

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

~~D. McGee~~

~~2007-00265~~

2007-00265

June 28, 2007

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



RECEIVED
JUN 29 2007
PUBLIC SERVICE
COMMISSION

RE: Public Gas Company
Case No.
GCR Filing Proposed to Become
Effective August 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 August 1, 2007. Also included are an original and five copies of 42nd 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 \$9.1939 per MCF of sales.

Sincerely,

Bert R. Layne

Public Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: June 28, 2007

Date Rates to be Effective: August 1, 2007

Reporting Period is Calendar Quarter Ended: October 31, 2007

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	9.0400
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	.1539
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		9.1939

GCR to be effective for service rendered from August 1, 2007 to October 31, 2007

<u>A.</u>	<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	
<u>B.</u>	<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	
<u>C.</u>	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	.3846
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1617)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0292)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0398)
=	Actual Adjustment (AA)	\$/Mcf	.1539
<u>D.</u>	<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)	\$/Mcf	

SCHEDULE II
EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended January 31, 2007

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Gas Purchases		Mcfs	Rate	Sales Mcfs	
02/28/06		20,727	9.0400	20,297	
03/31/06		13,442	9.0400	13,179	
04/30/06		5,127	9.0400	4,985	
05/31/06		3,902	9.0400	3,793	
06/30/06		2,211	9.0400	2,158	
07/31/06		1,504	9.0400	1,480	
08/31/06		1,569	9.0400	1,537	
09/30/06		1,760	9.0400	1,717	
10/31/06		5,899	9.0400	5,774	
11/30/06		13,017	9.0400	12,750	
12/31/06		16,092	9.0400	15,715	
01/31/07		20,953	9.0400	20,435	
Totals		<u>106,203</u>		<u>103,820</u>	

Line loss for 12 months ended January 31, 2007 is 2.25% based on purchases of 106,203 Mcf and sales of 103,820 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	
÷ Mcf Purchases (4)	Mcf	
= Average Expected Cost Per Mcf Purchased	\$/Mcf	
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	
= 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.

\$9.0400 Per Attached Schedule

Jefferson Gas, LLC

06/28/07

Expected gas price, August, September and October 2007.

Public Gas has asked for an estimate of their gas price for the months of August, September, and October 2007.

	Gas price* to Public Gas
August	8.76
September	8.82
October	8.93

*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 June 21, 2007.

8 • 7600 +
8 • 8200 +
8 • 9300 +
26 • 5100 *

26 • 5100 ÷
3 • 0000 =
8 • 8366 +

8 • 8366 *

8 • 8366 ÷
0 • 9775 =
9 • 0400 +

9 • 0400 *

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 April 30, 2007

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Feb 07)</u>	<u>Month 2 (Mar 07)</u>	<u>Month 3 (Apr 07)</u>
Total Supply Volumes Purchased	Mcf	26,788	12,050	9,131
Total Cost of Volumes Purchased	\$	225,822.84	106,763.00	82,635.55
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	26,111	11,774	8,956
= Unit Cost of Gas	\$/Mcf	8.6486	9.0677	9.2268
- EGC in effect for month	\$/Mcf	8.0120	8.0120	8.0120
= Difference [(over-)/Under-Recovery]	\$/Mcf	0.6366	1.0557	1.2148
x Actual sales during month	Mcf	26,111	11,774	8,956
= Monthly cost difference	\$	16,622.26	12,429.81	10,879.75
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	39,931.82
÷ Sales for 12 months ended <u>January 31, 2007</u>			Mcf	103,820
Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	.3846

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. _____
42nd Revised SHEET NO. 1
1
CANCELLING P.S.C. KY. NO. _____
41st Revised SHEET NO. 1
1

Public Gas Company

(Name of Utility)

CONTENTS

Applies to: All Customers

Rate, Monthly:

			Base Rate	Gas Cost	Rate per Unit (Mcf)
First	0 to 1 Mcf	Minimum Bill	3.2705	9.1939	12.4644
All Over	1 Mcf		2.1505	9.1939	11.3444

DATE OF ISSUE June 28, 2007
Month / Date / Year
DATE EFFECTIVE August 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 _____