JOHNSON COUNTY GAS

P.O. Box 155 Harold, KY 41635 Phone (606)789-5481 Fax (606) 478-5266 RECEIVED

SEP 2 6 2005

PUR JO SERVICE COMMISSION

Elizabeth O'Donnell Executive Director Kentucky Public Service Commission 211 Sower Blvd. P.O. Box 615 Frankfort, KY 40602

September 23, 2005

RE: Case No. 2005-00392

Dear Ms. O'Donnell:

I have enclosed an original and four copies of Johnson County Gas Company's scheduled quarterly Gas Cost Adjustment filing to be effective October 1, 2005. The proposed rates are based on a projected increase in supplier rates for October, November, and December 2005 combined with a net over—recovery of gas cost for the quarter ended June 30, 2005.

I hereby request a waiver of the requirement to provide 30 days' notice of this rate increase, and ask that the proposed rates be approved to be effective as close to October 13th, 2005 as possible.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Bud Rife

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SEP 2 6 2005

PUBLIC SERVICE COMMISSION

Johnson County Gas Company

QUARTERLY REPORT OF GAS COST RECOVERY RATE CALCULATION

Date Filed: September 19, 2005

Date Rates to be Effective: October 1, 2005

Reporting Period is the Calendar Quarter Ended:

June 30, 2005

manny gana airth Princeann			P.S.C.Ky. No. 1
	Johnson County Gas	Company	ausvalki a stillt augus sen kinn yegin sen kinn va an seori in Marian se kull faregston ili ruhangai
	OF Johnson County, K	Centucky	
**************************************	Rates, Rules and Regulations I AT Van Lear, Hager Hill, East I		
Manufacturing 2-2-45 Target Transference	Filed With Public Service Kentucky	Commission (Of
Issued	September 15, 2005	Effec	etive October 5, 2005
- And Committee of the		Issued By By	Johnson County Gas Company Bud Rife President / Manager

Van Lear, Hager Hill, East Point, and Meally (Community, Town or City)

P. S. C.

CANCELLING P. S. C NO.

Johnson Cou		pany		
Name of Issuing	Corporation			
	C	LASSIFICATI	ON OF S	SERVICE
			nd militaria de la Alega e constituir de se de mais de la colonia de la colonia de la colonia de la colonia de Alega e la colonia de la c	
Proposed Rat	tes:			
Residential:				
First Mcf (mi All over 1 Mc				\$20.5428 19.5428
Commercial:				
All Mcf				19.8928
				to the above rates until the apany has been collected.
Sand-Sur-ordination desired		datum mahilmida attas (Punkalina diba abi milihan karancastan ad		
DATE OF IS		ber 15, 2005 day year)	DAT	TE EFFECTIVE October 5, 2005 (month day year)
ISSUED BY	Bud Rife (name of officer)	President/ Ma	anager	P.O. Box 339, Harold, Ky 4163 (address)
-	hority of an (blic Serv	ice Commission of Kentucky in
Case No.		dated		

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component			\$/Mcf
Expected Gas Cost (EGC) + Refund Adjustment (RA) + Actual Adjustment (AA) + Balance Adjustment (BA) = Gas Cost Recovery Rate (GCR)			13.7263 0.0000 (0.1195) (0.0187) 13.5881
GCR to be effective for service rendered fro	m	October 1, 200	05 to January 1, 2006
Proposed rates: Base Rates + RES \$6.9542 \$5.9542 COMM \$6.3042	GCR \$13.5881 \$13.5881 \$13.5881	=	Retail Rates \$20.5423 \$19.5423 \$19.8923
A.	EXPECTED GAS COS	T CALCULATION	İ
Total Expected Gas Cost (Sch. II) / Sales for the 12 months ended = Expected Gas Cost (EGC)	March 31, 2005	Unit \$ Mcf \$/Mcf	Amount 226,306 16,487 13.7263
B.	REFUND ADJUSTMEN	IT CALCULATION	1
Supplier Refund Adjustment for the Reportir	ng Period (Sch. III)		<u>\$/Mcf</u> 0.0000
C.	ACTUAL ADJUSTMEN	T CALCULATION	<u>I</u> \$/Mcf
Actual Adjustment for the Reporting Period (+ Previous Quarter Reported AA + Second Previous Quarter Reported AA + Third Previous Quarter Reported AA = Actual Adjustment (AA)	(Sch. IV)		(0.0062) (0.6912) 0.6068 (0.0289) (0.1195)
D.	BALANCE ADJUSTMEN	NT CALCULATIO	N
Balance Adjustment for the Reporting Period + Previous Quarter Reported AA +Second Previous Quarter Reported AA + Third Previous Quarter Reported AA = Balance Adjustment (BA)		TO ONLOGENIO	\$/Mcf 0.0406 (0.0551) (0.0086) (0.0101) (0.0187)

SCHEDULE II

EXPECTED GAS COST

Actual Mcf Purchase	es for 12	months ended	June 30, 2005		
(1)	(2)	(3) Btu	(4)	(5)	(6) (4)x(5)
<u>Supplier</u>	<u>Dth</u>	Factor	<u>Mcf</u>	Rate*	Cost
Interstate Natural Gas Company			19,523	\$13.04	\$254,580
Total			19,523		\$254,580
Line loss for 12 19,523 Mcf and sa	-		% based on purchases	of	
Total Expected Cos /Mcf Purchases (4)	t of Purc	chases '(6)			\$254,580 19,523
= Average Expected x Allowable Mcf Pur					\$13.0400 17,355
= Total Expected Ga	as Cost	(to Schedule I.A)			\$226,306
Interstate Natural G	as Com	pany, which is att	ober, November, and De ached. bia Transmission and Ke	\$13.04	is the

Average cost calculation:				
	Oct	Nov	Dec	Average
Columbia Transmission	\$12.24	\$12.66	\$13.08	\$12.66
Kentucky West	\$13.00	\$13.42	\$13.84	\$13.42
Average				\$13.04

transported volumes.

SCHEDULE III

REFUND ADJUSTMENT

For the 3 month period ending June 30, 2005

(Absent any supplier refund, this sheet will not be used.)

SCHEDULE IV

ACTUAL ADJUSTMENT

For the three month period ending June 30, 2005

Total Supply Volumes Purchased	<u>Unit</u> Mcf	<u>April</u> 1,277	<u>May</u> 521	<u>June</u> 365
Total Cost of Volumes Purchased	\$	12,482	4,808	3,025
Divided by:				
Total Sales (may not be less than 95% of supply volumes)	Mcf	1,213	602	347
= Unit Cost of Gas	\$	10.2889	7.9867	8.7239
Minus:				
EGC in effect for the month	\$/Mcf	9.4614	9.4614	9.4614
= Difference	\$/Mcf	0.8275	(1.4747)	(0.7375)
x Actual sales during month	Mcf	1,189	602	269
= Monthly Cost Difference	\$	984	(888)	(198)
Total Cost Difference / Sales for 12 months ending	June 30, 2005		<u>Unit</u> \$ Mcf	Amount (102) 16,487
= Actual Cost Adjustment for the F			\$/Mcf	(0.0062)

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ending	June 30, 2005		
AA in effect from rate filing effective	e July 1, 2004	<u>Unit</u> \$/Mcf	Amount 0.2470
x Sales for 12 months ending	June 30, 2005	Mcf	16,487
= Total Amount Collected/(Returne	ed) through AA	\$	4,072
Amount Authorized to be Collected	I/(Returned)	\$	4,742
Amount Remaining to be Collected	l/(Returned)	\$	670
Balance Adjustment for the Report	ing Period	\$/Mcf	0.0406

	A (C-B)	8	C (A+B)	D	E (C+D)	F	G (E*F)
PARTICIPATION CONTRACTOR AND	· arrance a same fare	Antimotist and 4 per printer framework or a sec		Columbia			Total
	NYMEX	Appalachian		1	1	BTU	Price Per
April 2005	Price	Basin	Subtotal	FERC	MMSTU	Factor	MCF
End of Month Posting	\$6.72	0.25	\$6.98	0.1533	\$7.13	1.2	\$8.56

	A (C-B)	β	C (A+B)	D	E (C+D)	F	G (E*F)
Shery service many respectives the constitute of the service service service service and the service s		The state of the s	Contractive or sphere. Selective or sphere.	Columbia			Total
	MYMEX	Appalachian		Transmission	Total Per	STU	Price Per
3	Price	Basin	Subtotal	FERC	MMBTU	Factor	MCF
End of Month Posting	\$6.83	0.28	\$7.09	0.1533	\$7.24	1.2	\$8.69

	A (C-B)	В	C (A+B)	D	E (C+D)	F	G (E*F)
PARTY CHARLES AND CONTRACTOR OF THE AVERAGE SPECIAL PROPERTY OF THE PARTY OF THE PA	THE RESERVE TO SHARE THE PARTY OF THE PARTY	The state of the s	And the second second second second	Columbia			Total
	NYMEX	Appalachian		Transmission	Total Per	BTU	Price Per
June 2005	Price	Basin	Subtotal	FERC	MMBTU	Factor	MCF
End of Month Posting	64.04	0.26	\$717	0.1533	\$7.32	1.2	\$8.79

	A (C-B)	8	C (A+B)	b	E (C+D)	F	6 (E*F)
							Total
	NAWEX	Appalachian		KY West	Total Per	BTU	Price Per
April 2005	Price	Basin	Subtotal	Transportation	MMBTU	factor	MCF
End of Month Posting	\$6.72	0.28	\$7.00	0,65	\$7.65	1,2	\$9.18

	A (C-B)	В	C (A+B)	D	E (C+D)	F	6 (E*F)
							Total
	NAWEX	Appalachian		KY West	Total Per	BTU	Price Per
May 2005	Price	Basin	Subtotal	Transportation	MMBTU	Factor	MCF
End of Month Posting	\$6.83	0.28	\$7.11	0.65	\$7.76	1.2	\$9.31

	A (C-B)	£	C (A+B)	D	E (C+D)	F	6 (E*F)
							Total
	NYMEX	Appalachian		KY West	Total Per	вту	Price Per
June 2005	Price	Basin	Subtatal	Transportation	MMBTU	Factor	MCF
End of Month Posting	\$6.91	0.28	\$7.19	0.65	\$7.84	1.2	\$9.40

	A (C-B)	B	C (A+B)	D	E (C+D)	F	G (E*F)
							Total
	NYMEX	Appalachian		KY West	Total Per	BTU	Price Per
	Price	Basin	Subtotal	Transportation	MMBTU	Factor	MCF
End of Month Posting	\$9.77	0.28	\$10.05	0.78	\$10.83	1,2	\$13.00

	A (C-B)	В	C (A+B)	D	E (C+D)	F	6 (E*F)
							lotal
	NAWEX	Appalachian		KY West	Total Per	BTU	Price Per
NOVEMBER 2005	Price	Basin	Subtotal	Transportation	MMBTU	Factor	MCF
End of Month Posting	\$10.12	0.28	\$10.40	0.78	\$11.18	1,2	\$13.42

	A (C-B)	8	C (A+B)	D	E (C+D)	F	G (E*F)
							Total
	NYMEX	Appalachian		KY West	Total Per	BTU	Price Per
DECEMBER 2005	Price	Bosin	Subtotal	Transportation	MMBTU	Factor	MCF
End of Month Posting	\$10.47	0.28	\$10.75	0.78	\$11.53	1,2	\$13.84

KY West Price Estimates:

	A (C-B)	В	C (A+B)	D	E (C+D)	F	G (E*F)
	T T		T T		ł		Total
	NYMEX	Appalachian		KY West	Total Per	BTU	Price Per
JUNE 2005	Price	Basin	Subtotal	Transportation	MMBTU	Factor	MCF
End of Month Posting	\$6.41	0.35	\$6.76	0.78	\$7.54	1.2	\$9.04

	A (C-B)	В	C (A+B)	D	E (C+D)	F	G (E*F)
							Total
	NYMEX	Appalachian		KY West	Total Per	BTU	Price Per
JULY 2005	Price	Basin	Subtotal	Transportation	MMBTU	Factor	MCF
End of Month Posting	\$6.46	0.35	\$6.81	0.78	\$7.59	1.2	\$9.11

	. A (C-B)	8	C (A+B)	D	E (C+D)	F	G (E*F)
							Total
	NYMEX	Appalachian		KY West	Total Per	BTU	Price Per
AUGUST 2005	Price	Basin	Subtotal	Transportation	MMBTU	Factor	MCF
End of Month Posting	\$6.53	0.35	\$6.88	0.78	\$7.66	1,2	\$9.19

	A (C-B)	В	C (A+B)	D	E (C+D)	F	6 (E*F)
							Total
	NYMEX	Appalachian		KY West	Total Per	BTU	Price Per
SEPTEMBER 2005	Price	Basin	Subtotal	Transportation	MMBTU	Factor	MCF
End of Month Posting	\$6.57	0.35	\$6.92	0,78	\$7.70	1,2	\$9,24

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Interstate Natural Gas Company 134 Mims Branch Pikeville, KY 41501 (606) 432-0526 (606) 432-3032 Fax

Columbia Price Estimates:

	A (C-B)	В	C (A+B)	D	E (C+D)	F	6 (E*F)
				Columbia			Total
	NYMEX	Appalachian		Transmission	Total Per	BTU	Price Per
JUNE 2005	Price	Basin	Subtotal	FERC	MMBTU	Factor	MCF
End of Month Posting	\$6.41	0.35	\$6.76	0.1533	\$6.91	1,2	\$8.30

	A (C-B)	В	C (A+B)	D	E (C+D)	F	G (E*F)
				Columbia			Total
	NYMEX	Appalachian		Transmission	Total Per	BTU	Price Per
JULY 2005	Price	Basin	Subtotal	FERC	MMBTU	Factor	MCF
End of Month Posting	\$6,46	0,35	\$6.81	0,1533	\$6.96	1,2	\$8.36

	A (C-B)	В	C (A+B)	D	E (C+D)	F	6 (E*F)
				Columbia			Total
	NYMEX	Appalachian		Transmission	Total Per	BTU	Price Per
AUGUST 2005	Price	Basin	Subtotal	FERC	MMBTU	Factor	MCF
End of Month Posting	\$6.53	0.35	\$6.88	0.1533	\$7.03	1.2	\$8,44

	A (C-B)	В	C (A+B)	0	E (C+D)	F	6 (E*F)
				Columbia			Total
	NYMEX	Appalachian		Transmission	Total Per	BTU	Price Per
SEPTEMBER 2005	Price	Basin	Subtotal	FERC	MMBTU	Factor	MCF
End of Month Posting	\$6.57	0.35	\$6.92	0.1533	\$7,07	1.2	\$8,49

KY West Price Estimates:

	A (C-B)	В	C (A+B)	D	E (C+D)	F	G (E*F)
							Total
	NYMEX	Appalachian	1	KY West	Total Per	BTU	Price Per
JUNE 2005	Price	Basin	Subtotal	Transportation	MMBTU	Factor	MCF
End of Month Posting	\$6.41	0.35	\$6.76	0.78	\$7.54	1,2	\$9.04

	A (C-B)	В	C (A+B)	D	E (C+D)	F	G (E*F)
							Total
	NYMEX	Appalachian		KY West	Total Per	BTU	Price Per
JULY 2005	Price	Basin	Subtotal	Transportation	MMBTU	Factor	MCF
End of Month Posting	\$6.46	0.35	\$6.81	0.78	\$7.59	1.2	\$9.11

	A (C-B)	8	C (A+B)	D	E (C+D)	F	G (E*F)
							Total
	NYMEX	Appalachian		KY West	Total Per	BTU	Price Per
AUGUST 2005	Price	Basin	Subtotal	Transportation	MMBTU	Factor	MCF
End of Month Posting	\$6.53	0,35	\$6.88	0.78	\$7.66	1,2	\$9.19