE LOSS PERCENTAGE</b>	<u>4.7072%</u>	
<b>Total Increase</b>			<u><b>Per MCF</b></u>	<u><b>\$ 3.4527</b></u>

\*DTH to MCF Conversions provided by Equitable monthly

Bid Week Prices

Mo./Yr	Columbia		
	Appalach Pooled (\$/Dth)	Henry Hub (\$/Dth)	Basis Differential (\$/Dth)
Jan-04	6.40	6.16	0.24
Feb-04	6.21	5.76	0.45
Mar-04	5.38	5.15	0.23
Apr-04	5.64	5.37	0.27
May-04	6.19	5.94	0.25
Jun-04	6.98		
Jul-04	6.42		
Aug-04	6.29		
Sep-04	5.34		
Oct-04	6.05	5.81	0.24
Nov-04	7.90	7.67	0.23
Dec-04	8.25	7.81	0.44
Jan-05			
Feb-05	6.56	6.29	0.27
Mar-05	6.58	6.30	0.28
Apr-05	7.68	7.33	0.35
May-05	7.10	6.80	0.30
Jun-05	6.44	6.14	0.30
Jul-05	7.28	6.98	0.30
Aug-05	7.94	7.65	0.29
Sep-05	11.78	11.06	0.72
Oct-05			
Nov-05			
Dec-05			

				Est. Basis		
				Diff		
11/05 Futures	10/24/05 close	=	\$13.004/Dth +	0.30	=	\$13.304/Dth
12/05 Futures		=	\$13.177/Dth +	0.30	=	\$13.477/Dth
			2 Month Avg. Price Est.		=	\$13.39/Dth

FRANKFORT, KY 40602



DLN 802 27

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2005

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TO

MS. BETH O'DONNELL  
EXECUTIVE DIRECTOR  
PUBLIC SERVICE COMMISSION  
211 SOWER BLVD.  
FRANKFORT, KY 40602-0615

RETURN POSTAGE GUARANTEED