

JOHNSON COUNTY GAS COMPANY

P. O. Box 339  
Harold, KY 41635  
Phone (606) 789-5481  
Fax (606) 478-5266  
Email: budri@mikrotec.com

December 22, 2008

2008-00558

RECEIVED

DEC 29 2008

PUBLIC SERVICE  
COMMISSION

Ms. Stephanie Stumbo  
Executive Director Public Service Commission  
211 Sower Blvd.  
P. O. Box 615  
Frankfort, KY 40602-0615

Dear Ms. Stumbo,

Please find enclosed one original and three copies Johnson County Gas Company's proposed Gas Cost Recovery Rate (GCR) and supporting calculations for the three month period from January 1, 2009 through March 31, 2009.

Johnson County Gas Company respectfully requests that the Commission approve the enclosed GCR.

Sincerely,



Bud Rife

Enclosures  
br/jh

P.S.C. Ky. No. 2008-00

Cancels P.S.C. Ky. No. 2008-00360

**Johnson County Gas Company**

**Of**

**Harold, Kentucky 41635**

**Rates, Rules and Regulations for Furnishing Gas**

**At**

**Meally, Van Lear, East Point and Hager Hill**

**Filed With Public Service Commission  
Of Kentucky**

Issued: December 22, 2008

Effective: January 1, 2009

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Issued By: Johnson County Gas Company

By: 

**Bud Rife  
President/Manager**

Van Lear, Hager Hill,  
East Point, and Meally

P.S.C. NO. 2008-00

CANCELLING P.S.C. NO. 2008-00360

Johnson County Gas Company

CLASSIFICATION OF SERVICE

Proposed Rates:

Residential

	Base Rate	Gas Cost Recovery	Total Rate
First Mcf (minimum bill)	\$6.9542	\$9.3022	\$16.2564
All over 1 Mcf	\$5.9542	\$9.3022	\$15.2564

Commercial

All Mcf	\$6.3042	\$9.3022	\$15.6064
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DATE OF ISSUE: December 25, 2008

DATE EFFECTIVE: January 1, 2009

ISSUED BY: 

Bud Rife  
President/Manager  
P. O. Box 339  
Harold, KY 41635

Issued by authority of an Order of the Public Service Commission of

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$10.1461
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$0.5696)
Balance Adjustment (BA)	\$/Mcf	(\$0.2744)
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$9.3022

to be effective for service rendered from.

A. EXPECTED GAS COST CALCULATION

	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$164,621.00
/Sales for the 12 months ended	\$/Mcf	16,225.00
Expected Gas Cost	\$/Mcf	\$10.1461

B. REFUND ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch III)	\$/Mcf	\$0.0000
+Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
+Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
+Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
=Refund Adjustment (RA)	\$ Mcf	\$0.0000

C. ACTUAL ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Sch IV)	\$/Mcf	\$0.0169
+Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.1826)
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.2934)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.1105)
=Actual Adjustment (AA)	\$ Mcf	(\$0.5696)

D. BALANCE ADJUSTMENT CALCULATION

	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0000
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0000
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.2744)
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0000
=Balance Adjustment (BA)	\$ Mcf	(\$0.2744)

SCHEDULE II  
EXPECTED GAS COST

Actual Mcf Purchases for 12 months ended September 30,2008

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Constellation Energy	12,641	1.025	12,333	\$10.28	\$126,749.32
Equitable	1,114	1.025	1,087	\$10.3700	\$11,270.12
Bradco		1.03	4,028.00	\$7.4861	\$30,153.97
					\$0.00
					\$0.00
					\$0.00
					\$0.00
<b>Totals</b>			<b>17,448</b>		<b>\$168,173.41</b>

Line loss for 12 months ended 9/30/2008 is based on purchases of 17,447.50  
and sales of 16,225.00 Mcf. 7.01%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$168,173.41
/ Mcf Purchases (4)		17,448
= Average Expected Cost Per Mcf Purchased		\$9.6388
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		17,078.95
= Total Expected Gas Cost (to Schedule IA)		\$164,621.00

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Description		Unit	Amount
Supplier Refunds Received during 2 Month Period	2007	\$	\$0.00
Interest Factor (90 Day Commercial Paper Rate)			\$0.00
Refunds Including Interest		\$	\$0.00
Divided by 12 Month Projected Sales Ended	2008	Mcf	16,225.00
<u>Current Supplier Refund Adjustment</u>			<u>0</u>

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended

<u>Particulars</u>	<u>Unit</u>	<u>Jul '08</u>	<u>Aug '08</u>	<u>Sept. '08</u>
Total Supply Volumes Purchased	Mcf	468	412	266
Total Cost of Volumes Purchased	\$	\$5,340.25	\$3,726.51	\$2,295.20
/ Total Sales *	Mcf	444.6	391.4	252.7
= Unit Cost of Gas	\$/Mcf	\$12.0114	\$9.5210	\$9.0827
- EGC in Effect for Month	\$/Mcf	\$9.8973	\$9.8973	\$9.8973
= Difference	\$/Mcf	\$2.1141	(\$0.3763)	(\$0.8146)
x Actual Sales during Month	Mcf	216.0	174.0	143.0
= Monthly Cost Difference	\$	\$456.64	(\$65.48)	(\$116.49)
Total Cost Difference			\$	\$274.67
/ Sales for 12 months ended			Mcf	16,225.0
= Actual Adjustment for the Reporting Period (to Sch IC)				\$0.0169

\* May not be less than 95% of supply volume





BRADCO OIL COMPANY  
P.O. Box 221  
Prestonsburg, KY 41653  
Phone: 606-886-2303 Fax: 606-886-0928

December 10, 2008,


Bud Rife  
Johnson County Gas  
P.O. Box 339  
Harold, KY 41635

Dear Bud,

This letter is to continue the price of gas delivered by, Bradco Oil Company and being purchased by Johnson County Gas, at the rate of 8.50 per mcf. This rate will be in effect from January 1, 2009 through December 31, 2009.

If you should have any questions please contact me.

Sincerely,



Charles E. Bradley