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MAR 30 2009

PUBLIC SERVICE
COMMISSION

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

March 27, 2009

Ms. Stephanie Stumbo
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RE: Public Gas Company
Case No.
GCR Filing Proposed to Become
Effective May 1, 2009


Dear Ms. Stumbo:

2009-00129

Enclosed are an original and five copies of Public Gas Company's Cost Recovery (GCR) filing for rates proposed to become effective May 1, 2009. Also included are an original and five copies of 49th 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 \$5.5842 per MCF of sales.

Sincerely,



Bert R. Layne

Public Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: March 27, 2009

Date Rates to be Effective: May 1, 2009

Reporting Period is Calendar Quarter Ended: July 31, 2009

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.5149
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.9307)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>5.5842</u>

GCR to be effective for service rendered from May 1, 2009 to July 31, 2009

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	(1.0669)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.3595)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.0729
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	.4228
=	Actual Adjustment (AA)	\$/Mcf	<u>(.9307)</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 October 31, 2008

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Month		Purchases Mcfs	Rate	Sales Mcfs	
11/30/07		11,387	6.5149	11,080	
12/31/07		16,169	6.5149	15,752	
01/31/08		24,764	6.5149	24,266	
02/29/08		20,162	6.5149	19,581	
03/31/08		16,692	6.5149	16,341	
04/30/08		7,983	6.5149	7,798	
05/31/08		4,198	6.5149	4,100	
06/30/08		2,066	6.5149	2,006	
07/31/08		1,819	6.5149	1,775	
08/31/08		1,751	6.5149	1,700	
09/30/08		1,960	6.5149	1,892	
10/31/08		4,612	6.5149	4,461	
Totals		<u>113,563</u>		<u>110,752</u>	

Line loss for 12 months ended October 31, 2008 is 2.48% based on purchases of 113,563 Mcf and sales of 110,752 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.

\$6.5149 Per Attached Schedule

Jefferson Gas, LLC

03/27/09

Expected gas price, May, June, and July 2009

Public Gas has asked for an estimate of their gas price for the months of May, June, and July 2009.

	Gas price* to Public Gas
May 2009	6.25
June 2009	6.35
July 2009	6.46

*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 March 24, 2009.

6 • 2500	+
6 • 3500	+
6 • 4600	+
19 • 0600	*
19 • 0600	÷
3 • 0000	=
6 • 3533	+
6 • 3533	*
6 • 3533	÷
0 • 9752	=
6 • 5149	+
6 • 5149	+

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 January 31, 2009

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Nov 08)</u>	<u>Month 2 (Dec 08)</u>	<u>Month 3 (Jan 09)</u>
Total Supply Volumes Purchased	Mcf	13,293	21,600	23,497
Total Cost of Volumes Purchased	\$	94,779.09	174,096.00	177,637.32
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	12,942	20,832	22,859
= Unit Cost of Gas	\$/Mcf	7.1300	8.0600	7.5600
- EGC in effect for month	\$/Mcf	9.7321	9.7321	9.7321
= Difference [(over-)/Under-Recovery]	\$/Mcf	(2.6021)	(1.6721)	(2.1721)
x Actual sales during month	Mcf	12,942	20,832	22,859
= Monthly cost difference	\$	(33,676.38)	(34,833.19)	(49,652.03)
Total cost difference (Month 1 + Month 2 + Month 3)	<u>Unit</u> \$			<u>Amount</u> (118,161.60)
÷ Sales for 12 months ended <u>October 31, 2008</u>	Mcf			110,752
Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf			(1.0669)

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. _____

49th Revised SHEET NO. 1

1

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

48th Revised SHEET NO. 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	5.5842	8.8547
All Over	1 Mcf		2.1505	5.5842	7.7347

DATE OF ISSUE March 27, 2009

Month / Date / Year

DATE EFFECTIVE May 1, 2009

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 _____