

JOHNSON COUNTY GAS COMPANY

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

January 13, 2008

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

RECEIVED  
JAN 15 2009  
PUBLIC SERVICE  
COMMISSION

Dear Ms. Stumbo,

This letter is in response to further review of our GCR known as case #2008-558. Please find enclosed one original *amended* and three copies of case #2008-558 Johnson County Gas Company's amended Gas Cost Recovery Rate (GCR) and supporting calculations for the three month period from August 1, 2008 through October 31, 2008.

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

Sincerely,

Bud Rife

Enclosures  
br/jh



P.S.C. Ky. No. 2008-00558

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: January 13, 2009**

**Effective: January 28, 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. 2008-00558

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

Johnson County Gas Company

CLASSIFICATION OF SERVICE

Proposed Rates:

Residential

|                          | Base Rate | Gas Cost<br>Recovery | Total<br>Rate |
|--------------------------|-----------|----------------------|---------------|
| First Mcf (minimum bill) | \$6.9542  | \$9.4696             | \$16.4238     |
| All over 1 Mcf           | \$5.9542  | \$9.4696             | \$15.4238     |

Commercial

|         |          |          |           |
|---------|----------|----------|-----------|
| All Mcf | \$6.3042 | \$9.4696 | \$15.7738 |
|---------|----------|----------|-----------|

DATE OF ISSUE: January 13, 2009

DATE EFFECTIVE: January 28, 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      | \$10.3617     |
| Refund Adjustment (RA)       | \$/Mcf      | \$0.0000      |
| Actual Adjustment (AA)       | \$/Mcf      | (\$0.6177)    |
| Balance Adjustment (BA)      | \$/Mcf      | (\$0.2744)    |
| Gas Cost Recovery Rate (GCR) | \$/Mcf      | \$9.4696      |

to be effective for service rendered from.

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| <u>A. EXPECTED GAS COST CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
|---|-------------|---------------|
| Total Expected Gas Cost (Sch II)        | \$/Mcf      | \$168,730.09  |
| /Sales for the 12 months ended          | \$/Mcf      | 16,284.00     |
| Expected Gas Cost                       | \$/Mcf      | \$10.3617     |

| <u>B. REFUND ADJUSTMENT CALCULATION</u>                   | <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      |

| <u>C. ACTUAL ADJUSTMENT CALCULATION</u>             | <u>Unit</u> | <u>Amount</u> |
|---|-------------|---------------|
| Actual Adjustment for the Reporting Period (Sch IV) | \$/Mcf      | (\$0.0312)    |
| +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      | (\$0.6177)    |

| <u>D. BALANCE ADJUSTMENT CALCULATION</u>             | <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 October 31, 2008

| (1)<br>Supplier      | (2)<br>Dth | (3)<br>Btu<br>Conversion Factor | (4)<br>Mcf | (5)<br>Rate | (6)<br>(4) x (5)<br>Cost |
|----------------------|------------|---------------------------------|------------|-------------|--------------------------|
| Constellation Energy | 12,641     | 1.025                           | 12,333     | \$10.28     | \$126,749.32             |
| Equitable            | 1,114      | 1.025                           | 1,087      | \$9.9000    | \$10,759.32              |
| Bradco               |            | 1.03                            | 4,028.00   | \$8.5000    | \$34,238.00              |
|                      |            |                                 |            |             | \$0.00                   |
|                      |            |                                 |            |             | \$0.00                   |
|                      |            |                                 |            |             | \$0.00                   |
|                      |            |                                 |            |             | \$0.00                   |
| <b>Totals</b>        |            |                                 | 17,448     |             | \$171,746.64             |

Line loss for 12 months ended 10/31/2008 is based on purchases of 17,447.50  
and sales of 16,284.00 Mcf. 6.67%

|   | Unit | Amount       |
|---|------|--------------|
| Total Expected Cost of Purchases (6)                        |      | \$171,746.64 |
| / Mcf Purchases (4)   |      | 17,448       |
| = Average Expected Cost Per Mcf Purchased                   |      | \$9.8436     |
| x Allowable Mcf Purchases (must not exceed Mcf sales / .95) |      | 17,141.05    |
| = Total Expected Gas Cost (to Schedule IA)                  |      | \$168,730.09 |

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  | 16,284.00 |
| <u>Current Supplier Refund Adjustment</u>       |      |      | <u>0</u>  |

## SCHEDULE IV

## ACTUAL ADJUSTMENT

For the 12 month period ended

| Particulars  | Unit   | Aug '08    | Sept. '08  | Oct '08    |
|--|--------|------------|------------|------------|
| Total Supply Volumes Purchased                           | Mcf    | 412        | 266        | 518.1      |
| Total Cost of Volumes Purchased                          | \$     | \$3,726.51 | \$2,295.20 | \$4,309.00 |
| / Total Sales *  | Mcf    | 391.4      | 252.7      | 518.0      |
| = Unit Cost of Gas                                       | \$/Mcf | \$9.5210   | \$9.0827   | \$8.3185   |
| - EGC in Effect for Month                                | \$/Mcf | \$9.8973   | \$9.8973   | \$9.8436   |
| = Difference   | \$/Mcf | (\$0.3763) | (\$0.8146) | (\$1.5251) |
| x Actual Sales during Month                              | Mcf    | 174.0      | 143.0      | 214.0      |
| = Monthly Cost Difference                                | \$     | (\$65.48)  | (\$116.49) | (\$326.36) |
| Total Cost Difference                                    |        |            | \$         | (\$508.33) |
| / Sales for 12 months ended                              |        |            | Mcf        | 16,284.0   |
| = Actual Adjustment for the Reporting Period (to Sch IC) |        |            |            | (\$0.0312) |

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

Case No.

| Effective Date    | Mcf Sales | Factor | Refunded | Balance |
|-------------------|-----------|--------|----------|---------|
| Beginning Balance |           |        |          |         |
|                   |           |        | \$0.00   | \$0     |
|                   |           |        | \$0.00   | \$0     |
|                   |           |        | \$0.00   | \$0     |
|                   |           |        | \$0.00   | \$0     |
|                   |           |        | \$0.00   | \$0     |
|                   |           |        | \$0.00   | \$0     |
|                   |           |        | \$0.00   | \$0     |
|                   |           |        | \$0.00   | \$0     |
|                   |           |        | \$0.00   | \$0     |
|                   |           |        | \$0.00   | \$0     |
|                   |           |        | \$0.00   | \$0     |
|                   |           |        | \$0.00   | \$0     |

Under/(Over) Recovery        \$0  
Mcf Sales for factor        16,284  
BA Factor                    \$0.0000



**BRADCO OIL COMPANY**  
P. O. BOX 221  
PRESTONSBURG, KY 41653  
Phone (606) 886-2303 Fax (606) 886-0928

Invoice Date: November 17, 2008  
Bill To: Johnson County Gas Company  
P.O. Box 339  
Harold, KY 41635

| <u>DATES</u>          | <u>MCF</u> | <u>Rate/MCF</u> | <u>TOTAL</u> |
|-----------------------|------------|-----------------|--------------|
| 09/30/08-<br>10/31/08 | 362        | \$8.50          | \$ 3077.00   |

|                           |                 |
|---------------------------|-----------------|
| PAST DUE                  | \$ 4233.00      |
| Payment received 10/22/08 | <u>-500.00</u>  |
|                           | 3733.00         |
| CURRENT CHARGES           | <u>+3077.00</u> |

**TOTAL DUE \$ 6810.00**

**BRADCO OIL COMPANY**  
 P. O. BOX 221  
 PRESTONSBURG, KY 41653  
 Phone (606) 886-2303 Fax (606) 886-0928

Invoice Date: October 13, 2008  
 Bill To: Johnson County Gas Company  
 P.O. Box 339  
 Harold, KY 41635

*September*

| <u>DATES</u>          | <u>MCF</u> | <u>Rate/MCF</u> | <u>TOTAL</u> |
|-----------------------|------------|-----------------|--------------|
| 09/02/08-<br>09/30/08 | 216        | \$8.50          | \$ 1836.00   |

PAST DUE \$ 2397.00

CURRENT CHARGES 1836.00

**TOTAL DUE \$ 4233.00**

BRADCO OIL COMPANY  
P. O. BOX 221  
PRESTONSBURG, KY 41653  
Phone (606) 886-2303 Fax (606) 886-0928

Invoice Date: September 16, 2008  
Bill To: Johnson County Gas Company  
P. O. Box 339  
Harold, KY 41635

| <u>DATES</u>          | <u>MCF</u> | <u>Rate/MCF</u> | <u>TOTAL</u> |
|-----------------------|------------|-----------------|--------------|
| 07/31/08-<br>09/02/08 | 282        | \$8.50          | \$ 2397.00   |