

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

RECEIVED

JAN 3 2010

PUBLIC SERVICE
COMMISSION

December 29, 2010

Mr. Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RE: Public Gas Company
Case No.
GCR Filing Proposed to Become
Effective February 1, 2011

Dear Mr. Derouen:

Enclosed are an original and ten copies of Public Gas Company's Cost Recovery (GCR) filing for rates proposed to become effective February 1, 2011. Also included are an original and ten copies of 56th 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 \$5.7589 per MCF of sales.

Sincerely,



Bert R. Layne

Public Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: December 29, 2010

Date Rates to be Effective: February 1, 2011

Reporting Period is Calendar Quarter Ended: April 30, 2011

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.6302
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.8713)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>5.7589</u>

GCR to be effective for service rendered from February 1, 2011 to April 30, 2011

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	(.0551)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	.0194
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.3834)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.4522)
=	Actual Adjustment (AA)	\$/Mcf	<u>(.8713)</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)	\$/Mcf	

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended July 31, 2010

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Month		Purchases Mcfs	Rate	Sales Mcfs	
08/31/09		1,448	6.6302	1,400	
09/30/09		1,815	6.6302	1,746	
10/31/09		5,785	6.6302	5,625	
11/30/09		8,715	6.6302	8,434	
12/31/09		21,356	6.6302	20,585	
01/31/10		23,166	6.6302	22,355	
02/28/10		23,706	6.6302	23,100	
03/31/10		18,159	6.6302	17,735	
04/30/10		4,673	6.6302	4,552	
05/31/10		3,086	6.6302	2,990	
06/30/10		1,817	6.6302	1,761	
07/31/10		1,324	6.6302	1,296	
Totals		115,050		111,579	

Line loss for 12 months ended July 31, 2010 is 3.016% based on purchases of 115,050 Mcf and sales of 111,579 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.

\$6.6302 Per Attached Schedule

Jefferson Gas, LLC

12/27/10

Expected gas price, February, March, and April 2011

Public Gas has asked for an estimate of their gas price for the months of February, March, and April 2011

	Gas price* to Public Gas
February 2011	6.42
March 2011	6.43
April 2011	6.44

*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 23, 2010.

6.420000+
6.430000+
6.440000+
19.290000+

19.290000+
3.00=
6.430000+

6.430000+
0.9698=
6.630230+

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 October 31, 2010

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Aug 10)</u>	<u>Month 2 (Sep 10)</u>	<u>Month 3 (Oct 10)</u>
Total Supply Volumes Purchased	Mcf	1,395	1,847	3,568
Total Cost of Volumes Purchased	\$	10,297.89	11,026.59	21,968.18
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	1,362	1,786	3,459
= Unit Cost of Gas	\$/Mcf	7.5609	6.1739	6.3510
- EGC in effect for month	\$/Mcf	7.4828	7.4828	7.4828
= Difference [(over-)/Under-Recovery]	\$/Mcf	0.0781	(1.3089)	(1.1318)
x Actual sales during month	Mcf	1,362	1,786	3,459
= Monthly cost difference	\$	106.37	(2,337.70)	(3,914.90)
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	(6,146.23)
÷ Sales for 12 months ended <u>July 31, 2010</u>			Mcf	111,579
Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	(.0551)

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	

Public Gas Company

(NAME OF UTILITY)

Entire Service Area
 FOR _____ 1
 PSC KY NO. _____
 56th Revised SHEET NO. _____ 1
 CANCELLING PSC KY NO. _____
 55th Revised SHEET NO. _____ 1

Applies to: All Customers

Rate, Monthly:

			Base Rate	Gas Cost	Rate per Unit (Mcf)
First	0 to 1 Mcf	Minimum Bill	3.2705	5.7589	9.0294
All Over	1 Mcf		2.1505	5.7589	7.9094

DATE OF ISSUE December 29, 2010
 DATE EFFECTIVE February 1, 2011
 ISSUED BY Bert R. Layne
 TITLE Treasurer

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