

ELAM UTILITY

Quarterly Report of Gas Cost
Recovery Rate Calculation

Case 2004-00337

Date Filed:

AUGUST 31, 2004

Date Rates to be Effective:

OCTOBER 1, 2004

Reporting Period is Calendar Quarter Ended:

SEPTEMBER 30, 2004

RECEIVED

AUG 31 2004

**PUBLIC SERVICE
COMMISSION**

Elam Utility Company
459 Main Street
West Liberty, Kentucky 41472
606-743-3695 fax 606-743-2292

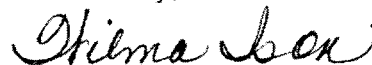
Public Service Commission
P. O. Box 615
Frankfort, Kentucky 40602

Dear Sir:

Please find enclosed the Gas Cost Recovery filing for Elam Utility Company for the period ending 9/30/04.

If you have any questions or need additional information please contact Harrod and Associates at 502-695-7300.

Sincerely,

A handwritten signature in cursive script that reads "Sheila Cox".

President

Enc.

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component	Unit	Amount
Expected Gas Cost (EGC)	\$/Mcf	7.4429
+ Refund Adjustment (RA)	\$/Mcf	.00
+ Actual Adjustment (AA)	\$/Mcf	0.0904
+ Balance Adjustment (BA)	\$/Mcf	.00
<hr/>		
= Gas Cost Recovery Rate (GCR)		7.5333
GCR to be effective for service rendered from _____		to _____
<hr/>		
A.	<u>EXPECTED GAS COST CALCULATION</u>	Unit Amount
	Total Expected Gas Cost (Schedule II)	\$ 249,658
	+ Sales for the 12 months ended 6 MONTHS	Mcf 33,543
	<hr/>	
=	Expected Gas Cost (EGC)	\$/Mcf 7.4429
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	Unit Amount
	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
	<hr/>	
=	Refund Adjustment (RA)	\$/Mcf
C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	Unit Amount
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf (0.0346)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf (0.0836)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf 0.2027
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf 0.0059
	<hr/>	
=	Actual Adjustment (AA)	\$/Mcf .0904
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	Unit Amount
	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
	<hr/>	
=	Balance Adjustment (BA)	

SCHEDULE II
EXPECTED GAS COST

Actual * MCF Purchases for 7 months ended <u>JULY 31, 2004</u>					
(1)	(2)	(3)	(4)	(5)**	(6)
Supplier	Dth	BTU Conversion Factor	Mcf	Rate	(4) X (5) Cost
COLUMBIA GAS	31,803	1039.0	30,608	7.4223	227,182.39
JEFFERSON GAS	2,935	1000.0	2,935	7.6577	22,475.27

Totals	<u>34,738</u>		<u>33,543</u>		<u>249,658</u>
Line loss for 12 months ended <u>7/31/04</u>				is <u>0.00</u> %	based on purchases of
<u>52,582</u>	Mcf and sales of		<u>52,931</u>		Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	
÷ Mcf Purchases (4)	Mcf	<u>N/A</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	<u>N/A</u>
= 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.

ELAM UTILITY
GAS COST RECOVERY RATE CALCULATION
SCHEDULE II

Columbia Gas

<u>Period</u>	<u>DTH</u>	<u>BTU</u>	<u>MCF</u>	<u>Cost</u>	<u>Rate</u>
Jan-04	10,602	1042.9	10,166	75,913.61	7.4674
Feb-04	8,528	1034.2	8,246	59,963.24	7.2718
Mar-04	5,602	1033.8	5,419	41,411.29	7.6419
Apr-04	3,503	1061.2	3,301	21,005.11	6.3633
May-04	1,442	1064.5	1,535	12,618.94	8.2208
Jun-04	1,047	1088.4	962	9,052.50	9.4101
Jul-04	1,079	1102.1	979	7,217.70	7.3725
	31,803	1039.0	30,608	227,182.39	7.4223

Jefferson Gas

<u>Period</u>	<u>DTH</u>	<u>BTU</u>	<u>MCF</u>	<u>Cost</u>	<u>Rate</u>
Jan-04	1,399	1000.0	1,399	9,977.57	7.1319
Feb-04	771	1000.0	771	5,492.46	7.1238
Mar-04	362	1000.0	362	3,742.46	10.3383
Apr-04	208	1000.0	208	1,763.17	8.4768
May-04	96	1000.0	96	714.91	7.4470
Jun-04	63	1000.0	63	500.69	7.9475
Jul-04	36	1000.0	36	284.01	7.8892
	2,935	1000.0	2,935	22,475.27	7.6577
	<u>34,738</u>		<u>33,543</u>	<u>249,657.66</u>	<u>7.4429</u>

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$.00
+ Interest	\$.00
= Refund Adjustment including interest	\$.00
+ Sales for 12 months ended	Mcf	.00
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	.00

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended 07/31/04

Particulars	Unit	Month 1 (MAY)	Month 2 (JUNE)	Month 3 (JULY)
Total Supply Volumes Purchased	Mcf	1,631	1,025	1,015
Total Cost of Volumes Purchased	\$	13,334	9,553	7,502
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	1,704	1,416	1,308
= Unit Cost of Gas	\$/Mcf	7.8251	6.7465	5.7355
- EGC in effect for month	\$/Mcf	7.3534	7.3534	7.0915
= Difference [(over-)/Under-Recovery]	\$/Mcf	0.4717	(0.6069)	(1.3560)
x Actual sales during month	Mcf	1,704	1,416	1,308
= Monthly cost difference	\$	804	(859)	(1,774)
Total cost difference (Month 1 + Month 2 + Month 3)	Unit			Amount
÷ Sales for 12 months ended	\$			(1,829)
= Actual Adjustment for the Reporting Period (to Schedule IC.)	Mcf			52,931
	\$/Mcf			(0.0346)

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____

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 _____	Mcf	_____
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	N/A