

Jakes Branch Gas Co. Inc.

P.O Box 783
Hindman, Kentucky 41822
Phone; (606) 785-0761

RECEIVED

SEP 21 2011

PUBLIC SERVICE
COMMISSION

September 19,2011

Mr. Jeff Derouen

Executive Director

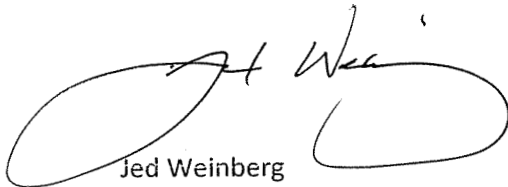
Kentucky Public Service Commission

P.O. Box 615

Frankfort, KY 40602-0615

Dear Mr. Derouen:

Enclosed is our request for farm tap rate change effective November 1,2011.

A handwritten signature in black ink, appearing to read "Jed Weinberg", written over a large, loopy scribble.

Jed Weinberg

Manager

Jakes Branch Gas Co. Inc.

P.O. Box 783
Hindman, Kentucky 41822
Phone: (606) 785-0761

To: All Jakes Branch Gas Company Customers

NOTICE OF PROPOSED RATE CHANGE

Jakes Branch Gas Co. has filed a request with the Public Service Commission to increase its rates. The rates contained in this notice are rates proposed by Jakes Branch Gas Company. The Public Service Commission may order rates to be charged that differ from the rates in this notice.

Any corporation, association, body politic, or person may file written comments or a written request for intervention within (30) days of the date of this notice with the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602-0615.

Copies of the request for an increase may be obtained by contacting the gas company at, **Jakes** Branch Gas Co. P.O. Box 783, Hindman, Kentucky 41822. A copy of the request for an increase in rates is available for public inspection at this address.

Present Rate	Proposed Rate	Estimated Monthly increase Per Customer
\$4.00	\$6.00	\$12.42

FOR Bulan, KY
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Jakes Branch Gas Company
(Name of Utility)

CANCELLING P.S.C. KY. NO. **T61-1536**

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE

Jakes Branch Gas Company is and has been since 1961, a farm tap system as described under KRS 278.485. Jakes Branch Gas Company is currently gathering its own gas in Perry County for sales to the city of Hazard, KY. In accordance with the parameters established in 807 KAR 5:026 (9), Jakes Branch Gas Company requests approval of the following rates for homeowners along its gathering lines.

We have not requested any rate increase for many years, even though costs have increased.

All residential and commercial customers will be charged the same:

\$6.00/mcf flat rate
\$6.00/mcf minimum charge
\$150.00 tap fee
\$125.00 deposit
\$25.00 reconnect fee

DATE OF ISSUE September 01, 2011
Month / Date / Year

DATE EFFECTIVE NOVEMBER 1, 2011
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE Manager

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

JAKES BRANCH GAS COMPANY
Rate Support Calculations

Assumption for Usage:

Anticipated customers	73
Average monthly use per customer (mcfs)	6.21
Average annual use per customer (mcfs)	74.47
Total average annual use (mcfs)	5,436

Rate Calculation

Schedule 1- Gas Commodity Cost per Mcf	\$	4.37
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Projected Costs

Schedule 2 - Contracted management services		<u>1.77</u>
	\$	<u>1.77</u>

Total Cost per Mcf \$ 6.14

JAKES BRANCH GAS COMPANY
Schedule 1 - Gas Commodity Cost

NYMEX - Natural Gas Contract Month End Settlement Price
September, 2010 to August 2011

<u>Date</u>	<u>Dth</u>
Sep-10	3.651
Oct-10	3.837
Nov-10	3.292
Dec-10	4.267
Jan-11	4.216
Feb-11	4.316
Mar-11	3.793
Apr-11	4.240
May-11	4.377
Jun-11	4.326
Jul-11	4.357
Aug-11	<u>4.370</u>
Average for the 12 months	4.087
Btu	<u>1.0701</u>

Average per Mcf \$

4.37

JAKES BRANCH GAS COMPANY
Schedule 2 - CONTRACTED MANAGEMENT SERVICES

	8/1/10 to 7/31/11	8/1/09 to 7/31/10
Management Fees per year	\$ 9,600.00	\$ 9,600.00
	<u>\$ 9,600.00</u>	<u>\$ 9,600.00</u>
Management Fees per mcf		
Management Fees	9,600.00	9,600.00
Total MCF's	<u>5,487</u>	<u>5,385</u>
Fees per MCF	1.75	1.78

Rate Component \$ 1.77

JAKES BRANCH GAS COMPANY

Schedule 3 - TOTAL MCF'S SOLD FOR TWO PRECEEDING YEARS

AUGUST 1,2010 to JULY 31,2011

AUGUST 1,2009 to JULY 31,2010

	MCF		MCF
8/31/2010	70	8/31/2009	89
9/30/2010	105	9/30/2009	137
10/31/2010	265	10/31/2009	181
11/30/2010	719	11/30/2009	543
12/31/2010	957	12/31/2009	643
1/31/2011	1175	1/31/2010	845
2/28/2011	794	2/28/2010	983
3/31/2011	665	3/31/2010	761
4/30/2011	346	4/30/2010	521
5/31/2011	193	5/31/2010	257
6/30/2011	121	6/30/2010	324
7/31/2011	77	7/31/2010	101
TOTAL MCF	5487	TOTAL MCF	5385

Number of Customers	73	73
Average annual use per customer	75.16	73.77
Months	12	12
Average monthly use per customer	6.26	6.15

Two Year Average

Average annual use per customer Year Ending 7/31/11	75.16
Average annual use per customer Year Ending 7/31/10	73.77
Weighted Total	148.93
Months	24
Average monthly use per customer	6.21