

Public Gas Company
220 Lexington Green, Bldg 2, Suite 130
P.O. Box 24032
Lexington, KY 40524-4032
Tele (859) 245-8193

December 29, 2006

Ms. Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RECEIVED

JAN 2 2007

PUBLIC SERVICE
COMMISSION

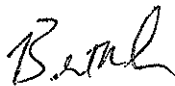
RE: Public Gas Company
Case No. *2007-00005*
GCR Filing Proposed to Become
Effective February 1, 2007

Dear Ms. O'Donnell:

Enclosed are an original and five copies of Public Gas Company's Cost Recovery (GCR) filing for rates proposed to become effective February 1, 2007. Also included are an original and five copies of 40th revised sheet No. 1 of Public's PSC Kentucky No. 1 Tariff, which is being filed pursuant to the Purchased Gas Adjustment provision of that Tariff.

This filing proposes a GCR rate of \$6.8563 per MCF of sales.

Sincerely,



Bert R. Layne

Public Gas Company

Case No. 2007-00005

Quarterly Report of Gas Cost
Recovery Rate Calculation

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Date Filed: December 29, 2006

Date Rates to be Effective: February 1, 2007

Reporting Period is Calendar Quarter Ended: April 30, 2007

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	8.012
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(1.1557)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>6.8563</u>

GCR to be effective for service rendered from February 1, 2007 to April 30, 2007

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	
÷	Sales for the 12 months ended _____	Mcf	
=	Expected Gas Cost (EGC)	\$/Mcf	
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	
=	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	(.0292)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0398)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.2059)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.8808)
=	Actual Adjustment (AA)	\$/Mcf	<u>(1.1557)</u>
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	
=	Balance Adjustment (BA)		

Jefferson Gas, LLC

12/29/06

Expected gas price, February, March and April 2007.

Public Gas has asked for an estimate of their gas price for the months of February, March and April 2007.

	Gas price* to Public Gas
February	7.74
March	7.86
April	7.93

*Jefferson Gas purchases gas from various producers based on the NYMEX futures price. This index changes daily, and has been somewhat volatile in the past. Therefore, gas may be more or less than indicated above, depending on the actual NYMEX price for the periods indicated above. The above estimated gas prices were derived from the NYMEX futures prices issued by the NYMEX web site on December 29, 2006.

7.740 +
7.860 +
7.930 +
23.530 *

23.530 ÷
3.000 =
7.843 +

7.843 *

7.843 ÷
0.9789 =
8.012 +

8.012 *

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended (reporting period)

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

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended

July 31, 2006

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Aug06)</u>	<u>Month 2 (Sep 06)</u>	<u>Month 3 (Oct 06)</u>
Total Supply Volumes Purchased	Mcf	1,569	1,760	5,899
Total Cost of Volumes Purchased	\$	13,446.33	12,108.80	46,425.13
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	1,537	1,717	5,774
= Unit Cost of Gas	\$/Mcf	8.7484	7.0523	8.0404
- EGC in effect for month	\$/Mcf	8.3094	8.3094	8.3094
= Difference [(over-)/Under-Recovery]	\$/Mcf	.4390	(1.2571)	(.2690)
x Actual sales during month	Mcf	1,537	1,717	5,774
= Monthly cost difference	\$	674.74	(2,158.44)	(1,553.21)
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	(3,036.91)
÷ Sales for 12 months ended July 31, 2006			Mcf	103,956
Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	(.0292)

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____ (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.	\$	_____
(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	\$	_____
(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.	\$	_____
	Total Balance Adjustment Amount (1) + (2) + (3)	\$	_____
÷	Sales for 12 months ended _____	Mcf	_____
=	Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	

FOR Entire Service Area
Community, Town or City
1
P.S.C. KY. NO. _____
40th Revised SHEET NO. 1
1
CANCELLING P.S.C. KY. NO. _____
39th Revised SHEET NO. 1
1

Public Gas Company
(Name of Utility)

RATES AND CHARGES

Applies to: All Customers

Rate, Monthly:

			Base Rate	Gas Cost	Rate per Unit (Mcf)
First	0 to 1 Mcf	Minimum Bill	3.2705	6.8563	10.1268
All Over	1 Mcf		2.1505	6.8563	9.0068

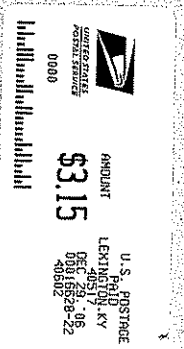
DATE OF ISSUE December 29, 2006
Month / Date / Year
DATE EFFECTIVE February 1, 2007
Month / Date / Year
ISSUED BY Bert R. Layne
(Signature of Officer)
TITLE Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

Public Gas Company, Inc.
220 Lexington Green Circle
Suite #130
Lexington, KY 40503



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



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