

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

**RECEIVED**

JAN 04 2010

PUBLIC SERVICE  
COMMISSION

December 30, 2009

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

2010-00004


RE: Public Gas Company  
Case No.  
GCR Filing Proposed to Become  
Effective February 1, 2010

Dear Mr. Derouen:

Enclosed are an original and five copies of Public Gas Company's Cost Recovery (GCR) filing for rates proposed to become effective February 1, 2010. Also included are an original and five copies of 52nd 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 \$7.5730 per MCF of sales.

Sincerely,



Bert R. Layne

**Public Gas Company**

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed: December 31, 2009

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Date Rates to be Effective: February 1, 2010

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Reporting Period is Calendar Quarter Ended: April 30, 2010

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SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	8.6537
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(1.0807)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>7.5730</u>

GCR to be effective for service rendered from February 1, 2010 to April 30, 2010

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	(.0973)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0142)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0243)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.9449)
=	Actual Adjustment (AA)	\$/Mcf	<u>(1.0807)</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)		

SCHEDULE II  
EXPECTED GAS COST

Actual \* MCF Purchases for 12 months ended July 31, 2009

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Month		Purchases Mcfs	Rate	Sales Mcfs	
08/31/08		1,751	8.6537	1,700	
09/30/08		1,960	8.6537	1,892	
10/31/08		4,612	8.6537	4,461	
11/30/08		13,293	8.6537	12,942	
12/31/08		21,600	8.6537	20,832	
01/31/09		23,497	8.6537	22,859	
02/28/09		19,510	8.6537	18,977	
03/31/09		13,065	8.6537	12,630	
04/30/09		9,208	8.6537	8,926	
05/31/09		2,877	8.6537	2,829	
06/30/09		1,753	8.6537	1,713	
07/31/09		1,820	8.6537	1,766	
Totals		<u>114,946</u>		<u>111,527</u>	

Line loss for 12 months ended July 31, 2009 is 2.97% based on purchases of 114,946 Mcf and sales of 111,527 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.

**\$8.6537 Per Attached Schedule**

Jefferson Gas, LLC

12/30/09

Expected gas price, February, March and April 2010

Public Gas has asked for an estimate of their gas price for the months of February, March, and April 2010.

	Gas price* to Public Gas
February 2010	8.42
March 2010	8.40
April 2010	8.37

\*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 December 29, 2009.

0.\*

8.420000+

8.400000+

8.370000+

003

25.190000\*\*+

25.190000÷

3.=

8.396667\*\*+

8.396667÷

0.9703=

8.653681\*\*+

0.\*

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, 2009

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Aug 09)</u>	<u>Month 2 (Sep 09)</u>	<u>Month 3 (Oct 09)</u>
Total Supply Volumes Purchased	Mcf	1,448	1,815	5,785
Total Cost of Volumes Purchased	\$	8,268.08	9,710.25	34,999.25
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	1,400	1,746	5,625
= Unit Cost of Gas	\$/Mcf	5.9058	5.5614	6.2221
- EGC in effect for month	\$/Mcf	7.2771	7.2771	7.2771
= Difference [(over-)/Under-Recovery]	\$/Mcf	(1.3713)	(1.7157)	(1.0550)
x Actual sales during month	Mcf	1,400	1,746	5,625
= Monthly cost difference	\$	(1,919.82)	(2,995.61)	(5,934.38)
Total cost difference (Month 1 + Month 2 + Month 3)	<u>Unit</u> \$			<u>Amount</u> (10,849.81)
÷ Sales for 12 months ended <u>July 31, 2009</u>	Mcf			111,527
Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf			(.0973)

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 <b>Less:</b> 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. <b>Equals:</b> 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. <b>Less:</b> 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. <b>Equals:</b> 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 <b>Less:</b> 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. <b>Equals:</b> 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. \_\_\_\_\_

52nd Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

51st 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	7.5730	10.8435
All Over	1 Mcf		2.1505	7.5730	9.7235

DATE OF ISSUE December 30, 2009

DATE EFFECTIVE February 1, 2010  
Month / Date / Year

ISSUED BY Bert R. Layne  
Month / Date / Year  
(Signature of Officer)

TITLE Treasurer

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