

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

December 29, 2008

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

2008-00560 RECEIVED

DEC 30 2008

PUBLIC SERVICE
COMMISSION

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

Dear Ms. Stumbo:

Enclosed are an original and five copies of Public Gas Company's Cost Recovery (GCR) filing for rates proposed to become effective February 1, 2009. Also included are an original and five copies of 48th 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 \$7.4358 per MCF of sales.

Sincerely,



Bert R. Layne

Public Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: December 29, 2008

Date Rates to be Effective: February 1, 2009

Reporting Period is Calendar Quarter Ended: April 30, 2009

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	7.2309
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	.2049
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>7.4358</u>

GCR to be effective for service rendered from February 1, 2009 to April 30, 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	(.3595)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	.0729
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.4228
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	.0687
=	Actual Adjustment (AA)	\$/Mcf	<u>.2049</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, 2008

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Month		Purchases Mcf		Rate	Sales Mcfs
08/31/07		1,653		7.2309	1,605
09/30/07		1,900		7.2309	1,863
10/31/07		2,393		7.2309	2,343
11/30/07		11,387		7.2309	11,080
12/31/07		16,169		7.2309	15,752
01/31/08		24,764		7.2309	24,266
02/29/08		20,162		7.2309	19,581
03/31/08		16,692		7.2309	16,341
04/30/08		7,983		7.2309	7,798
05/31/08		4,198		7.2309	4,100
06/30/08		2,066		7.2309	2,006
07/31/08		1,819		7.2309	1,775
Totals		<u>111,186</u>			<u>108,510</u>

Line loss for 12 months ended July 31, 2008 is 2.41% based on purchases of 111,186 Mcf and sales of 108,510 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.

\$7.2309 Per Attached Schedule

Jefferson Gas, LLC

12/26/08

Expected gas price, February, March, and April 2009

Public Gas has asked for an estimate of their gas price for the months of February, March and April 2009.

	Gas price* to Public Gas
February 2009	7 01
March 2009	7 05
April 2009	7 11

*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 23, 2008.

$$\begin{aligned} & 7 \cdot 010000 + \\ & 7 \cdot 050000 + \\ & 7 \cdot 110000 + \\ & 21 \cdot 170000 * \\ \\ & 21 \cdot 170000 \div \\ & 3 \cdot 000000 = \\ & 7 \cdot 056666 + \\ \\ & 7 \cdot 056666 * \\ \\ & 7 \cdot 056666 \div \\ & 0 \cdot 975900 = \\ & 7 \cdot 230931 + \\ \\ & 7 \cdot 230931 * \end{aligned}$$

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, 2008

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Aug 08)</u>	<u>Month 2 (Sep 08)</u>	<u>Month 3 (Oct 08)</u>
Total Supply Volumes Purchased	Mcf	1,751	1,960	4,612
Total Cost of Volumes Purchased	\$	15,986.63	17,130.40	37,449.44
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	1,700	1,892	4,461
<hr/>				
= Unit Cost of Gas	\$/Mcf	9.4039	9.0541	8.3949
- EGC in effect for month	\$/Mcf	13.6079	13.6079	13.6079
<hr/>				
= Difference [(over-)/Under-Recovery]	\$/Mcf	(4.2040)	(4.5538)	(5.2130)
<hr/>				
x Actual sales during month	Mcf	1,700	1,892	4,461
<hr/>				
= Monthly cost difference	\$	(7,146.80)	(8,615.79)	(23,255.19)
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	(39,017.78)
÷ Sales for 12 months ended <u>July 31, 2008</u>			Mcf	108,510
<hr/>				
Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	(.3595)

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. _____

48th Revised

SHEET NO. 1

1

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

47th 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	7.4358	10.7063
All Over	1 Mcf		2.1505	7.4358	9.5863

DATE OF ISSUE December 29, 2008
Month / Date / Year

DATE EFFECTIVE February 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 _____