

**COW CREEK GAS INC.
347 THOMPSON RD
PIKEVILLE KY 41501**

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RECEIVED

MAY 30 2008

**PUBLIC SERVICE
COMMISSION**

May 29, 2008

**Ms. Stephanie Stumbo
Public Service Commission
P. O. Box 615
211 Sower Blvd.
Frankfort, KY 40602**

**RE: Cow Creek Gas, Inc.
GCA Filing**


2008-197

Ms. Stumbo:

Enclosed is the GCA filing for the portion of the system of Cow Creek Gas, Inc. ("Cow Creek") that was formerly served by Sigma Gas Corporation ("Sigma"). This GCA is filed pursuant to the Sigma tariff adopted by Cow Creek pursuant to the Commission's Order in Case No. 2007-00419. I have enclosed ten copies for filing.

If you have any questions, please contact us at the above number.

Sincerely,


**Jerome A. Kanney
President**

Enclosure

Cow Creek Gas, Inc.

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed:

May 30, 2008

Date Rates to be Effective:

July 1, 2008

Reporting Period is Calendar Quarter Ended:

March 31, 2008

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	13.35
+ Refund Adjustment (RA)	\$/Mcf	0
+ Actual Adjustment (AA)	\$/Mcf	0
+ Balance Adjustment (BA)	\$/Mcf	0
= Gas Cost Recovery Rate (GCR)		13.35

GCR to be effective for service rendered from July 1, 2008 to October 1, 2008

<u>A.</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	517,744.43
÷	Sales for the 12 months ended <u>March 31, 2008</u>	Mcf	38,790
=	Expected Gas Cost (EGC)	\$/Mcf	13.35
<u>B.</u>	<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	0
+	Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	0
+	Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	0
=	Refund Adjustment (RA)	\$/Mcf	0
<u>C.</u>	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	0
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	0
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	0
=	Actual Adjustment (AA)	\$/Mcf	0
<u>D.</u>	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	0
+	Previous Quarter Reported Balance Adjustment	\$/Mcf	0
+	Second Previous Quarter Reported Balance Adjustment	\$/Mcf	0
+	Third Previous Quarter Reported Balance Adjustment	\$/Mcf	0
=	Balance Adjustment (BA)		0

SCHEDULE II
EXPECTED GAS COST

Actual MCF Purchases for 12 months ended		March 31, 2008			
(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5) Rate	(6) (4) X (5) Cost
Jefferson Gas LLC	3,063	1.0	3,063	12.683	38,848.03
Jefferson Gas LLC	1,148	1.0	1,148	12.683	14,560.08
Jefferson Gas LLC	1,470	1.0	1,470	12.683	18,644.01
Jefferson Gas LLC	1,151	1.0	1,151	12.683	14,598.13
Jefferson Gas LLC	1,276	1.0	1,276	12.683	16,183.51
Jefferson Gas LLC	1,701	1.0	1,701	12.683	21,573.78
Jefferson Gas LLC	1,405	1.0	1,405	12.683	17,819.62
Jefferson Gas LLC	5,597	1.0	5,597	12.683	70,986.75
Jefferson Gas LLC	5,912	1.0	5,912	12.683	74,981.90
Jefferson Gas/ DLR	8,293	1.0	8,293	12.683	105,180.12
DLR Enterprises, Inc.	5,565	1.0	5,565	12.683	70,580.90
DLR Enterprises, Inc.	6,616	1.0	6,616	12.683	83,910.73
Totals	<u>43,197</u>		<u>43,197</u>		<u>547,867.56</u>

Line loss for 12 months ended March 31, 2008 is 10.2% based on purchases of 43,197 Mcf and sales of 38,790 Mcf.

Total Expected Cost of Purchases (6)	Unit	Amount
÷ Mcf Purchases (4)	\$	547,867.56
= Average Expected Cost Per Mcf Purchased	Mcf	43,197
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	\$/Mcf	12.68
= Total Expected Gas Cost (to Schedule IA)	Mcf	40,831.58
	\$	517,744.43

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____ Not Applicable _____

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

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended _____ Not Applicable

<u>Particulars</u>	<u>Unit</u>	Month 1 ()	Month 2 ()	Month 3 ()
Total Supply Volumes Purchased	Mcf			
Total Cost of Volumes Purchased	\$			
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf			
= Unit Cost of Gas	\$/Mcf			
- EGC in effect for month	\$/Mcf			
= Difference [(over-)/Under-Recovery]	\$/Mcf			
x Actual sales during month	Mcf			
= Monthly cost difference	\$			

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

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____ Not Applicable _____

	<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	_____

Estimated Gas Cost Computation per MCF

	Quarter Beginning:	6/1/2008
	Quarter Ending:	8/31/2008
Monthly delivery contracts settle price on 1st day of month prior to beginning of quarter:		
NYMEX settle price on May 1, 2008 for gas sold in June 2008	\$	10.560
NYMEX settle price on May 1, 2008 for gas sold in July 2008		10.709
NYMEX settle price on May 1, 2008 for gas sold in August 2008		10.780
Average Est. NYMEX settle price as of May1, 2008		10.683
Add: Transportation charge per MCF		2.000
Estimated gas cost computation per MCF		<u>12.683</u>