

People's Gas Inc.

Case No. 2006-00211

QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

RECEIVED

MAY 24 2006

PUBLIC SERVICE  
COMMISSION

Date Filed:

May 23, 2006

Date Rates to be Effective:

June 1, 2006

Reporting Period is Calendar Quarter Ended:

April 30, 2006

SCHEDULE I  
GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	11.9418
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	
+ Balance Adjustment (BA)	\$/Mcf	
<u>= Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	<u>11.9418</u>

GCR to be effective for service rendered from April 1, 2006 to June 30, 2006.

<b>A.</b>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	115,162.88
	+ Sales for the 12 months ended <u>April 30, 2006</u>	Mcf	9,643.60
	<u>= Expected Gas Cost (EGC)</u>	\$/Mcf	<u>11.9418</u>
<b>B.</b>	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	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	
	<u>= Refund Adjustment (RA)</u>	\$/Mcf	
<b>C.</b>	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
	<u>= Actual Adjustment (AA)</u>	\$/Mcf	
<b>D.</b>	<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	
	<u>= Balance Adjustment (BA)</u>	\$/Mcf	

SCHEDULE II  
EXPECTED GAS COST

Actual\* Mcf Purchases for 12 months ended April 30, 2006

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(5) (4)x(5) Cost
Columbia Gas			11,516	11.34480	130,646. <sup>72</sup>
Totals			11,516		130,646. <sup>72</sup>

Line loss for 12 months ended April 30, 2006 is 16% based on purchases of 11,516 Mcf and sales of 9643.60 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	130,646. <sup>72</sup>
÷ Mcf Purchases (4)	Mcf	11,516.
= Average Expected Cost Per Mcf Purchased	\$/Mcf	11.3448
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	10,151.16
= Total Expected Gas Cost (to Schedule IA.)	\$	115,162. <sup>88</sup>

\*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 April 30<sup>th</sup>, 2006

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(Feb.)</u>	<u>Month 2</u> <u>(March)</u>	<u>Month 3</u> <u>(April)</u>
Total Supply Volumes Purchased	Mcf	1848	1503	1049
Total Cost of Volumes Purchased	\$	22,038.94	17067.01	11,914.38
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	1755.60	1427.85	996.55
<u>= Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>12.55</u>	<u>11.95</u>	<u>11.95</u>
<u>- EGC in effect for month</u>	<u>\$/Mcf</u>	<u>18.1236</u>	<u>15.7297</u>	<u>15.7297</u>
<u>= Difference</u> <u>[(Over-)/Under-Recovery]</u>	<u>\$/Mcf</u>	<u>&lt;5.5736&gt;</u>	<u>&lt;3.7797&gt;</u>	<u>&lt;3.7797&gt;</u>
<u>x Actual sales during month</u>	<u>Mcf</u>	<u>1779.6</u>	<u>1757.4</u>	<u>1010.5</u>
<u>= Monthly cost difference</u>	<u>\$</u>	<u>&lt;9918.77&gt;</u>	<u>&lt;6642.44&gt;</u>	<u>&lt;3819.38&gt;</u>

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	20,380.59
÷ Sales for 12 months ended <u>April 30, 2006</u>	Mcf	9,643.60
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	2.1133

P.O. Box 245  
Stanville, KY 41659

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

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