

Public Gas Company
220 Lexington Green, Bldg 2, Suite 130
P.O. Box 24032
Lexington, KY 40524-4032
Tele (859) 245-8193

Case No:
2008-00001

December 28, 2007

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

RECEIVED

JAN - 2 2008

PUBLIC SERVICE
COMMISSION

RE: Public Gas Company
Case No.
GCR Filing Proposed to Become
Effective February 1, 2008

Dear Ms. O'Donnell:

Enclosed are an original and five copies of Public Gas Company's Cost Recovery (GCR) filing for rates proposed to become effective February 1, 2008. Also included are an original and five copies of 44th revised sheet No. 1 of Public's PSC Kentucky No. 1 Tariff, which is being filed pursuant to the Purchased Gas Adjustment provision of that Tariff.

This filing proposes a GCR rate of \$8.8981 per MCF of sales.

Sincerely,



Bert R. Layne

Public Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: December 28, 2007

Case 2008-00001

Date Rates to be Effective: February 1, 2008

Reporting Period is Calendar Quarter Ended: April 30, 2008

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	8.7148
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	.1833
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>8.8981</u>

GCR to be effective for service rendered from February 1, 2008 to April 30, 2008

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

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	(.0384)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0012)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.3846
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1617)
=	Actual Adjustment (AA)	\$/Mcf	<u>.1833</u>

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 July 31, 2007

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Gas Purchases		Mcfs	Rate	Sales Mcfs	
08/31/06		1,569	8.7148	1,537	
09/30/06		1,760	8.7148	1,717	
10/31/06		5,899	8.7148	5,774	
11/30/06		13,017	8.7148	12,750	
12/31/06		16,092	8.7148	15,715	
01/31/07		20,953	8.7148	20,435	
02/28/07		26,788	8.7148	26,111	
03/31/07		12,050	8.7148	11,774	
04/30/07		9,131	8.7148	8,956	
05/31/07		3,744	8.7148	3,647	
06/30/07		2,202	8.7148	2,147	
07/31/07		2,254	8.7148	2,187	
Totals		115,459		112,750	

Line loss for 12 months ended July 31, 2007 is 2.35% based on purchases of 115,459 Mcf and sales of 112,750 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	
÷ Mcf Purchases (4)	Mcf	
= Average Expected Cost Per Mcf Purchased	\$/Mcf	
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	
= 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.

\$8.7148 Per Attached Schedule

Jefferson Gas, LLC

12/28/07

Expected gas price, February, March and April 2008.

Public Gas has asked for an estimate of their gas price for the months of February, March & April 2008.

	Gas price* to Public Gas
February 2008	8.48
March 2008	8.51
April 2008	8.54

*Jefferson Gas purchases gas from various producers based on the NYMEX futures price. This index changes daily, and has been somewhat volatile in the past. Therefore, gas may be more or less than indicated above, depending on the actual NYMEX price for the periods indicated above. The above estimated gas prices were derived from the NYMEX futures prices issued by the NYMEX web site on September December 27, 2007.

8 • 4800 +
8 • 5100 +
8 • 5400 +
25 • 5300 *

25 • 5300 ÷
3 • 0000 =
8 • 5100 +

8 • 5100 *

8 • 5100 ÷
0 • 9765 =
8 • 7148 +

8 • 7148 *

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended (reporting period)

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

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended October 31, 2007

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Aug 07)</u>	<u>Month 2 (Sep 07)</u>	<u>Month 3 (Oct 07)</u>
Total Supply Volumes Purchased	Mcf	1,653	1,900	2,393
Total Cost of Volumes Purchased	\$	13,273.59	14,687.00	20,244.78
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	1,605	1,863	2,343
= Unit Cost of Gas	\$/Mcf	8.2701	7.8835	8.6405
- EGC in effect for month	\$/Mcf	9.0400	9.0400	9.0400
= Difference [(over-)/Under-Recovery]	\$/Mcf	(.7699)	(1.1565)	(.3995)
x Actual sales during month	Mcf	1,605	1,863	2,343
= Monthly cost difference	\$	(1,235.69)	(2,154.56)	(936.03)
Total cost difference (Month 1 + Month 2 + Month 3)	<u>Unit</u> \$			<u>Amount</u> (4,326.28)
÷ Sales for 12 months ended <u>July 31, 2007</u>	Mcf			<u>112,750</u>
Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf			<u>(.0384)</u>

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____ (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.	\$	_____
(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	

FOR Entire Service Area
Community, Town or City
1
P.S.C. KY. NO. _____
44th Revised SHEET NO. 1
1
CANCELLING P.S.C. KY. NO. _____
43rd Revised SHEET NO. 1
1

Public Gas Company

(Name of Utility)

RATES AND CHARGES

Applies to: All Customers

Rate, Monthly:

			Base Rate	Gas Cost	Rate per Unit (Mcf)
First	0 to 1 Mcf	Minimum Bill	3.2705	8.8981	12.1686
All Over	1 Mcf		2.1505	8.8981	11.0486

DATE OF ISSUE December 28, 2007
Month / Date / Year

DATE EFFECTIVE February 1, 2008
Month / Date / Year

ISSUED BY Bert R. Layne
(Signature of Officer)

TITLE Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____