

# Jakes Branch Gas Co. Inc.

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

October 5, 2011

**RECEIVED**

OCT 10 2011

PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen

Executive Director

Kentucky Public Service Commission

P.O. Box 615

Frankfort, KY 40602-0615

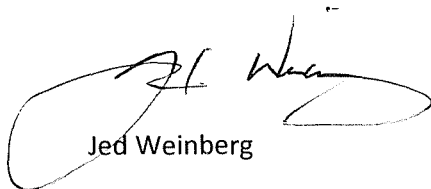
Dear Mr. Derouen:

2011-387

Enclosed is our request for farm tap rate change, you will find a rate calculation worksheet, that shows the average commodity price of gas and our gas cost per mcf.

Also enclosed is a schedule of average NYMEX prices for the past twelve months. A schedule of *contracted services paid* is included; this schedule represents our expense to operate Jakes Branch Gas Company Inc. Schedule 3 is total mcf sold through the farm tap for the last two years. This schedule shows the number of customers and average mcf used per month per customer.

You will find a Tariff attached that shows the amount we wish to charge, we left the effective date blank. The notice letter we sent to all of our customers on August 31, 2011 is also attached.



Jed Weinberg

Manager

**JAKES BRANCH GAS COMPANY**  
**Rate Support Calculations**

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**Assumption for Usage:**

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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**

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

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

**Total Cost per Mcf**

\$ 6.14
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**JAKES BRANCH GAS COMPANY**  
**Schedule 1 - Gas Commodity Cost**

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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**

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	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
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**JAKES BRANCH GAS COMPANY**

**Schedule 3 - TOTAL MCF'S SOLD FOR TWO PRECEDING 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
<b>TOTAL MCF</b>	<b>5487</b>	<b>TOTAL MCF</b>	<b>5385</b>

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

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. \_\_\_\_\_

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CLASSIFICATION OF SERVICE

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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.

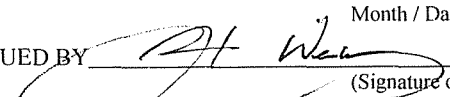
All residential and commercial customers will be charged the same:

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

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

DATE EFFECTIVE \_\_\_\_\_  
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 Co. Inc.

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

August 31, 2011

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