

Sigma Gas Corporation

P. O. Box 22
Salyersville, Kentucky 41465

RECEIVED

MAY 31 2005

Estill Branham
Manager

PUBLIC SERVICE
COMMISSION
(606) 349-1505
(606) 886-7075

May 27, 2005

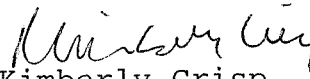
Ms. Beth O'Donnell
Executive Director
Public Service Commission
P O Box 615
Frankfort, KY 40602

Case 2005-00210

Dear Ms. O'Donnell:

Enclosed is the Gas Cost Recovery for July 2005 thru Sept 2005.
If you have any questions, call at the above number.

Sincerely,


Kimberly Crisp

Sigma Gas

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

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MAY 31 2005
PUBLIC SERVICE
COMMISSION

Date Filed:

May 27, 2005

Date Rates to be Effective:

July 1, 2005

Reporting Period is Calendar Quarter Ended:

March 31, 2005

SCHEDULE I
GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	7.7263
+ Refund Adjustment (RA)	\$/Mcf	(.1798)
+ Actual Adjustment (AA)	\$/Mcf	(.0567)
+ Balance Adjustment (BA)	\$/Mcf	<u>7.4898</u>
= Gas Cost Recovery Rate (GCR)		

GCR to be effective for service rendered from July to Sept.

<u>EXPECTED GAS COST CALCULATION</u>		<u>Unit</u>	<u>Amount</u>
A.	Total Expected Gas Cost (Schedule II)	\$	309391
	+ Sales for the 12 months ended <u>March 31, 2008</u>	Mcf	<u>40044</u>
	= Expected Gas Cost (EGC)	\$/Mcf	<u>7.7263</u>
<u>REFUND ADJUSTMENT CALCULATION</u>		<u>Unit</u>	<u>Amount</u>
B.	Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	
	+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	= Refund Adjustment (RA)		
<u>ACTUAL ADJUSTMENT CALCULATION</u>		<u>Unit</u>	<u>Amount</u>
C.	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.4748)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	.4140
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.011)
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.108)
	= Actual Adjustment (AA)	\$/Mcf	<u>(.1798)</u>
<u>BALANCE ADJUSTMENT CALCULATION</u>		<u>Unit</u>	<u>Amount</u>
D.	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	(.0476)
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0171)
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(.015)
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	.023
	= Balance Adjustment (BA)	\$/Mcf	<u>(.0567)</u>

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended March 31, 2005

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
<u>Amherst Rd Gas</u>			<u>43548</u>	<u>7.34</u>	<u>319642</u>

Totals 43548 319642

Line loss for 12 months ended March 31, 2005 is 8 % based on purchases of 43548 Mcf and sales of 40044 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	<u>319642</u>
+ Mcf Purchases (4)	Mcf	<u>43548</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	<u>7.3399</u>
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	<u>42152</u>
= Total Expected Gas Cost (to Schedule IA.)	\$	<u>309391</u>

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
**Supplier's tariff sheets or notices are attached.

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended March 31, 2005

Particulars	Unit	Month 1 (Jan)	Month 2 (Feb)	Month 3 (Mar)
Total Supply Volumes Purchased	Mcf	7544	7755	6377
Total Cost of Volumes Purchased	\$	64240	64791	55469
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	7286	7367	7144
= Unit Cost of Gas	\$/Mcf	8.8169	8.7948	7.7644
- EGC in effect for month	\$/Mcf	9.3610	9.3610	9.3610
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(.5441)	(.5662)	(1.5966)
x Actual sales during month	Mcf	7286	6435	7144
= Monthly cost difference	\$	(3964)	(3643)	(11406)

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(19013)
÷ Sales for 12 months ended <u>March 31, 2005</u>	Mcf	40044
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(.4748)

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended March 31, 2005

<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 <u>(.3572)</u> \$/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 <u>40044</u> Mcf during the 12-month period the AA was in effect. Equals: Balance Adjustment for the AA.	\$ \$ \$	(16209) (14304) <hr/> (1905)
(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.	\$ \$	 <hr/>
(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.	\$ \$	 <hr/>
Total Balance Adjustment Amount (1) + (2) + (3)	\$	(1905)
+ Sales for 12 months ended <u>March 31, 2005</u>	Mcf	<u>40044</u>
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	(.0476)

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	<u>Base Rate</u>	<u>Gas Cost</u> <u>Per</u>	<u>Total</u>
First MCE (Minimum Bill)	6.25	7.4898	13.7398
ALL OVER First MCE	4.5522	7.4898	12.042