

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

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DEC 07 2004

PUBLIC SERVICE
COMMISSION

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

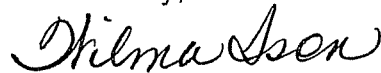
Case 2004-00492

Dear Sir:

Please find enclosed the Gas Cost Recovery filing for Elam Utility Company for the period ending 12/31/04.

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

Sincerely,



President

Enc.

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

December 7, 2004

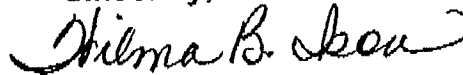
Public Service Commission
P. O. Box 615
Frankfort, Kentucky 40601

Dear Sir:

Please find enclosed the GCR which was due the first of December, and
This GCR will be effective with the billing as of January 1, 2005.

If you have any questions, please feel free to contact me at the number
listed above or Scott Hall at Harrod and Associates at 502-695-7300.

Sincerely,



Wilma B. Ison
President

Enc.

ELAM UTILITY

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed:

November 30, 2004

Date Rates to be Effective:

January 1, 2005

Reporting Period is Calendar Quarter Ended:

December 31, 2004

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	7.2960
+ Refund Adjustment (RA)	\$/Mcf	0.0000
+ Actual Adjustment (AA)	\$/Mcf	(0.1088)
+ Balance Adjustment (BA)	\$/Mcf	0.0000
= Gas Cost Recovery Rate (GCR)		7.1872

GCR to be effective for service rendered from _____ to _____

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	274,321
÷	Sales for the 12 months ended 9 months	Mcf	37,599
=	Expected Gas Cost (EGC)	\$/Mcf	7.2960

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	(0.1933)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0346)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0836)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	0.2027
=	Actual Adjustment (AA)	\$/Mcf	(0.1088)

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)		

SCHEDULE II
EXPECTED GAS COST

Actual * MCF Purchases for 10 months ended October 31, 2004

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Columbia Gas	36,096	1039.0	34,541	7.2664	250,987.93
Jefferson Gas	3,058	1000.0	3,058	7.6301	23,332.87

Totals	<u>39,154</u>		<u>37,599</u>		<u>274,321</u>
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Line loss for 10 months ended 10/31/04 is 0.00 % based on purchases of 52,165 Mcf and sales of 52,752 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	
÷ Mcf Purchases (4)	Mcf	N/A
= Average Expected Cost Per Mcf Purchased	\$/Mcf	
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	N/A
= 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
Aug-04	1,187	1088	1,091	7,011.38	6.4266
Sep-04	1,182	1085.4	1,089	8,005.39	7.3511
Oct-04	1,924	1097.5	1,753	8,788.77	5.0136
	<u>36,096</u>	<u>1039.0</u>	<u>34,541</u>	<u>250,987.93</u>	<u>7.2664</u>

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
Aug-04	29	1000.0	29	223.46	7.7055
Sep-04	26	1000.0	26	174.46	6.7100
Oct-04	68	1000.0	68	459.68	6.7600
	<u>3,058</u>	<u>1000.0</u>	<u>3,058</u>	<u>23,332.87</u>	<u>7.6301</u>
	<u>39,154</u>		<u>37,599</u>	<u>274,320.80</u>	<u>7.2960</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	\$	0.00
+ Interest	\$	0.00
<hr/> = Refund Adjustment including interest	\$	<hr/> 0.00
+ Sales for 12 months ended	Mcf	0.00
<hr/> <hr/> = Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	<hr/> <hr/> 0.00

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended 10/31/04

Particulars	Unit	Month 1 (Aug.)	Month 2 (Sept.)	Month 3 (Oct.)
Total Supply Volumes Purchased	Mcf	1,120	1,115	1,821
Total Cost of Volumes Purchased	\$	7,235	8,180	9,248
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	1,396	1,545	1,859
= Unit Cost of Gas	\$/Mcf	5.1827	5.2945	4.9747
- EGC in effect for month	\$/Mcf	7.0915	7.0915	7.5333
= Difference [(over-)/Under-Recovery]	\$/Mcf	(1.9088)	(1.7970)	(2.5586)
x Actual sales during month	Mcf	1,396	1,545	1,859
= Monthly cost difference	\$	(2,665)	(2,776)	(4,756)
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	(10,197)
÷ Sales for 12 months ended			Mcf	52,752
= Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	(0.1933)

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended 10/31/04

<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	N/A