

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

November 15, 2006

Ms. Beth O'Donnell
Executive Director
KENTUCKY PUBLIC SERVICE COMMISSION
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

NOV 16 2006

PUBLIC SERVICE
COMMISSION

RE: Gas Cost Recovery Rate
East Kentucky Utilities, Inc.
Case No. 2006-00461

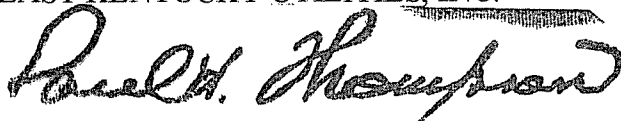
Dear Ms. O'Donnell:

On behalf of East Kentucky Utilities, Inc. ("EKU"), please consider this correspondence as a motion to amend and an amendment to our previous filing in your Case No. 2006-00461. This amendment is filed to request a change in our Gas Cost Recovery Rate for the period commencing December 1, 2006.

Enclosed for your review are an amended Rates and Charges form, containing the corrected rate, and a Quarterly Report of Gas Cost Recovery Rate Calculation for the twelve (12) month period ending August 31, 2006. We have also enclosed an Appendix of materials upon which we have based all related calculations for this filing. A correction in the figure for our transportation costs made necessary amendment.

We again respectfully request a waiver of the thirty (30) day notice requirement for this filing. If you have any questions, please do not hesitate to call me at (606) 886-2431.

Sincerely,
EAST KENTUCKY UTILITIES, INC.



By: Paul H. Thompson, Vice-President
East Kentucky Utilities, Inc.

FOR ENTIRE AREA SERVED
Community, Town or City

P.S.C. KY. NO. _____

99th SHEET NO. 1

EAST KENTUCKY UTILITIES, INC.
(Name of Utility)

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

98th SHEET NO. 1

RATES AND CHARGES

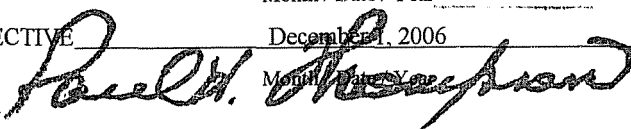
RATE SCHEDULE: APPLICABLE IN ALL TERRITORY SERVED BY COMPANY

AVAILABILITY OF SERVICE: FOR ALL RESIDENTIAL & COMMERCIAL PURPOSES

RATES: Monthly	Base Rate	Gas Cost Recovery Rate	Total Rate
First Mcf	\$10.00	\$ 8.4341	\$18.4341
All Over 1 Mcf	\$ 5.2553	\$ 8.4341	\$13.6894
<u>Minimum Bill</u>	\$18.4341		

DATE OF ISSUE October 31, 2006
Month / Date / Year

DATE EFFECTIVE December 1, 2006
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Vice-President, EAST KENTUCKY UTILITIES, INC.

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2006-00461 DATED October 31, 2006

Company Name

EAST KENTUCKY UTILITIES, INC.

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: 10/31/2006

Date Rates to be Effective: 12/01/2006

Reporting Period is Calendar Quarter Ended: 08/31/2006

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		
GCR to be effective for service rendered from _____		to _____
<hr/>		
A.	<u>EXPECTED GAS COST CALCULATION</u>	
	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	495,545.54
÷ Sales for the 12 months ended <u>08/31/2006</u>	Mcf	X 62,620
= Expected Gas Cost (EGC)	\$/Mcf	<u>7.9135</u>
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	
	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch. III)		
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	N/A
= Refund Adjustment (RA)	\$/Mcf	
C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	
	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
= Actual Adjustment (AA)	\$/Mcf	
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	
	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	N/A
= Balance Adjustment (BA)		

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended 08/31/2006

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
<u>Equitable Energy, LLC</u>			<u>53,542</u>	<u>(\$8.4341)</u>	<u>\$827,198.96</u>
<u>Quality Natural Gas, LLC</u>			<u>5,213</u>	<u>(\$8.4341)</u>	<u>\$44,152.52</u>
Totals			<u>58,755</u>		<u>\$871,351.48</u>

Line loss for 12 months ended 08/31/2006 is 0% based on purchases of 58,755 Mcf and sales of 62,620 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	
÷ Mcf Purchases (4)	Mcf	
= Average Expected Cost Per Mcf Purchased	\$/Mcf	<u>8.4341</u>
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	<u>X 58,755</u>
= Total Expected Gas Cost (to Schedule IA)	\$	<u>\$495,545.54</u>

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended 08/31/2006 (reporting period)

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

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3-month period ended 08/31/2006 (reporting period)

<u>Particulars</u>	<u>Unit</u>	Month 1 ()	Month 2 ()	Month 3 ()
Total Supply Volumes Purchased	Mcf			
Total Cost of Volumes Purchased	\$			
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf			
= Unit Cost of Gas	\$/Mcf			
- EGC in effect for month	\$/Mcf			
= Difference [(over-)/Under-Recovery]	\$/Mcf			
x Actual sales during month	Mcf			
= Monthly cost difference	\$			
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	
÷ Sales for 12 months ended			Mcf	
= Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	

SCHEDULE V

BALANCE ADJUSTMENT

For the 3-month period ended 08/31/2006 (reporting period)

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

RECEIVED

NOV 16 2006

PUBLIC SERVICE
COMMISSION

APPENDIX

This Appendix contains copies of the following documents, all of which were used to arrive at those calculations contained in the filing, as amended, in Case No. 2006-00461 :

1. Tariff Sheet, as proposed March 15, 2006.
2. Gas Supply Contract, between Quality Natural Gas, LLC and East Kentucky Utilities, Inc., dated May 1, 2006.
3. Letter Amendment to Gathering Agreement between Kentucky-West Virginia Gas Company, LLC and J.W. Kinzer / Alert Oil and Gas Company, Inc., effective October 1, 2006.
4. Invoices from Equitable Energy, LLC for production months September 2006 through April 2006; Mr. Larry Rich, Local Manager for Kentucky Frontier Gas, LLC (the contract operator of the Floyd County Gas System through a Service Agreement with East Kentucky Utilities, Inc.) has advised that the handwritten calculations for Mcf quantities contained on these invoices were made by personnel of Equitable / Kentucky West-Virginia.
5. Invoices from Quality Natural Gas, LLC for production months May 206 through August 2006.
6. Calculations for Mcf usages and revenues for the period from September 2005 through October 2006 (two pages); These calculations were prepared at the direction of Mr. Larry Rich, Local Manager for Kentucky Frontier Gas, LLC (the contract operator of the Floyd County Gas System through a Service Agreement with East Kentucky Utilities, Inc.).

FOR ENTIRE AREA SERVED
Community, Town or City

P.S.C. KY. NO. _____

98th SHEET NO. 1

EAST KENTUCKY UTILITIES, INC.
(Name of Utility)

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

97th SHEET NO. 1

RATES AND CHARGES

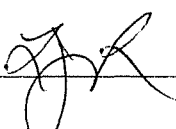
RATE SCHEDULE: APPLICABLE IN ALL TERRITORY SERVED BY COMPANY

AVAILABILITY OF SERVICE: FOR ALL RESIDENTIAL & COMMERCIAL PURPOSES

RATES: Monthly	Base Rate	Gas Cost Recovery Rate	Total Rate
First Mcf	\$10.00	\$11.87	\$21.8700
All Over 1 Mcf	\$ 5.2553	\$11.87	\$17.1253
<u>Minimum Bill</u>	\$21.87		

DATE OF ISSUE March 15, 2006
Month / Date / Year

DATE EFFECTIVE February 1, 2006
Month / Date / Year

ISSUED BY  _____
(Signature of Officer)

TITLE Local Manager, KENTUCKY FRONTIER GAS, LLC

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2006-00116 DATED March 15, 2005

SALE OF NATURAL GAS

Agreement made this 1st day of May, 2006, between Quality Natural Gas, LLC, of Kentucky Highway 80, County of Floyd, State of Kentucky, referred to as Seller, and East Kentucky Utilities, Inc., P.O. Box 408, Prestonsburg, Kentucky 41653 referred to as Purchaser and County of Floyd, State of Kentucky, P.O. Box 149 South Central Avenue, Prestonsburg, Kentucky 41653 referred to as Surety, respectively.

In consideration of the mutual covenants contained in this agreement, the parties agree as follows:

SECTION ONE **GAS TO BE SOLD**

Commencing with the date of completion of arrangements with Equitable Resources, Inc. or its subsidiaries by both seller and purchaser, seller shall sell and deliver to purchaser, at the point of connection of Kentucky West Virginia Gas Company lines with purchaser's line, and purchaser shall receive, in the usual conduct of its business and in accordance with approved practice in the industry, all the merchantable gas in its natural state, as is delivered from the Kentucky West Virginia Gas Company lines through exchange of production with seller for a period of one year for distribution only by the purchaser to its customers.

SECTION TWO **PRESSURES:**

Deliveries of gas under this contract shall be made at a pressure sufficient to enter the pipelines of purchaser against the varied working pressures therein. Purchaser shall not be required to take gas when it cannot be delivered in commercial quantities and at sufficient

pressure. Daily deliveries may be varied from time to time on purchaser's request to meet fluctuating conditions of its markets. Purchaser shall operate its distribution pipeline in a manner consistent with good operating practices prevailing in the gas industry and, as far as the same is within its reasonable control, it shall not create or suffer or permit to be created any artificial condition that would prevent seller from delivering gas to purchaser.

SECTION THREE

MEASUREMENT OF GAS DELIVERED

Purchaser shall operate, and maintain meters and necessary equipment of suitable size and design at the several points of delivery designated above for the measurement of gas sold and delivered under this contract. Such meters shall be open to the inspection of seller at all reasonable times on seller's request to purchaser, but in the presence of purchaser's representatives. Meter charts used in measuring gas delivered by seller to purchaser under this contract during any one month shall be made available by purchaser to seller for inspection and audit.

The unit of measurement of gas delivered under this contract shall be dekatherms at an absolute pressure of 14.4 pounds per square inch, computed in accordance with Boyle's Law governing pressure and volume of gases.

SECTION FOUR

TITLE TO GAS

Seller warrants his title to the gas be sold and delivered under this contract and his right to sell the same, and warrants that such gas is free and clear of all liens and adverse claims.

The Floyd County Fiscal Court shall guarantee payment for gas, provided however, that the obligation of Floyd County, Kentucky to act as surety on behalf of East Kentucky Utilities, Inc., regarding payments owed upon the proposed gas supply contract shall immediately terminate upon any sale of East Kentucky Utilities, Inc., to a third party or at the end of the term set forth in the proposed gas supply contract, whichever condition shall first occur.

SECTION FIVE
PAYMENT AND PRICE

Payment shall be made by purchaser to seller on or before the 30th day of each month following in which gas is delivered at a price of \$5.50 per dekatherms on the pressure and bases above provided for. Purchaser shall also reimburse the seller for delivery costs incurred by seller through Equitable and its subsidiaries.

SECTION SIX
TAXES AND ROYALTIES

Seller shall pay all production, severance, or other taxes levied on the gas as produced, sold, or delivered under the contract.

Seller shall duly pay royalty payments due on all gas sold and delivered under the contract, and seller shall hold purchaser free and clear from any liability or obligation for the payment of such royalties.

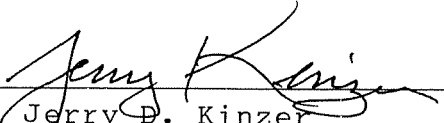
SECTION SEVEN
OTHER MATTERS

This contract is subject to present and future valid statutes, orders, rules, and regulations of duly constituted authorities having jurisdiction over seller or purchaser, and to causes, accidents, and occurrences beyond the control of the parties.

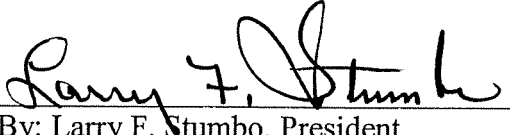
All notices due under this contract to either party shall be given by registered mail or by delivering the notice to such party at the address listed above, or at such address as may be hereafter designated in writing by such party.

IN WITNESS WHEREOF, we sign, this _____ day of _____, 2006.

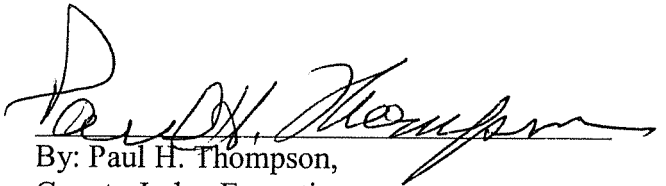
QUALITY NATURAL GAS, LLC


By: Jerry D. Kinzer

EAST KENTUCKY UTILITIES, INC.


By: Larry F. Stumbo, President

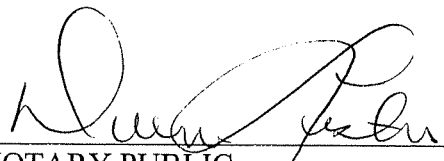
FLOYD COUNTY KENTUCKY


By: Paul H. Thompson,
County Judge Executive

COMMONWEALTH OF KENTUCKY
COUNTY OF FLOYD

Subscribed and sworn to before me by Jerry Kinzer, this the 22 day
of August, 2006.

My Commission Expires: 7-27-2009


NOTARY PUBLIC

COMMONWEALTH OF KENTUCKY
COUNTY OF FLOYD

Subscribed and sworn to before me by Larry Stumbo
Paul Thompson, this the 24th day
of August, 2006.

My Commission Expires: 10-04-09


NOTARY PUBLIC



Alan G. Vaina
Director, Marketing
Equitable Midstream
225 North Shore Drive
Pittsburgh, PA 15212-5881
Direct Dial: 412-395-2512
e-mail: avaina@eqL.com

August 25, 2006

Mr. J. W. Kinzer
J. W. Kinzer Drilling Company
P.O. Box 155
Allen, KY 41601

Dear Mr. Kinzer:

Kentucky West Virginia Gas Company, LLC ("Kentucky West") and J. W. Kinzer, Individually, J. W. Kinzer, Agent, Alert Oil and Gas Company, Inc., and Gas Acquisition Corporation (collectively "Kinzer") are parties to Natural Gas Gathering Agreement No. KYWV-G-0100 dated October 1, 2002 ("Agreement"). In accordance with Article II of the Agreement, Kentucky West is hereby providing notice of termination of the Agreement effective September 30, 2006.

In lieu of renegotiating the Agreement, Kentucky West proposes this letter amendment ("Amendment") for continuing gathering service via Kentucky West's system. In consideration of the mutual benefits to be received by each party hereunder, Kinzer and Kentucky West hereby agree as follows:

1. Article II of the Agreement, entitled "TERM", shall be deleted in its entirety and replaced with the following provision:

This Agreement shall be effective as of October 1, 2006, and shall remain in full force and effect for a term of three (3) Contract Years and from Month-to-Month thereafter, subject to termination by either party on the expiration of the third (3rd) Contract Year or on the expiration of any Month thereafter, by not less than thirty (30) Days advance written notice to the other party. This Agreement shall terminate on any date in which federal or state statute or regulation renders this Agreement, or other agreements associated herewith required to deliver Gas hereunder, illegal, null or void.

2. Article IV of the Agreement, entitled "RATES", shall be deleted in its entirety and replaced with the following provision:

(A) During the term of this Agreement, Shipper shall pay to Gatherer a gathering fee of sixty-nine and forty-two one-hundredths cents (\$0.6942) per Dth for all quantities received into Gatherer's system at the Point(s) of Receipt (which equates to a gathering fee of seventy-eight cents (\$0.78) per Dth at the Point(s) of Delivery).

(B) During the term of this Agreement, Shipper shall pay to Gatherer a Retainage fee in the amount of eleven percent (11.00%) of the total Monthly quantity of Natural Gas gathered by Gatherer at the Point(s) of Receipt.



Mr. J. W. Kinzer
Page 2
August 25, 2006

3. All other terms and conditions of the Agreement, to the extent they are not modified by this Amendment, shall remain in full force and effect.

If the foregoing is acceptable to you, please execute all originals of this Amendment in the spaces provided and return them to this office for countersignature. If you have any questions regarding this Agreement, please call me at 412-395-2512.

Sincerely,

Alan G. Vaina
Director, Marketing

Accepted and Agreed to this _____ day of _____ 2006.

J. W. Kinzer

Alert Oil and Gas Company, Inc.

Signature

Signature

Name

Name

Title

Title

Gas Acquisition Corporation

**Kentucky West Virginia Gas Company,
LLC**

Signature

Signature

Name

Name

Title

Title

EQUITABLE ENERGY LLC 225 NORTH SHORE DRIVE 5TH FLOOR PITTSBURGH, PA 15212-5861 Fax: (412) 395-3666	Invoice Number: S-05090058 Customer ID: EASTKYUTILIT Customer Number: GMS Contract Number: S-EASTKYUTILIT-T-0004 Invoice Date: 09-Nov-2005 Due Date: 25-Nov-2005 Production Month: 9/2005
EAST KENTUCKY UTILITIES PO BOX 408 PRESTONSBURG, KY 41653	

EQUITABLE ENERGY LLC

<u>Pipeline</u>	<u>Meter</u>	<u>Description</u>	<u>Stat.</u>	<u>Quantity</u>	<u>Avg.Price</u>	<u>AmountDue</u>
(Prodmonth = 9 ProdYear = 2005)						
KENTUCKY.WV	181-S	WEBB-ALLEN-WICKER	Act	<u>MCF</u> 0	0 Dth	NA \$0.00
KENTUCKY.WV	39	EAST KENTUCKY UTILITIES, ALLEN	Act	467	594 Dth	\$10.80000 \$6,415.20
KENTUCKY.WV	39B	EAST KENTUCKY UTILITIES, GARRE	Act	0	0 Dth	NA \$0.00
KENTUCKY.WV	39C	EAST KENTUCKY UTILITIES, STEEL	Act	591	769 Dth	\$10.80000 \$8,305.20
KENTUCKY.WV	39D	EAST KENTUCKY UTILITIES, ALLEN	Act	0	0 Dth	NA \$0.00
KENTUCKY.WV	4M26	EAST KENTUCKY UTILITIES, MIDDLE	Act	53	58 Dth	\$10.80000 \$626.40
Current Totals					1,421 Dth	\$15,346.80

Recap:
 Commodity Total \$15,346.80
 Net Amount Due \$15,346.80

Pl 12-05-05
CK # 13903

Amount Calculated In (USD)

Please Wire Transactions To: MELLON BANK NA PITTSBURGH, PA Account #: 1211494 ABA# 043000361	Please Send Invoices To: EQUITABLE ENERGY LLC 225 NORTH SHORE DRIVE 5TH FLOOR PITTSBURGH, PA 15212-5861 Fax: (412) 395-3666 Phone: (412) 395-2616	Please Remit Check To: EQUITABLE ENERGY LLC PO BOX 223046 PITTSBURGH, PA 15251-2046	Please Send Correspondence To: EQUITABLE ENERGY LLC 4TH FLOOR 225 NORTH SHORE DRIVE PITTSBURGH, PA 15212-5861 Phone: (412) 395-2616 Fax: (412) 395-3666
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EQUITABLE ENERGY LLC
 225 NORTH SHORE DRIVE
 5TH FLOOR
 PITTSBURGH, PA 15212-5861
 Fax: (412) 395-3666

Invoice Number: S-05100063
 Customer ID: EASTKYUTILIT
 Customer Number: 755622
 GMS Contract Number: S-EASTKYUTILIT-T-0004
 Invoice Date: 08-Dec-2005
 Due Date: 25-Dec-2005
 Production Month: 10/2005

EAST KENTUCKY UTILITIES
 PO BOX 408
 PRESTONSBURG, KY 41653

EQUITABLE ENERGY LLC

<u>Pipeline</u>	<u>Meter</u>	<u>Description</u>	<u>Stat.</u>	<u>Quantity</u>	<u>Avg.Price</u>	<u>AmountDue</u>
(Prodmonth = 10 ProdYear = 2005)				Mcf		
KENTUCKY.WV	39	EAST KENTUCKY UTILITIES, ALLEN	Act	1,605 Dth	1260	\$10.80000 \$17,334.00
KENTUCKY.WV	39B	EAST KENTUCKY UTILITIES, GARRE	Act	162 Dth	126	\$10.80000 \$1,749.60
KENTUCKY.WV	39C	EAST KENTUCKY UTILITIES, STEEL	Act	2,078 Dth	1643	\$10.80000 \$22,442.40
KENTUCKY.WV	39D	EAST KENTUCKY UTILITIES, ALLEN	Act	87 Dth	73	\$10.80000 \$939.60
KENTUCKY.WV	4M26	EAST KENTUCKY UTILITIES, MIDDLE	Act	180 Dth	159	\$10.80000 \$1,944.00
Current Totals				4,112 Dth	3261	\$44,409.60

Recap:
 Commodity Total \$44,409.60
 Net Amount Due \$44,409.60

Amount Calculated In (USD)

Please Wire Transactions To:
 MELLON BANK NA
 PITTSBURGH, PA
 Account #: 1212494
 ABA# 043000261

Please Send Invoices To:
 EQUITABLE ENERGY LLC
 225 NORTH SHORE DRIVE
 5TH FLOOR
 PITTSBURGH, PA 15212-5861
 Fax: (412) 395-3666
 Phone: (412) 395-2616

Please Remit Check To:
 EQUITABLE ENERGY LLC
 PO BOX 223046
 PITTSBURGH, PA 15251-2046

Please Send Correspondence To:
 EQUITABLE ENERGY LLC
 4TH FLOOR
 225 NORTH SHORE DRIVE
 PITTSBURGH, PA 15212-5861
 Phone: (412) 395-2616
 Fax: (412) 395-3666

EQUITABLE ENERGY LLC
 225 NORTH SHORE DRIVE
 5TH FLOOR
 PITTSBURGH, PA 15212-5861
 Fax: (412) 395-3666

Invoice Number: 5110070
 Customer ID: EASTKYUTILIT
 Customer Number: 755622
 GMS Contract Number: S-EASTKYUTILIT-T-0004
 Invoice Date: 13-Jan-2006
 Due Date: 26-Jan-2006
 Production Month: 11/2005

EAST KENTUCKY UTILITIES
 PO BOX 408
 PRESTONSBURG, KY 41653

*pd 02-14-06
 CR # 13973*

EQUITABLE ENERGY LLC

<u>Pipeline</u>	<u>Meter</u>	<u>Description</u>	<u>Stat.</u>	<u>Quantity</u>	<u>Avg.Price</u>	<u>AmountDue</u>
(Prodmonth = 11 ProdYear = 2005)						
KENTUCKY.WV	181-S	WEBB-ALLEN-WICKER	Act	0 Dth <i>MLF</i>	NA	\$0.00
KENTUCKY.WV	39	EAST KENTUCKY UTILITIES, ALLEN	Act	3,285 Dth <i>2660</i>	\$15.80000	\$51,903.00
KENTUCKY.WV	39B	EAST KENTUCKY UTILITIES, GARRE	Act	1,043 Dth <i>851</i>	\$15.80000	\$16,479.40
KENTUCKY.WV	39C	EAST KENTUCKY UTILITIES, STEEL	Act	3,881 Dth <i>3168</i>	\$15.80000	\$61,319.80
KENTUCKY.WV	39D	EAST KENTUCKY UTILITIES, ALLEN	Act	170 Dth <i>139</i>	\$15.80000	\$2,686.00
KENTUCKY.WV	4M26	EAST KENTUCKY UTILITIES, MIDDLE	Act	439 Dth <i>358</i>	\$15.80000	\$6,936.20
<u>Current Totals</u>				8,818 Dth <i>7176</i>		<u>\$139,324.40</u>

Recap:
 Commodity Total \$139,324.40
 Net Amount Due \$139,324.40

Amount Calculated In (USD)

Please Wire Transactions To:

MELLON BANK NA
 PITTSBURGH, PA
 Account #: 1212494
 ABA# 043000261

Please Send Invoices To:

EQUITABLE ENERGY LLC
 225 NORTH SHORE DRIVE
 5TH FLOOR
 PITTSBURGH, PA 15212-5861
 Fax: (412) 395-3666
 Phone: (412) 395-2616

Please Remit Check To:

EQUITABLE ENERGY LLC
 PO BOX 223046
 PITTSBURGH, PA 15251-2046

Please Send Correspondence To:

EQUITABLE ENERGY LLC
 4TH FLOOR
 225 NORTH SHORE DRIVE
 PITTSBURGH, PA 15212-5861
 Phone: (412) 395-2616
 Fax: (412) 395-3666

Invoice Number: S-05110070

Customer ID: EASTKYUTILIT

Page 1

EQUITABLE ENERGY LLC
 225 NORTH SHORE DRIVE
 5TH FLOOR
 PITTSBURGH, PA 15212-5861
 Fax: (412) 395-3666

EAST KENTUCKY UTILITIES
 PO BOX 408
 PRESTONSBURG, KY 41653

Invoice Number: S-05120068
Customer ID: EASTKYUTILIT
Customer Number: 755622
GMS Contract Number: S-EASTKYUTILIT-T-0004
Invoice Date: 10-Feb-2006
Due Date: 25-Feb-2006
Production Month: 12/2005

EQUITABLE ENERGY LLC

<u>Pipeline</u>	<u>Meter</u>	<u>Description</u>	<u>Stat.</u>	<u>Quantity</u>	<u>Avg.Price</u>	<u>AmountDue</u>
(Prodmonth = 12 ProdYear = 2005)						
KENTUCKY.WV	181-S	WEBB-ALLEN-WICKER	Act	0 Dth	NA	\$0.00
KENTUCKY.WV	39	EAST KENTUCKY UTILITIES, ALLEN	Act	6,111 Dth	4885	\$96,553.80
KENTUCKY.WV	39B	EAST KENTUCKY UTILITIES, GARRE	Act	2,823 Dth	2228	\$44,603.40
KENTUCKY.WV	39C	EAST KENTUCKY UTILITIES, STEEL	Act	5,787 Dth	4575	\$91,434.60
KENTUCKY.WV	39D	EAST KENTUCKY UTILITIES, ALLEN	Act	479 Dth	403	\$7,568.20
KENTUCKY.WV	4M26	EAST KENTUCKY UTILITIES, MIDDLE	Act	673 Dth	605	\$10,633.40
Current Totals				15,873 Dth		\$250,793.40

Recap:
 Commodity Total \$250,793.40
 Net Amount Due \$250,793.40

Amount Calculated In (USD)

Please Wire Transactions To:
 MELLON BANK NA
 PITTSBURGH, PA
 Account #: 1212494
 ABA# 043000261

Please Send Invoices To:
 EQUITABLE ENERGY LLC
 225 NORTH SHORE DRIVE
 5TH FLOOR
 PITTSBURGH, PA 15212-5861
 Fax: (412) 395-3666
 Phone: (412) 395-2616

Please Remit Check To:
 EQUITABLE ENERGY LLC
 PO BOX 223046
 PITTSBURGH, PA 15251-2046

Please Send Correspondence To:
 EQUITABLE ENERGY LLC
 4TH FLOOR
 225 NORTH SHORE DRIVE
 PITTSBURGH, PA 15212-5861
 Phone: (412) 395-2616
 Fax: (412) 395-3666

412-553-5700
3-3183

EQUITABLE ENERGY LLC
225 NORTH SHORE DRIVE
5TH FLOOR
PITTSBURGH, PA 15212-5861
Fax: (412) 395-3666

Invoice Number: 6010071
Customer ID: EASTKYUTILIT
Customer Number: 755622
GMS Contract Number: S-EASTKYUTILIT-T-0004
Invoice Date: 08-Mar-2006
Due Date: 25-Mar-2006
Production Month: 1/2006

412

EAST KENTUCKY UTILITIES
PO BOX 408
PRESTONSBURG, KY 41653

EQUITABLE ENERGY LLC

<u>Pipeline</u>	<u>Meter</u>	<u>Description</u>	<u>Stat.</u>	<u>Quantity</u>	<u>Avg.Price</u>	<u>AmountDue</u>
(Prodmonth = 1 ProdYear = 2006)				MCF		
KENTUCKY.WV	181-S	WEBB-ALLEN-WICKER	Act	0 Dth	∅	NA \$0.00
KENTUCKY.WV	39	EAST KENTUCKY UTILITIES, ALLEN	Act	4,422 Dth	3535	\$13.00000 \$57,486.00
KENTUCKY.WV	39B	EAST KENTUCKY UTILITIES, GARRE	Act	1,406 Dth	1110	\$13.00000 \$18,278.00
KENTUCKY.WV	39C	EAST KENTUCKY UTILITIES, STEEL	Act	4,820 Dth	3810	\$13.00000 \$62,660.00
KENTUCKY.WV	39D	EAST KENTUCKY UTILITIES, ALLEN	Act	358 Dth	301	\$13.00000 \$4,654.00
KENTUCKY.WV	4M26	EAST KENTUCKY UTILITIES, MIDDLE	Act	527 Dth	474	\$13.00000 \$6,851.00
Current Totals				11,533 Dth		\$149,929.00

Recap:
Commodity Total \$149,929.00
Net Amount Due \$149,929.00

Amount Calculated In (USD)

Please Wire Transactions To:
MELLON BANK NA
PITTSBURGH, PA
Account #: 1212494
ABA#: 043000261

Please Send Invoices To:
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225 NORTH SHORE DRIVE
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PITTSBURGH, PA 15212-5861
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PO BOX 223046
PITTSBURGH, PA 15251-2046

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PITTSBURGH, PA 15212-5861
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 PITTSBURGH, PA 15212-5861
 Fax: (412) 395-3666

EAST KENTUCKY UTILITIES
 PO BOX 408
 PRESTONSBURG, KY 41653

Invoice Number: S-00 0080
Customer ID: EASTKYUTILIT
Customer Number: 755622
GMS Contract Number: S-EASTKYUTILIT-1-0004
Invoice Date: 12-Apr-2006
Due Date: 25-Apr-2006
Production Month: 2/2006
PL 05-09-06
CR# 14053
AMT 120,437.01

EQUITABLE ENERGY LLC

<u>Pipeline</u>	<u>Meter</u>	<u>Description</u>	<u>Stat.</u>	<u>Quantity</u>	<u>Avg.Price</u>	<u>AmountDue</u>
(Prodmonth = 2 ProdYear = 2006)					<u>MCF</u>	
KENTUCKY.WV	181-S	WEBB-ALLEN-WICKER	Act	0 Dth	NA	\$0.00
KENTUCKY.WV	39	EAST KENTUCKY UTILITIES, ALLEN	Act	0 Dth	NA	\$0.00
KENTUCKY.WV	39	EAST KENTUCKY UTILITIES, ALLEN	Act	4,700 Dth	3757 \$9.69000	\$45,543.00
KENTUCKY.WV	39B	EAST KENTUCKY UTILITIES, GARRE	Act	0 Dth	NA	\$0.00
KENTUCKY.WV	39B	EAST KENTUCKY UTILITIES, GARRE	Act	2,049 Dth	1617 \$9.69000	\$19,854.81
KENTUCKY.WV	39C	EAST KENTUCKY UTILITIES, STEEL	Act	0 Dth	NA	\$0.00
KENTUCKY.WV	39C	EAST KENTUCKY UTILITIES, STEEL	Act	4,716 Dth	3728 \$9.69000	\$45,698.04
KENTUCKY.WV	39D	EAST KENTUCKY UTILITIES, ALLEN	Act	0 Dth	NA	\$0.00
KENTUCKY.WV	39D	EAST KENTUCKY UTILITIES, ALLEN	Act	399 Dth	335 \$9.69000	\$3,866.31
KENTUCKY.WV	4M26	EAST KENTUCKY UTILITIES, MIDDLE	Act	0 Dth	NA	\$0.00
KENTUCKY.WV	4M26	EAST KENTUCKY UTILITIES, MIDDLE	Act	565 Dth	508 \$9.69000	\$5,474.85
Current Totals				12,429 Dth		\$120,437.01

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 225 NORTH SHORE DRIVE
 5TH FLOOR
 PITTSBURGH, PA 15212-5861
 Fax: (412) 395-3666
 Phone: (412) 395-2616

Please Remit Check To:
 EQUITABLE ENERGY LLC
 PO BOX 223046
 PITTSBURGH, PA 15251-2046

Please Send Correspondence To:
 EQUITABLE ENERGY LLC
 4TH FLOOR
 225 NORTH SHORE DRIVE
 PITTSBURGH, PA 15212-5861
 Phone: (412) 395-2616
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EQUITABLE ENERGY LLC
 225 NORTH SHORE DRIVE
 5TH FLOOR
 PITTSBURGH, PA 15212-5861
 Fax: (412) 395-3666

Invoice Number: S-06030074
Customer ID: EASTKYUTILIT
Customer Number: 755622
GMS Contract Number: S-EASTKYUTILIT-T-0004
Invoice Date: 12-May-2006
Due Date: 25-May-2006
Production Month: 3/2006

EAST KENTUCKY UTILITIES
 PO BOX 408
 PRESTONSBURG, KY 41653

EQUITABLE ENERGY LLC

<u>Pipeline</u>	<u>Meter</u>	<u>Description</u>	<u>Stat.</u>	<u>Quantity</u>	<u>Avg.Price</u>	<u>AmountDue</u>
(Prodmonth = 3 ProdYear = 2006)						
KENTUCKY.WV	39	EAST KENTUCKY UTILITIES, ALLEN	Act	3,510 Dth	\$8.43249	\$29,598.05
KENTUCKY.WV	39B	EAST KENTUCKY UTILITIES, GARRE	Act	930 Dth	\$8.43267	\$7,842.38
KENTUCKY.WV	39C	EAST KENTUCKY UTILITIES, STEE	Act	4,081 Dth	\$8.43251	\$34,113.06
KENTUCKY.WV	39D	EAST KENTUCKY UTILITIES, ALLEN	Act	291 Dth	\$8.43254	\$2,453.87
KENTUCKY.WV	4M26	EAST KENTUCKY UTILITIES, MIDDLE	Act	394 Dth	\$8.43251	\$3,322.41
Current Totals				9,206 Dth		\$77,629.77

MCF

Pd 06-06-06
 CK# 14061
 Amt 77,629.77

Recap:
 Commodity Total \$77,629.77
 Net Amount Due \$77,629.77

Amount Calculated In (USD)

Please Wire Transactions To: MELLON BANK NA PITTSBURGH, PA Account #: 1212494 ABA# 043000261	Please Send Invoices To: EQUITABLE ENERGY LLC 225 NORTH SHORE DRIVE 5TH FLOOR PITTSBURGH, PA 15212-5861 Fax: (412) 395-3666 Phone: (412) 395-2616	Please Remit Check To: EQUITABLE ENERGY LLC PO BOX 223046 PITTSBURGH, PA 15251-2046	Please Send Correspondence To: EQUITABLE ENERGY LLC 4TH FLOOR 225 NORTH SHORE DRIVE PITTSBURGH, PA 15212-5861 Phone: (412) 395-2616 Fax: (412) 395-3666
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Rec 6/26/06

EQUITABLE ENERGY LLC
 225 NORTH SHORE DRIVE
 5TH FLOOR
 PITTSBURGH, PA 15212-5861
 Fax: (412) 395-3666

EAST KENTUCKY UTILITIES
 PO BOX 408
 PRESTONSBURG, KY 41653

Invoice Number: S-00040068
Customer ID: EASTKYUTILIT
Customer Number: 755622
GMS Contract Number: S-FASTKYUTILIT-T-0004
Invoice Date: 16-Jun-2006
Due Date: 29-Jun-2006
Production Month: 4/2006

EQUITABLE ENERGY LLC

<u>Pipeline</u>	<u>Meter</u>	<u>Description</u>	<u>Stat.</u>	<u>Quantity</u>	<u>Avg.Price</u>	<u>AmountDue</u>
(Prodmonth = 4 ProdYear = 2006)						
<u>MCF</u>						
KENTUCKY.WV	39	EAST KENTUCKY UTILITIES, ALLEN	Act	1,371 Dth	1096	\$7.43350
						\$10,191.33
Other Cost: DemandChg ;Quantity Rate =0.3500						\$479.85
Other Cost: TRANSPORT ;Quantity Rate =0.7251						\$994.11
KENTUCKY.WV	39B	EAST KENTUCKY UTILITIES, GARRE	Act	76 Dth	60	\$7.43395
						\$564.98
Other Cost: DemandChg ;Quantity Rate =0.3500						\$26.60
Other Cost: TRANSPORT ;Quantity Rate =0.7251						\$55.11
KENTUCKY.WV	39C	EAST KENTUCKY UTILITIES, STEEL	Act	1,749 Dth	1383	\$7.43343
						\$13,001.07
Other Cost: DemandChg ;Quantity Rate =0.3500						\$612.15
Other Cost: TRANSPORT ;Quantity Rate =0.7251						\$1,268.20
KENTUCKY.WV	39D	EAST KENTUCKY UTILITIES, ALLEN	Act	106 Dth	89	\$7.43283
						\$787.88
Other Cost: DemandChg ;Quantity Rate =0.3500						\$37.10
Other Cost: TRANSPORT ;Quantity Rate =0.7251						\$76.86
KENTUCKY.WV	4M26	EAST KENTUCKY UTILITIES, MIDDLE	Act	145 Dth	130	\$7.43345
						\$1,077.85
Other Cost: DemandChg ;Quantity Rate =0.3500						\$50.75
Other Cost: TRANSPORT ;Quantity Rate =0.7251						\$105.14
Current Totals				3,447 Dth		\$29,328.98

Recap:
 Commodity Total \$25,623.11
 Other Cost Total \$3,705.87
 Net Amount Due \$29,328.98

Please Wire Transactions To:
 MELLON BANK NA
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 EQUITABLE ENERGY LLC
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 5TH FLOOR
 PITTSBURGH, PA 15212-5861
 Fax: (412) 395-3666
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 PITTSBURGH, PA 15251-2046

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 4TH FLOOR
 225 NORTH SHORE DRIVE
 PITTSBURGH, PA 15212-5861
 Phone: (412) 395-2616
 Fax: (412) 395-3666

Quality Natural Gas, LLC

PO Box 480
Allen, KY 41601

606-874-8041 x27
606-874-2203 fax

Attn: Patrick McNamee (mcnamee@kinzerdrilling.com)

Invoice for Natural Gas Sold **Contract for May 1, 2006 through April 30, 2006**

Gas sales @ KVV meters at the rate of \$5.50/mmBtu

Buyer: **East Kentucky Utilites**
PO Box 408
Prestonsburg, KY 41653

Invoice Date 7/20/2006
Invoice Number 20060531
Prod End Date 5/31/2006

Due Date 7/25/2006

	Mcf	Dth	Price	Gross
KVV 181-S	12	20	\$ 5.500	\$ 110.00
KVV 39	855	1,071	\$ 5.500	\$ 5,890.50
KVV 39B	5	7	\$ 5.500	\$ 38.50
KVV 39C	1,087	1,374	\$ 5.500	\$ 7,557.00
KVV 39D	79	96	\$ 5.500	\$ 528.00
KVV 4m26	87	100	\$ 5.500	\$ 550.00
	2,125	2,668		
			Gas Total	\$ 14,674.00
			0.41 KVV Gathering	\$ 1,093.88
			264 KVV Fuel (9%)	\$ 1,452.00
			Total Due	\$ 17,219.88

Quality Natural Gas, LLC

PO Box 480
Allen, KY 41601

606-874-8041 x27
606-874-2203 fax

Attn: Patrick McNamee (mcnamee@kinzerdrilling.com)

Invoice for Natural Gas Sold Contract for May 1, 2006 through April 30, 2006

Gas sales @ KVV meters at the rate of \$5.50/mmBtu

Buyer: East Kentucky Utilites
PO Box 408

Prestonsburg, KY 41653

Attn: Audrey Yates
606-452-4266

Invoice Date 7/12/2006
Invoice Number 20060531
Prod End Date 6/30/2005

Due Date 8/25/2005

	Mcf	Dth	Price	Gross
KVV 181-S	-	-	\$ 5.500	\$ -
KVV 39	548	686	\$ 5.500	\$ 3,773.00
KVV 39B	-	-	\$ 5.500	\$ -
KVV 39C	493	617	\$ 5.500	\$ 3,393.50
KVV 39D	55	69	\$ 5.500	\$ 379.50
KVV 4m26	-	-	\$ 5.500	\$ -
	1,096	1,372		

Gas Total	\$ 7,546.00
0.7251 KVV Gathering	\$ 994.84
136 KVV Fuel (9%)	\$ 748.00
Prior Period Adjustment - May06	\$ 752.95
Total Due	\$ 10,041.79

Quality Natural Gas, LLC

PO Box 480
Allen, KY 41601

606-874-8041 x27
606-874-2203 fax

Attn: Patrick McNamee (mcnamee@kinzerdrilling.com)

Invoice for Natural Gas Sold Contract for May 1, 2006 through April 30, 2006

Gas sales @ KVV meters at the rate of \$5.50/mmBtu

Buyer: East Kentucky Utilites
PO Box 408

Prestonsburg, KY 41653

Invoice Date 9/5/2006
Invoice Number 20060731
Prod End Date 7/31/2006

Due Date 9/25/2006

	Mcf	Dth	Price	Gross
KVV 181-S	-	-	\$ 5.500	-
KVV 39	437	547	\$ 5.500	3,008.50
KVV 39B	-	-	\$ 5.500	-
KVV 39C	441	553	\$ 5.500	3,041.50
KVV 39D	52	65	\$ 5.500	357.50
*** KVV 4m26	74	93	\$ 5.500	511.50
	1,004	1,258		
			Gas Total	\$ 6,919.00
		0.7251	KVV Gathering	\$ 912.18
		124	KVV Fuel (9%)	\$ 682.00
			Total Due	\$ 8,513.18

*** Includes 50 Dth for June 2006 which was not billed with the June sales.

Quality Natural Gas, LLC

PO Box 480
Allen, KY 41601

606-874-8041 x27
606-874-2203 fax

Attn: Patrick McNamee (mcnamee@kinzerdrilling.com)

Invoice for Natural Gas Sold Contract for May 1, 2006 through April 30, 2006

Gas sales @ KVV meters at the rate of \$5.50/mmBtu

Buyer: East Kentucky Utilites
PO Box 408

Prestonsburg, KY 41653

Invoice Date 9/5/2006
Invoice Number 20060831
Prod End Date 8/31/2006

Due Date 10/25/2006

	Mcf	Dth	Price	Gross
KVV 181-S	-		\$ 5.500	-
KVV 39	451	565	\$ 5.500	3,107.50
KVV 39B	-		\$ 5.500	-
KVV 39C	443	555	\$ 5.500	3,052.50
KVV 39D	55	69	\$ 5.500	379.50
KVV 4m26	39	49	\$ 5.500	269.50
	988	1,238		
			Gas Total	\$ 6,809.00
		0.7251	KVV Gathering	\$ 897.67
		122	KVV Fuel (9%)	\$ 671.00
			Total Due	\$ 8,377.67

REV - EKO
 DEC 05 TRAV OCT 06

USAGE AND REVENUES DEC 2005-OCTOBER 2006

MONTH	USAGE	REVENUES
DECEMBER	12421	\$ 275846 .
JANUARY	9667	204852 .
FEBRUARY	11698	205294 .
MARCH	7987	142155 .
APRIL	3046	57953 .
MAY	2972	59246 .
JUNE	1082	27900 .
JULY	808	24615 .
AUGUST	970	25275 .
SEPT	1186	46847 .
OCT	3077 .	59036 .

54,914 \$ 1,129,019.

East Ky Utilities

	mcf	<u>2005</u>
SEPT	1345	\$ 36696
OCT	2296	52277
NOV	8328	194217
	<u>9969</u>	<u>\$ 283,190</u>

To: Brett Davis
886-1083