

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

RECEIVED

MAR 30 2007

PUBLIC SERVICE
COMMISSION

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

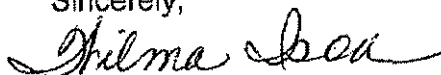
Dear Sir:

Case No. 7007-00138

Please find enclosed the Gas Cost Recovery filing for Elam Utility Company for the period ending *MARCH 31, 2007*.

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

Sincerely,



President

Enc.

Company Name

ELAM UTILITY COMPANY

Quarterly Report of Gas Cost
Recovery Rate Calculation

RECEIVED

MAR 30 2007

**PUBLIC SERVICE
COMMISSION**

Case No. 7007-00138

Date Filed:

March 30, 2007

Date Rates to be Effective:

May 1, 2007

Reporting Period is Calendar Quarter Ended:

March 31, 2007

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	11.7023
+ Refund Adjustment (RA)	\$/Mcf	0.0000
+ Actual Adjustment (AA)	\$/Mcf	3.6633
+ Balance Adjustment (BA)	\$/Mcf	0.0000
= Gas Cost Recovery Rate(GCR)		15.3656

GCR to be effective for service rendered from 5/1/07 to 07/31/07

A. <u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	565,208
+ Sales for the 12 months ended <u>2/27/07</u>	Mcf	48,299
= Expected Gas Cost (EGC)	\$/Mcf	11.7023

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	3.0623
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0000
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0000
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	0.6010
= Actual Adjustment (AA)	\$/Mcf	3.6633

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)	\$/Mcf	

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended 2/28/07

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Columbia Gas	45,413	1075.6	42,220	12.8559	542,776.80
Jefferson Gas	2,500	1000.0	2,500	8.9725	22,431.29

Totals	<u>47,913</u>		<u>44,720</u>		<u>565,208.09</u>
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Line loss for 12 months ended 2/28/07 is 0.00% based on purchases of 44,720 Mcf and sales of 48,299 Mcf.

	<u>Unit</u>	<u>Amount</u>
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.

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended 2/28/07 (reporting period)

	<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
	Total supplier refunds received	\$	0.00
+	Interest	\$	0.00
=	Refund Adjustment including interest	\$	0.00
÷	Sales for 12 months ended	Mcf	0.00
=	Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	0.00

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended 2/28/07 (reporting period)

Particulars	Unit	Month 1	Month 2	Schedule Attached
		()	()	Month 3
Total Supply Volumes Purchased	Mcf			44,720
Total Cost of Volumes Purchased	\$			541,579
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf			48,299
= Unit Cost of Gas	\$/Mcf			11.2130
- EGC in effect for month	\$/Mcf			8.1507
= Difference [(over-)/Under-Recovery]	\$/Mcf			3.0623
X Actual sales during month	Mcf			48,299
= Monthly cost difference	\$			147,908

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	147,908
÷ Sales for 12 months ended	Mcf	48,299
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	3.0623

ELAM UTILITY
GAS COST RECOVERY RATE CALCULATION
SCHEDULE II

Columbia Gas

Period	From Columbia Gas Transmission			Cost	Rate
	DTH	BTU	MCF		
Mar-06	5,962	1076.4	5,539	5,636.65	7.1120
Apr-06	2,069	1086.7	1,904	26,254.73	7.2330
May-06	1,646	1087.9	1,513	2,298.29	7.1980
Jun-06	894	1110.6	805	1,716.69	2.1325
Jul-06	792	1093.9	724	1,637.80	2.2622
Aug-06	750	1099.7	682	1,605.32	2.3538
Sep-06	983	1103.4	894	1,785.52	1.9972
Oct-06	2,731	1083.3	2,523	69,003.84	27.3499
Nov-06	4,777	1081.6	4,435	100,190.85	22.5909
Dec-06	6,685	1071.0	6,242	156,110.11	25.0096
Jan-07	8,224	1076.2	7,642	147,642.45	19.3199
Feb-07	9,900	1062.6	9,317	28,894.55	3.1013
	45,413	1075.6	42,220	542,776.80	12.8559 average

Jefferson Gas

Period	DTH	BTU	MCF	Actual Cost	Rate
Mar-06	126	1000.0	126	\$ 1,233.54	9.7900
Apr-06	314	1000.0	314	\$ 2,857.40	9.1000
May-06	89	1000.0	89	\$ 768.07	8.6300
Jun-06	10	1000.0	10	\$ 79.40	7.9400
Jul-06	7	1000.0	7	\$ 51.80	7.4000
Aug-06	9	1000.0	9	\$ 76.95	8.5500
Sep-06	11	1000.0	11	\$ 82.83	7.5300
Oct-06	116	1000.0	116	\$ 908.28	7.8300
Nov-06	294	1000.0	294	\$ 2,619.54	8.9100
Dec-06	368	1000.0	368	\$ 3,507.04	9.5300
Jan-07	492	1000.0	492	\$ 4,688.76	9.5300
Feb-07	664	1000.0	664	\$ 5,557.68	8.3700
	2,500	1000.0	2,500	\$ 22,431.29	8.9725
Totals	47,913	1071.4	44,720	\$ 565,208.09	12.6388

ELAM UTILITY
GAS COST RECOVERY RATE CALCULATION
SCHEDULE IV

Particulars	Unit	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06
Total Supply Volumes Purchased	Mcf	5,665	2,218	1,602	815	731	691	905	2,639	4,729
Total Cost of Volumes Purchased	\$	6,870.19	5,482.83	3,066.36	1,796.09	1,689.60	1,682.27	1,868.35	69,912.12	102,810.39
Total Sales	Mcf	7,093	2,472	2,001	1,333	951	1,063	1,052	2,461	4,585
= Unit Cost of Gas	\$/Mcf	0.9686	2,2180	1,5324	1,3474	1,7767	1,5826	1,7760	28,4080	22,4232
- EGC in effect for month	\$/Mcf	8,1507	8,1507	8,1507	8,1507	8,1507	8,1507	8,1507	8,1507	8,1507
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(7,1821)	(5,9327)	(6,6183)	(6,8033)	(6,3740)	(6,5681)	(6,3747)	20,2573	14,2725
x Actual sales during month	Mcf	7,093	2,472	2,001	1,333	951	1,063	1,052	2,461	4,585
= Monthly cost difference	\$	(50,942.73)	(14,665.70)	(13,243.19)	(9,068.79)	(6,061.72)	(6,981.92)	(6,706.19)	49,853.25	65,439.43

ELAM UTILITY
GAS COST RECOVERY RATE CALCULATION
SCHEDULE IV

Particulars	Dec-06	Jan-07	Feb-07	TOTAL
Total Supply Volumes Purchased	6,610	8,134	9,981	44,720
Total Cost of Volumes Purchased	159,617.15	152,331.21	34,452.23	541,578.79
Total Sales	5,794	8,110	11,384	48,299
= Unit Cost of Gas	27.5487	18.7831	3.0264	11.2130
- EGC in effect for month	8.1507	8.1507	8.1507	8.1507
= Difference [(Over-)/Under-Recovery]	19.3980	10.6324	(5.1243)	3.0623
x Actual sales during month	5,794	8,110	11,384	48,299
= Monthly cost difference	112,391.99	86,229.03	(58,335.34)	147,908.13

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended 2/28/07 (reporting period)

<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.	\$	0.0000
(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	\$	0.0000
(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.	\$	0.0000
Total Balance Adjustment Amount (1) + (2) + (3)	\$	0.0000
÷ Sales for 12 months ended _____	Mcf	0.0000
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	

FOR ENTIRE AREA SERVED
P.S.C. KY NO. _____

ELAM UTILITY COMPANY, INC.

SHEET NO. _____
CANCELLING P.S.C. KY NO. _____
SHEET NO. _____

RULES AND REGULATIONS

The GCR will be added to or subtracted from the latest base tariff rates prescribed by Commission Order in the tariff rates stated on each applicable rate sheet within this tariff.

Definitions

For purposes of this tariff:

1. "Average Expected Cost" is the cost of purchased gas which results from the application of supplier rates currently in effect, or reasonable expected to be in effect during the calendar quarter, on purchased volumes for the most recently available twelve-month period, divided by the corresponding sales volumes. In the event that line loss exceeds 5 percent, purchased volumes for the twelve-month period shall be calculated as: sales volume $\times .95$. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the company may make appropriate adjustments to its calculations. Any adjustment of this type shall be described in the quarterly GCR application.
2. The "GCR" is the total of the expected gas cost and all adjustments.
3. The "Calendar Quarters" are: 1st January, February, March; 2nd April, May, June; 3rd July, August, September; and 4th October, November, December.
4. "Reporting Period" means the three month accounting period that ended approximately 60 days prior to the filing date of the updated gas cost recovery rates, i.e., the calendar quarters ended March 31, June 30, September 30 and December 31 of each year.

DATE OF ISSUE 3/30/07 DATE EFFECTIVE 5/1/07
ISSUED BY Shirley A. Hoon President West Liberty and Daysboro, KY