COW CREEK GAS INC.
347 THOMPSON RD
PIKEVILLE KY 41501

PH 606-437-6147 FAX 606-437-6040

December 21, 2007

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

RE: Cow Creek Gas, Inc.
    GCA Filing
    Case No: 2007-00419

Ms. O'Donnell:

On December 21, 2007 the enclosed GCA filing for the above case number was sent to you by fax. Enclosed is the originals and ten copies for filing.

If you have any questions, please contact us at the above number.

Sincerely,
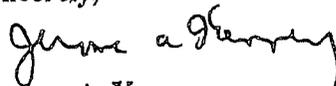
Jerome A. Kanney
President

Enclosure

Cow Creek Gas, Inc..

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed:

December 21, 2007

Date Rates to be Effective:

February 1, 2008

Reporting Period is Calendar Quarter Ended:

September 30, 2007

Revised 02-26-04

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component	Unit	Amount
Expected Gas Cost (EGC)	$/Mcf	10.89
+ Refund Adjustment (RA)	$/Mcf	0.00
+ Actual Adjustment (AA)	$/Mcf	0.00
+ Balance Adjustment (BA)	$/Mcf	0.00
= Gas Cost Recovery Rate (GCR)		10.89

GCR to be effective for service rendered from February 1, 2008   to   May 1, 2008

A. EXPECTED GAS COST CALCULATION	Unit	Amount
Total Expected Gas Cost (Schedule II)	$	451,281.60
÷ Sales for the 12 months ended _____	Mcf	39,826
= Expected Gas Cost (EGC)	$/Mcf	10.890

B. REFUND ADJUSTMENT CALCULATION	Unit	Amount
Supplier Refund Adjustment for Reporting Period (Sch.III)		0.0
+ Previous Quarter Supplier Refund Adjustment	$/Mcf	0.0
+ Second Previous Quarter Supplier Refund Adjusment	$/Mcf	0.0
+ Third Previous Quarter Supplier Refund Adjustment	$/Mcf	0.0
= Refund Adjustment (RA)	$/Mcf	0.0

C. ACTUAL ADJUSTMENT CALCULATION	Unit	Amount
Actual Adjustment for the Reporting Period (Schedule IV)	$Mcf	0.0
+ Previous Quarter Reported Actual Adjustment	$/Mcf	0.0
+ Second Previous Quarter Reported Actual Adjustment	$/Mcf	0.0
+ Third Previous Quarter Reported Actual Adjustment	$/Mcf	0.0
= Actual Adjustment (AA)	$/Mcf	0.0

D. BALANCE ADJUSTMENT CALCULATION	Unit	Amount
Balance Adjustment for the Reporting Period (Schedule V)	$/Mcf	0.0
+ Previous Quarter Reported Balance Adjustment	$/Mcf	0.0
+ Second Previous Quarter Reported Balance Adjustment	$/Mcf	0.0
+ Third Previous Quarter Reported Balance Adjustment	$/Mcf	0.0
= Balance Adjustment (BA)		0.0

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SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended   September 30, 2007

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Jefferson Gas LLC	2,121	1.0	2,121	10.890	23,097.69
Jefferson Gas LLC	4,717	1.0	4,717	10.890	51,368.13
Jefferson Gas LLC	5,872	1.0	5,872	10.890	63,946.08
Jefferson Gas LLC	5,646	1.0	5,646	10.890	61,484.94
Jefferson Gas LLC	7,930	1.0	7,930	10.890	86,357.70
Jefferson Gas LLC	5,345	1.0	5,345	10.890	58,207.05
Jefferson Gas LLC	3,063	1.0	3,063	10.890	33,356.07
Jefferson Gas LLC	1,148	1.0	1,148	10.890	12,501.72
Jefferson Gas LLC	1,470	1.0	1,470	10.890	16,008.30
Jefferson Gas LLC	1,151	1.0	1,151	10.890	12,534.39
Jefferson Gas LLC	1,276	1.0	1,276	10.890	13,895.64
Jefferson Gas LLC	1,701	1.0	1,701	10.890	18,523.89
Totals	41,440		41,440		451,281.60

Line loss for 12 months ended   Sept. 30, 2007   is   3.895% based on purchases of
41,440   Mcf and sales of   39,826   Mcf.

		Unit	Amount
	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.

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SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____ **NOT APPLICABLE** _____

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

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended _____**NOT APPLICABLE**_____

		Month 1	Month 2	Month 3
Particulars	Unit			
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	$			

	Unit	Amount
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	

This factor is inapplicable pursuant to the Order of the United States Bankruptcy Court in *In re: Sigma Gas Corporation*, Case No. 04-71003 (ED. Ky., August 30, 2007) and the Kentucky Public Service Commission's Order in *The Application of DLR Enterprises, Inc. and Cow Creek Gas, Inc. for Approval of the Transfer of Certain Assets Formerly Owned and Controlled by Sigma Gas Corporation*, Case No. 2007-00419 (Ky. PSC, November 21, 2007).

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SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended **NOT APPLICABLE**

Particulars	Unit	Amount
(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 September 30, 2007	Mcf	_____
= Balance Adjustment for the Reporting Period (to Schedule ID.)	$/Mcf	

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Jefferson Gas, LLC   **November 2, 2007**
220 Lexington Green Circle, Suite #130
Lexington, KY 40503

City of Salyersville
P.O. Box 640
Salyersville, KY 41465

Estimated Gas Cost Computation per MCF

Quarter beginning:		12/01/07
Quarter ending:		02/28/08
Monthly delivery contracts settle price on 1st day of month prior to beginning of quarter:		
NYMEX settle price on November 1, 2007 for gas sold in December 2007	$	8.637
NYMEX settle price on November 1, 2007 for gas sold in January 2008		8.997
NYMEX settle price on November 1, 2007 for gas sold in February 2008		9.035
Average Est. NYMEX settle price as of November 1, 2007		8.890
Add: transportation charge per mcf		2.000
Estimated gas cost computation per mcf	$	10.890

Interstate Natural Gas Company
347 Thompson Road
PO Box 3385
Phone: 606-437-6147
Fax: 606-432-5103

INTERSTATE NATURAL
GAS COMPANY

Fax

To:	Beth O'Donnell	**From:**	Jerry Kanney
Fax:	502-564-3460	**Date:**	December 21, 2007
Phone:		**Pages:**	9 (including cover sheet)
Re:	GCA Filing	**CC:**	

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