

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

RECEIVED

September 29, 2011

SEP 29 2011

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

PUBLIC SERVICE
COMMISSION

RE: Public Gas Company
Case No.
GCR Filing Proposed to Become
Effective November 1, 2011

Dear Mr. Derouen:

Enclosed are an original and ten copies of Public Gas Company's Cost Recovery (GCR) filing for rates proposed to become effective November 1, 2011. Also included are an original and ten copies of 59th 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 \$6.3087 per MCF of sales.

Sincerely,



Bert R. Layne

Public Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: September 29, 2011

Date Rates to be Effective: November 1, 2011

Reporting Period is Calendar Quarter Ended: January 31, 2012

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.4563
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.1476)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		6.3087

GCR to be effective for service rendered from November 1, 2011 to January 31, 2012

A. EXPECTED GAS COST CALCULATION Unit Amount

Total Expected Gas Cost (Schedule II)	\$	
÷ Sales for the 12 months ended _____	Mcf	
= Expected Gas Cost (EGC)	\$/Mcf	

B. REFUND ADJUSTMENT CALCULATION Unit Amount

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. ACTUAL ADJUSTMENT CALCULATION Unit Amount

Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	.0008
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	.0117
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1050)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0551)
= Actual Adjustment (AA)	\$/Mcf	(.1476)

D. BALANCE ADJUSTMENT CALCULATION Unit Amount

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 April 30, 2011

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Month		Purchases Mcfs	Rate	Sales Mcfs	
05/31/10		3,086	6.4563	2,990	
06/30/10		1,817	6.4563	1,761	
07/31/10		1,324	6.4563	1,296	
08/31/10		1,395	6.4563	1,362	
09/30/10		1,847	6.4563	1,786	
10/31/10		3,568	6.4563	3,459	
11/30/10		11,836	6.4563	11,504	
12/31/10		23,935	6.4563	23,055	
01/31/11		24,975	6.4563	24,233	
02/28/11		20,164	6.4563	19,454	
03/31/11		14,228	6.4563	13,676	
04/30/11		7,104	6.4563	6,841	
Totals		<u>115,279</u>		<u>111,417</u>	

Line loss for 12 months ended April 30, 2011 is 3.3501 % based on purchases of 115,279 Mcf and sales of 111,417 Mcf.

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

\$6.4563 Per Attached Schedule

Jefferson Gas, LLC

09/28/11

Expected gas price, November, December, and January 2012

Public Gas has asked for an estimate of their gas price for the months of November, December, and January 2012

	Gas price* to Public Gas
November 2011	5.99
December 2011	6.28
January 2012	6.45

*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 23, 2011.

5.990000+
6.280000+
6.450000+
18.720000*+

18.720000+
3.0=
6.240000*+

6.240000+
0.966499=
6.456293*+

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/> = Refund Adjustment including interest	\$	<hr/>
÷ 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 July 31, 2011

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (May 11)</u>	<u>Month 2 (Jun 11)</u>	<u>Month 3 (Jul 11)</u>
Total Supply Volumes Purchased	Mcf	3,791	2,226	1,607
Total Cost of Volumes Purchased	\$	25,289.76	14,905.30	10,495.32
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	3,616	2,141	1,546
= Unit Cost of Gas	\$/Mcf	6.9939	6.9619	6.7887
- EGC in effect for month	\$/Mcf	6.9285	6.9285	6.9285
= Difference [(over-)/Under-Recovery]	\$/Mcf	.0654	.0334	(.1398)
x Actual sales during month	Mcf	3,616	2,141	1,546
= Monthly cost difference	\$	236.49	71.51	(216.13)
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	91.87
÷ Sales for 12 months ended <u>April 30, 2011</u>			Mcf	111,417
<u>Actual Adjustment for the Reporting Period (to Schedule IC.)</u>			\$/Mcf	.0008

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	

Public Gas Company

(NAME OF UTILITY)

FOR Entire Service Area
PSC KY NO. _____ 1
59th Revised SHEET NO. _____ 1
CANCELLING PSC KY NO. _____ 1
58th Revised SHEET NO. _____ 1

Applies to: All Customers

Rate, Monthly:

			Base Rate	Gas Cost	Rate per Unit (Mcf)
First	0 to 1 Mcf	Minimum Bill	3.2705	6.3087	9.5792
All Over	1 Mcf		2.1505	6.3087	8.4592

DATE OF ISSUE September 29, 2011
MONTH / DATE / YEAR
DATE EFFECTIVE November 1, 2011
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 _____