

Case No. 2006-00302

APPENDIX B
Page 1

ELAM UTILITY COMPANY

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

RECEIVED

JUN 15 2006

PUBLIC SERVICE
COMMISSION

Date Filed:

JUNE 15, 2006

Date Rates to be Effective:

JULY 1, 2006

Reporting Period is Calendar Quarter Ended:

JUNE 30, 2006

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	9.3305
+ Refund Adjustment (RA)	\$/Mcf	0.0000
+ Actual Adjustment (AA)	\$/Mcf	1.3248
+ Balance Adjustment (BA)	\$/Mcf	<u>0.0000</u>
= Gas Cost Recovery Rate (GCR)	\$/Mcf	10.6553

GCR to be effective for service rendered from 7/1/06 to 9/30/06

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
A. <u>EXPECTED GAS COST CALCULATION</u>		
Total Expected Gas Cost (Schedule II)	\$	434,064
+ Sales for the 12 months ended <u>5/31/06</u>	Mcf	<u>46,521</u>
= Expected Gas Cost (EGC)	\$/Mcf	9.3305
B. <u>REFUND ADJUSTMENT CALCULATION</u>		
Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	1.1798
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	0.6010
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	(0.2520)
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	<u>0.2040</u>
= Refund Adjustment (RA)	\$/Mcf	1.7328
C. <u>ACTUAL ADJUSTMENT CALCULATION</u>		
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	0.0000
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0000
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0000
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0000
= Actual Adjustment (AA)	\$/Mcf	0.0000
D. <u>BALANCE ADJUSTMENT CALCULATION</u>		
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	0.0000
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	0.0000
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	0.0000
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	0.0000
= Balance Adjustment (BA)	\$/Mcf	0.0000

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended			<u>5/31/06</u>		
(1)	(2)	(3)	(4)	(5)**	(6)
Supplier	Dth	Btu Conversion Factor	Mcf	Rate	(4)x(5) Cost
Columbia Gas	43,469	1,028.9	40,625	10.0114	406,713.63
Jefferson Gas	2,517	1,000.0	2,517	10.8661	27,350.04

Totals	<u>45,986</u>		<u>43,142</u>		<u>434,064</u>
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Line loss for 12 months ended 5/31/06 is 0 % based on purchases of 43,142 Mcf and sales of 46,521 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	
÷ 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

Period	From Columbia Gas Transmission			Cost	from NYMEX Settlement Rate	Cost = Transmission x NYMEX rate
	DTH	BTU	MCF			
Jun-05	843	1088.1	770		6.1230	\$ 4,714.71
Jul-05	821	1081.7	759		6.9760	\$ 5,294.78
Aug-05	814	1092.6	745		7.6470	\$ 5,697.02
Sep-05	815	1076.6	757		10.8470	\$ 8,211.18
Oct-05	2,225	1091.8	2,035		13.9070	\$ 28,300.75
Nov-05	4,748	1075.2	4,416		13.8320	\$ 61,082.11
Dec-05	9,096	1051.1	8,654		11.1800	\$ 96,751.72
Jan-06	6,673	1068.5	6,245		11.4310	\$ 71,386.60
Feb-06	7,757	1064.4	7,288		8.4000	\$ 61,219.20
Mar-06	5,962	1076.4	5,539		7.1120	\$ 39,393.37
Apr-06	2,069	1086.7	1,904		7.2330	\$ 13,771.63
May-06	1,646	1087.9	1,513		7.1980	\$ 10,890.57
	43,469	1028.9	40,625	-	10.0114 average	** \$ 406,713.63

Jefferson Gas

Period	DTH	BTU	MCF	Actual Cost	Rate
Jun-05	17	1000.0	17	\$ 135.49	7.9700
Jul-05	14	1000.0	14	\$ 115.22	8.2300
Aug-05	16	1000.0	16	\$ 143.04	8.9400
Sep-05	13	1000.0	13	\$ 139.10	10.7000
Oct-05	79	1000.0	79	\$ 776.57	9.8300
Nov-05	319	1000.0	319	\$ 4,252.27	13.3300
Dec-05	660	1000.0	660	\$ 7,946.40	12.0400
Jan-06	404	1000.0	404	\$ 4,476.32	11.0800
Feb-06	484	1000.0	484	\$ 4,844.84	10.0100
Mar-06	314	1000.0	314	\$ 2,857.40	9.1000
Apr-06	108	1000.0	108	\$ 895.32	8.2900
May-06	89	1000.0	89	\$ 768.07	8.6300
	2,517	1000.0	2,517	\$ 27,350.04	10.8661
Totals	45,986		43,142	\$ 434,063.67	10.0613

** Ms Isom is to meet with Columbia Gas the end of June to settle on an amount for gas purchase during the above period.

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NYMEX Settlement

NYMEX Natural Gas Settlement Prices

Month	NYMEX
Jan - 2005	\$6.213
Feb - 2005	\$6.288
Mar - 2005	\$6.304
Apr - 2005	\$7.323
May - 2005	\$6.748
Jun - 2005	\$6.123
Jul - 2005	\$6.976
Aug - 2005	\$7.647
Sep - 2005	\$10.847
Oct - 2005	\$13.907
Nov - 2005	\$13.832
Dec - 2005	\$11.180
2005 Average	\$8.616

Historical Pricing

[\[Current Month | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 \]](#)
[\[1998 | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 | 1991 \]](#)

ProLiance Energy Corporate Headquarters | 111 Monument Circle, Suite 2200 | Indianapolis, IN | 46204 | (317) 231-6800

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NYMEX Settlement

NYMEX Natural Gas Settlement Prices

Month	NYMEX
Jan - 2006	\$11.431
Feb - 2006	\$8.400
Mar - 2006	\$7.112
Apr - 2006	\$7.233
May - 2006	\$7.198
Jun - 2006	\$5.925
2006 Average	\$7.883

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Historical Pricing

[[Current Month](#) | [2006](#) | [2005](#) | [2004](#) | [2003](#) | [2002](#) | [2001](#) | [2000](#) | [1999](#)]
 [[1998](#) | [1997](#) | [1996](#) | [1995](#) | [1994](#) | [1993](#) | [1992](#) | [1991](#)]

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SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended 5/31/06

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	00.00
<u>+ Interest</u>	\$	<u>0.00</u>
= Refund Adjustment including interest	\$	0.00
<u>÷ Sales for 12 months ended</u>	Mcf	<u>0.00</u>
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	0.00

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 12 month period ended 5/31/06

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Schedule Attached Month 3
		()	()	()
Total Supply Volumes Purchased	Mcf			43,142
Total Cost of Volumes Purchased	\$			434,064
+ Total Sales (may not be less than 95% of supply volumes)	Mcf			46,521
<u>= Unit Cost of Gas</u>	\$/Mcf			9.3305
<u>- EGC in effect for month</u>	\$/Mcf			8.1507
<u>= Difference [(Over-)/Under-Recovery]</u>	\$/Mcf			1.1798
<u>x Actual sales during month</u>	Mcf			46,521
<u>= Monthly cost difference</u>	\$			54,885

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	54,885
+ Sales for 12 months ended _____	Mcf	46,521
<u>= Actual Adjustment for the Reporting Period (to Schedule IC.)</u>	\$/Mcf	1.1798

ELAM UTILITY
GAS COST RECOVERY RATE CALCULATION
SCHEDULE IV

Particulars	Unit	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06
Total Supply Volumes Purchased	Mcf	787	773	761	770	2,114	4,735	9,314	6,649	7,772
Total Cost of Volumes Purchased	\$	4,850.20	5,410.00	5,840.06	8,350.28	29,077.32	65,334.38	104,698.12	75,862.92	66,064.04
Total Sales	Mcf	1,323	972	1,057	1,137	1,493	4,490	9,975	6,429	8,079
= Unit Cost of Gas	\$/Mcf	3.6661	5.5658	5.5251	7.3441	19.4758	14.5511	10.4961	11.8001	8.1773
- EGC in effect for month	\$/Mcf	8.1507	8.1507	8.1507	8.1507	8.1507	8.1507	8.1507	8.1507	8.1507
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(4.4846)	(2.5849)	(2.6256)	(0.8066)	11.3251	6.4004	2.3454	3.6494	0.0266
x Actual sales during month	Mcf	1,323	972	1,057	1,137	1,493	4,490	9,975	6,429	8,079
= Monthly cost difference	\$	(5,933.18)	(2,512.48)	(2,775.23)	(917.07)	16,908.32	28,737.74	23,394.89	23,462.07	214.53

ELAM UTILITY
 GAS COST RECOVERY RATE CALCULATION
 SCHEDULE IV

Particulars	Mar-06	Apr-06	May-06	TOTAL
Total Supply Volumes Purchased	5,853	2,012	1,602	43,142
Total Cost of Volumes Purchased	42,250.77	14,666.95	11,658.64	434,063.68
<u>Total Sales</u>	<u>7,093</u>	<u>2,472</u>	<u>2,001</u>	<u>46,521</u>
= Unit Cost of Gas	5,9567	5,9332	5,8264	9,3305
- EGC in effect for month	8,1507	8,1507	8,1507	8,1507
= Difference [Over-)/Under-Recovery]	(2,1940)	(2,2175)	(2,3243)	1,1798
x Actual sales during month	<u>7,093</u>	<u>2,472</u>	<u>2,001</u>	<u>46,521</u>
= Monthly cost difference	(15,562.15)	(5,481.58)	(4,650.91)	54,884.97

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended 5/31/06

<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.	\$	
Less: 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.	\$	
Equals: Balance Adjustment for the AA.	\$	<u>0.0000</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>0.0000</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>0.0000</u>
Total Balance Adjustment Amount (1) + (2) + (3)	\$	
÷ Sales for 12 months ended _____	Mcf	<u>0.0000</u>
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	

FOR ENTIRE AREA SERVED

P.S.C. KY NO. _____

SHEET NO. _____

ELAM UTILITY COMPANY, INC.

CANCELLING P.S.C. KY NO. _____

SHEET NO. _____

GAS COST ADJUSTMENT CLAUSE

Determination of GCR

The Company shall file a gas cost recovery rate (GCR) with the Commission a least 30 days prior to the first day of each calendar quarter. The GCR shall become effective for billing for service rendered on and after the first day of each calendar quarter.

The gas cost recovery rate is comprised of:

1. The expected gas cost (EGC) on a dollar-per-Mcf basis, which represents the average expected cost of purchased gas based on 12 months of actual usage.
2. The actual adjustment (AA), on a dollar-per-Mcf basis, which compensates for differences between previous quarters, expected gas cost and the actual cost of gas. The AA shall equal the sum of the AA for the reporting period and for the three preceding calendar quarters.
3. The supplier refund adjustment (RA) on a dollar-per-Mcf basis, which reflects the refunds received from suppliers during the reporting period plus interest at a rate equal to one-half of one percent below the average 90-day commercial paper rate for the twelve-month period. In the event of any large or unusual refund, the company may apply to the commission for the right to depart from the refund procedures set forth herein.
4. The balance adjustment (BA) on a dollar-per-Mcf basis, which compensates for any remaining undero or over-collections which have occurred as a result of prior actual, refund, and balance adjustments.

Billing

The gas cost recovery rate to be applied to bills of customers shall equal the sum of the following components:

$$\text{GCR} = \text{EGC} + \text{AA} + \text{RA} + \text{BA}$$

DATE OF ISSUE

6/12/06

DATE EFFECTIVE

7/1/06

ISSUED BY

Thelma Cook

President

West Liberty & Daysboro, KY