

Case No. 7007-00077

APPENDIX B
Page 1

People's Gas, Inc.

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

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FEB 16 2007

PUBLIC SERVICE
COMMISSION

Date Filed:

February 14, 2007

Date Rates to be Effective:

March 1, 2007

Reporting Period is Calendar Quarter Ended:

January 31, 2007

SCHEDULE I
GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	9.1990
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	
+ Balance Adjustment (BA)	\$/Mcf	
<u>= Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	<u>9.1990</u>

GCR to be effective for service rendered from Feb 2007 to April 2007

A. <u>EXPECTED GAS COST CALCULATION</u>		
Total Expected Gas Cost (Schedule II)	\$	82,866.94
+ Sales for the 12 months ended <u>Jan, 2007</u>	Mcf	9008.20
<u>= Expected Gas Cost (EGC)</u>	\$/Mcf	<u>9.1990</u>
B. <u>REFUND ADJUSTMENT CALCULATION</u>		
Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
<u>= Refund Adjustment (RA)</u>	\$/Mcf	
C. <u>ACTUAL ADJUSTMENT CALCULATION</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	
<u>= Actual Adjustment (AA)</u>	\$/Mcf	
D. <u>BALANCE ADJUSTMENT CALCULATION</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	
<u>= Balance Adjustment (BA)</u>	\$/Mcf	

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended

Jan, 2007

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(5) (4)x(5) Cost
Columbia Gas			13,549	8.7392	118,407.42

Totals

13,549

118,407.42

Line loss for 12 months ended Jan. 31, 2007 is 33 % based on purchases of 13,549.00 Mcf and sales of 9008.20 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	118,407.42
÷ Mcf Purchases (4)	Mcf	13,549
= Average Expected Cost Per Mcf Purchased	\$/Mcf	8.7391
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	9,482.32
= Total Expected Gas Cost (to Schedule IA.)	\$	82,866.94

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

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

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended Jan, 2007

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>(Nov.)</u>	Month 2 <u>(Dec)</u>	Month 3 <u>(Jan)</u>
Total Supply Volumes Purchased	Mcf	1950	1508	2358
Total Cost of Volumes Purchased	\$	17,261.88	13,194.54	26,389.08
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	2,052.63	1,587.36	2,240.10
<u>= Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>8.40</u>	<u>8.31</u>	<u>11.78</u>
<u>- EGC in effect for month</u>	<u>\$/Mcf</u>	<u>10.8295</u>	<u>10.8295</u>	<u>10.8295</u>
<u>= Difference</u> [(Over-)/Under-Recovery]	<u>\$/Mcf</u>	<u><2.4295></u>	<u><2.5195></u>	<u>.9505</u>
<u>x Actual sales during month</u>	<u>Mcf</u>	<u>1512.90</u>	<u>905.00</u>	<u>1859.40</u>
<u>= Monthly cost difference</u>	<u>\$</u>	<u>3675.59</u>	<u>2,280.15</u>	<u>1,765.46</u>

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	7721.20
÷ Sales for 12 months ended <u>Jan 2007</u>	Mcf	<u>9008.20</u>
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.8571

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended Oct, 2006

Particulars	Unit	Month 1 (Aug)	Month 2 (Sept)	Month 3 (Oct)
Total Supply Volumes Purchased	Mcf	686	510	944
Total Cost of Volumes Purchased	\$	6878.10	4823.32	5989.85
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	575.70	484.50	896.80
<hr/>				
= Unit Cost of Gas	\$/Mcf	11.94	9.95	6.67
- EGC in effect for month	\$/Mcf	10.8295	10.8295	10.8295
= Difference [(Over-)/Under-Recovery]	\$/Mcf	1.1105	2.8795	4.1595
x Actual sales during month	Mcf	295.5	367.2	222.5
= Monthly cost difference	\$	328.15	322.95	925.49

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	1576.59
÷ Sales for 12 months ended <u>Oct, 2006</u>	Mcf	9186.40
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.1716

People's Gas Inc.
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