



GASCO
DISTRIBUTION SYSTEMS, INC.

4445 EAST PIKE

ZANESVILLE, OH 43701

OFFICE 740 454-6198

FAX 740 454-7780

October 15, 2010

RECEIVED

OCT 20 2010

PUBLIC SERVICE
COMMISSION

Ms Beth A. O'Donnell
Commonwealth of Kentucky
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Dear Ms O'Donnell:

Attached please find one original filing and five copies of the quarterly report of gas cost recovery rate calculation for rates to be effective November 1, 2010. In addition, you will find an original and five copies of our written surcharge report for this reporting period. Please have one copy of each of the filings time-stamped and returned to us in the self-addressed stamped envelope.

If there are any questions concerning the filing, please call me at 740-454-8871 extension 113. Thank you for your cooperation in this matter.

Very truly yours,

Trina L. King
Secretary

TLK

Enclosure

GASCO DISTRIBUTION SYSTEMS, INC.

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

RECEIVED

OCT 20 2010

PUBLIC SERVICE
COMMISSION

Date Filed:

October 15, 2010

Date Rates to be Effective:

November 1, 2010

Reporting Period is Period Ended:

July 31, 2010

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.4496
+ Refund Adjustment (RA)	\$/Mcf	-
+ Actual Adjustment (AA)	\$/Mcf	3.6838
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	<u>(1.7970)</u>
= Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>8.3365</u>

GCR to be effective for service rendered from November 1, 2010 to January 31, 2011

A.	<u>'EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	198,701
	+ Sales for the 12 months ended July 31, 2010	Mcf	30,808
	<u>= Expected Gas Cost (EGC)</u>	\$/Mcf	<u>6.4496</u>
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Ach. III)	\$/Mcf	-
	+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	-
	+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	-
	+ <u>Third Previous Quarter Supplier Refund Adjustment</u>	\$/Mcf	<u>-</u>
	= 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	0.1897
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	-0.6163
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	2.2829
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	1.8275
	+/- Other cost adjustments	\$/Mcf	<u>0</u>
	= Actual Adjustment (AA)	\$/Mcf	<u>3.6838</u>
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	(0.2247)
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	(0.8613)
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(0.3336)
	+ <u>Third Previous Quarter Reported Balance Adjustment</u>	\$/Mcf	<u>(0.3774)</u>
	= Balance Adjustment (BA)	\$/Mcf	<u>(1.7970)</u>

SCHEDULE II
EXPECTED GAS COST

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Actual Mcf	(5) ** Projected Rate	(6) (4) x (5) Cost	
The Titan Energy Group, Inc.	Aug-10	692	1.035	669	5.3842	3,602.03
The Titan Energy Group, Inc.	Sep-10	775	1.035	749	5.3842	4,032.77
The Titan Energy Group, Inc.	Oct-10	1,383	1.035	1,336	5.3842	7,193.29
The Titan Energy Group, Inc.	Nov-10	1,786	1.035	1,726	5.3842	9,293.13
The Titan Energy Group, Inc.	Dec-10	5,759	1.035	5,564	5.3842	29,957.69
The Titan Energy Group, Inc.	Jan-11	6,024	1.035	5,820	5.3842	31,336.04
The Titan Energy Group, Inc.	Feb-11	6,631	1.035	6,407	5.3842	34,496.57
The Titan Energy Group, Inc.	Mar-11	4,260	1.035	4,116	5.3842	22,161.37
The Titan Energy Group, Inc.	Apr-11	1,624	1.035	1,569	5.3842	8,447.81
The Titan Energy Group, Inc.	May-11	1,034	1.035	999	5.3842	5,378.82
The Titan Energy Group, Inc.	Jun-11	1,120	1.035	1,082	5.3842	5,825.70
The Titan Energy Group, Inc.	Jul-11	798	1.035	771	5.3842	4,151.22
Sub-total		28,934		30,808		\$150,520.70

Add in: Annual East Tennessee Demand Charge \$4,015.00 x 12 mo. \$48,180.00

\$198,700.70

Line loss for the 12 months ended is _____ - or 0.00% based on purchases of 30,808
Mcf and sales of 30,808 Mcf.

	Unit	Amount
Total Expected Cost of Purchase (6) (See attached schedule)	\$	\$198,700.70
/ MCF Purchases (4)	Mcf	30,808
= Average Expected Cost Per Mcf Purchased	\$/Mcf	6.4496
x Allowable Mcf purchases (must not exceed Mcf Sales / .95)	Mcf	32,429
= Total Expected Gas Cost (to Schedule IA.)	\$	209,158.63

* 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 July 31, 2010

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	-0-
+ Interest	\$	-0-
<hr/>		<hr/>
= Refund Adjustment including interest	\$	-0-
/ sales for 12 months ended July 31, 2010	Mcf	30,808
<hr/>		<hr/>
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	-0-

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended July 31, 2010

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>May-10</u>	Month 2 <u>Jun-10</u>	Month 3 <u>Jul-10</u>
Total Supply Volume Purchased	Mcf	999	1,082	771
Total Cost of Volume Purchased	\$	\$ 12,563.48	\$ 10,101.47	\$ 9,889.76
/ Total Sales (may not be less than 95% of supply volumes)	Mcf	999	1,082	771
<hr/> = Unit Cost of Gas	\$/Mcf	<hr/> 12.5761	<hr/> 9.3359	<hr/> 12.8272
- EGC in effect for month	\$/Mcf	<hr/> 9.3655	<hr/> 9.3655	<hr/> 9.3655
= Difference [(Over-)/ Under-Recovery]	\$/Mcf	<hr/> 3.2106	<hr/> -0.0296	<hr/> 3.4617
<hr/> x Actual Sales During Period	Mcf	<hr/> 999	<hr/> 1,082	<hr/> 771
= Monthly cost difference	\$	<hr/> \$ 3,207.35	<hr/> \$ (32.00)	<hr/> \$ 2,668.96
Total cost difference (Month 1 + Month 2 + Month 3)			\$	5,844.30
/ Sales for 12 months ended July 31, 2010.			Mcf	<hr/> 30,808
<hr/> = Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	0.1897

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended July 31, 2010

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1) Dollar amount overcollected in the month of August 2010 from the Energy Adjustment. Surcharge of \$4.9284 per Mcf approved in Case No. 2008-00096 times the sales of 30,808 Mcf projected over the 12 month refund period the BA is in effect.	\$	-8,000.10
		<hr/>
	\$	-8,000.10
(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.	\$	
	\$	
	\$	<hr/>
(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 (.4470) \$/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 30,314 Mcf during the 12-month period the BA was in effect. Equals: Balance Adjustment for the BA.	\$	-12,472.19
	\$	
	\$	-13,550.36
	\$	<hr/>
	\$	1,078.17
	\$	<hr/>
Total Balance Adjustment Amount (1) + (2) + (3)	\$	-6,921.93
/ Sales for 12 months ended <u>July 31, 2010</u> .	Mcf	30,808
<hr/> = Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	<hr/> -0.2247

NYMEX Natural Gas Futures

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Month	Price	Change	Low	High
Nov 10	3.5360	-0.1210	3.5200	3.6780
Dec 10	3.9260	-0.0900	3.9090	4.0310
Jan 11	4.1710	-0.0730	4.1510	4.2570
Feb 11	4.2040	-0.0710	4.1830	4.2830
Mar 11	4.1560	-0.0640	4.1350	4.2260
Apr 11	4.1220	-0.0620	4.1040	4.1980
May 11	4.1550	-0.0610	4.1420	4.2100
Jun 11	4.2040	-0.0680	4.1980	4.2840
Jul 11	4.2840	-0.0540	4.2640	4.3330
Aug 11	4.3220	-0.0640	4.3120	4.3470
Sep 11	4.3510	-0.0560	4.3370	4.4060
Oct 11	4.4300	-0.0600	4.4200	4.4860

Average	Price	Change
3 Month Avg	3.8777	-0.0947
6 Month Avg	4.0192	-0.0802
12 Month Avg	4.1551	-0.0703
24 Month Avg	4.5562	-0.0622
36 Month Avg	4.8121	-0.0568
Peak Avg (Nov10-Mar11)	3.9986	-0.0838
Off-Pk Avg (Apr11-Oct11)	4.2669	-0.0607

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10/15/10

GASCO DISTRIBUTION SYSTEMS INC. - ALBANY DIVISION

GAS COST ESTIMATE November 2010 - January 2011

CHARGE TYPE		Nov. 10	Dec. 10	Jan. 11										ANNUAL
														TOTAL
NYMEX		\$3.5360	\$3.9260	\$4.1710										
TGP La. (ZONE 1)+.40/MMBTU		\$0.4000	\$0.4000	\$0.4000										
TOTAL		\$3.9360	\$4.3260	\$4.5710	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
TITAN RETAINAGE	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	
LESS TITAN RETAINAGE		\$4.2323	\$4.6516	\$4.9151	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
TITAN TRANS FEE	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	
ETNG TRANS FEE	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	
TOTAL		\$4.8350	\$5.2543	\$5.5178	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	
VOLUME ESTIMATE(DTH)		1,786	5,759	6,024	0	0	0	0	0	0	0	0	0	13,569
TOTAL (\$) GAS		\$8,635.24	\$30,259.59	\$33,238.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$72,134
LOCAL PROD. VOL. (DTH)														0
LOCAL PROD. VOL. (MCF)														\$0
LOCAL PROD. BTU														\$0
LOCAL PROD. COSTS EST.														
LOCAL PROD. TOTAL COSTS \$														0
VOLUME ESTIMATE(MCF)		1,726	5,564	5,820	0	0	0	0	0	0	0	0	0	13,110
BTU CONVERSION	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	
AVERAGE RATE (MCF)		\$5.0030	\$5.4385	\$5.7112	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

November 2010 - January 2011
 \$5.3842 per Mcf

Gasco Distribution Systems, Inc.
 Albany, KY Division
 Energy Adjustment Surcharge

Surcharge Amount \$4.9284
 Total Allowed \$275,635.97

	Unbilled Surcharge Volumes	Surcharge Volumes	Surcharge Dollars	Surcharge Final Bills	Monthly Total	Cumulative Total	Remaining Balance
August, 2008	29	654	3,218.26	4.93	3,223.19	3,223.19	\$272,412.78
September, 2008	17	834	4,110.29	0.00	4,110.29	7,333.48	\$268,302.49
October, 2008	57	1072	5,283.27	0.00	5,283.27	12,616.75	\$263,019.22
November, 2008	743	2969	14,632.49	0.00	14,632.49	27,249.24	\$248,386.73
December, 2008	137	3304	16,283.43	0.00	16,283.43	43,532.67	\$232,103.30
January, 2009	1128	4493	22,138.38	4.93	22,143.31	65,675.98	\$209,959.99
February, 2009	32	4413	21,719.55	29.57	21,749.12	87,425.10	\$188,210.87
March, 2009	21	3414	16,736.89	88.72	16,825.61	104,250.71	\$171,385.26
April, 2009	14	1575	7,668.71	24.64	7,693.35	111,944.06	\$163,691.91
May, 2009	3	952	4,667.30	9.86	4,677.16	116,621.22	\$159,014.75
June, 2009	1	679	3,346.43	0.00	3,346.43	119,967.65	\$155,668.32
July, 2009	4	722	3,558.35	0.00	3,558.35	123,526.00	\$152,109.97
August, 2009	3	666	3,282.36	0.00	3,282.36	126,808.36	\$148,827.61
September, 2009	2	767	3,780.11	0.00	3,780.11	130,588.47	\$145,047.50
October, 2009	4	1332	6,564.81	0.00	6,564.81	137,153.28	\$138,482.69
November, 2009	6	1720	8,476.97	4.93	8,481.90	145,635.18	\$130,000.79
December, 2009	13	5551	27,298.46	59.14	27,357.60	172,992.78	\$102,643.19
January, 2010	14	5806	28,614.36	0.00	28,614.36	201,607.14	\$74,028.83
February, 2010	11	6396	31,522.11	0.00	31,522.11	233,129.25	\$42,506.72
March, 2010	12	4104	20,221.26	4.93	20,226.19	253,355.44	\$22,280.53
April, 2010	5	1564	7,673.68	34.51	7,708.19	261,063.63	\$14,572.34
May, 2010	3	995	4,874.29	29.58	4,903.87	265,967.50	\$9,668.47
June, 2010	3	1079	5,317.82	0.00	5,317.82	271,285.32	\$4,350.65
July, 2010	2	769	3,790.01	0.00	3,790.01	275,075.33	\$560.64
August, 2010	2	642	3,164.07	0.00	3,164.07	278,239.40	-\$2,603.43
September, 2010	3	1094	5,391.74	4.93	5,396.67	283,636.07	-\$8,000.10
Total To Date	2,269	57,566	283,335.40	300.67	283,636.07		