

EAST KENTUCKY UTILITIES, INC.

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DEC 16 2005

Case No. 2005-00537

PUBLIC SERVICE COMMISSION

FACSIMILE TRANSMITTAL SHEET

TO: Ms. Beth O'Donnell	FROM: Robert Oxford
COMPANY: Public Service Commission	DATE: 12/15/05
FAX NUMBER: 502-564-3460	TOTAL NO. OF PAGES INCLUDING COVER: 5
PHONE NUMBER:	SENDER'S PHONE NUMBER: (303) 422-3400
RE: Gas Cost Recovery, East Kentucky Utilities, Inc.	YOUR REFERENCE NUMBER:

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

NOTES/COMMENTS:

EAST KENTUCKY UTILITIES, INC.
P.O. Box 408
Prestonsburg, KY 41653

RECEIVED

DEC 16 2005

PUBLIC SERVICE
COMMISSION

December 15, 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. 2005-00537

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. (EKU). 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. The estimated cost of gas from our supplier (Equitable) for January and February, 2006 is a verbal estimate provided by telephone on December 13, 2005. 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

Encl.

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

	1/1-12/31/2004			<u>Gas Cost Effective</u> <u>January 1, 2006</u>
	<u>MCF</u>	<u>DTH</u>		
Southeastern Gas Co.	204		3.50 Per MCF	\$ 714.00
Equitable Energy LLC	<u>70,072</u>	89,472	17.35 Per DTH *	1,552,339.20
TOTAL	<u>70,276</u>			<u>\$ 1,553,053.20</u>

	1/1-12/31/2004			<u>Gas Cost Effective</u> <u>November 15, 2005</u>
	<u>MCF</u>	<u>DTH</u>		
Southeastern Gas Co.	204		3.50 Per MCF	\$ 714.00
Equitable Energy LLC	<u>70,072</u>	89,472	15.80 Per DTH *	1,413,657.60
TOTAL	<u>70,276</u>			<u>\$ 1,414,371.60</u>

INCREASE GAS COSTS \$ 138,681.60

2004 MCF PURCHASED 70,276

2004 MCF SOLD 66,968

ACTUAL LINE LOSS 3,308 **LINE LOSS PERCENTAGE** 4.7072%

Total Increase Per MCF \$ 1.9734

*DTH to MCF Conversions provided by Equitable monthly

FOR ENTIRE AREA SERVED
Community, Town or City

P.S.C. KY. NO. _____

98th SHEET NO. 1

CANCELLING P.S.C. KY. NO. _____

97th 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.

<u>RATES: Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
First Mcf	\$10.00	\$22.4947	\$32.4947
All Over 1 Mcf	\$ 5.2553	\$22.4947	\$27.7500
<u>Minimum Bill</u>	\$32.4947		

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE January 1, 2006
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE PRESIDENT

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2005-00439 DATED November, 14, 2005