



**GASCO**  
**DISTRIBUTION SYSTEMS, INC.**

4445 EAST PIKE

ZANESVILLE, OH 43701

OFFICE 740 454-6198

FAX 740 454-7780

2008-00561

December 29, 2008

**RECEIVED**

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**PUBLIC SERVICE  
COMMISSION**

Ms Beth A. O'Donnell  
Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

Dear Ms O'Donnell:

Attached please find one original filing and five copies of the quarterly report of gas cost recovery rate calculation for rates to be effective February 1, 2009. In addition you will find an original and five copies of our written surcharge report for this reporting period. Please have one copy of the filing as well as a copy of the surcharge report time-stamped and returned to us in the self-addressed stamped envelope.

If there are any questions concerning the filing, please call me at 740-454-8871 extension 113. Thank you for your cooperation in this matter.

Very truly yours,

Trina L. King  
Secretary

TLK

Enclosure

2008-00561

APPENDIX B

Page 1

GASCO DISTRIBUTION SYSTEMS, INC.

QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

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PUBLIC SERVICE  
COMMISSION

Date Filed:

December 29, 2008

Date Rates to be Effective:

February 1, 2009

Reporting Period is Period Ended:

October 31, 2008

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	9.6522
+ Refund Adjustment (RA)	\$/Mcf	-
+ Actual Adjustment (AA)	\$/Mcf	2.5592
+ Balance Adjustment (BA)	\$/Mcf	-
= Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>12.2113</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)	\$	259,296
	+ Sales for the 12 months ended October 31, 2008	Mcf	26,864
	= Expected Gas Cost (EGC)	\$/Mcf	9.6522
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Ach. III)	\$/Mcf	-
	+ 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	-0.3032
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.1255
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	1.3403
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	0.2311
	+/- Other cost adjustments	\$/Mcf	1.1655
	= Actual Adjustment (AA)	\$/Mcf	2.5592
			10 Years Ending 11/09
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)	\$/Mcf	-

SCHEDULE II  
EXPECTED GAS COST

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Actual Mcf	(5) ** Projected Rate	(6) (4) x (5) Cost	
The Titan Energy Group, Inc.	Nov-08	1,943	1.035	1,877	7.8587	14,750.78
The Titan Energy Group, Inc.	Dec-08	3,342	1.035	3,229	7.8587	25,375.74
The Titan Energy Group, Inc.	Jan-09	7,204	1.035	6,960	7.8587	54,696.55
The Titan Energy Group, Inc.	Feb-09	4,259	1.035	4,115	7.8587	32,338.55
The Titan Energy Group, Inc.	Mar-09	3,893	1.035	3,761	7.8587	29,556.57
The Titan Energy Group, Inc.	Apr-09	1,478	1.035	1,428	7.8587	11,222.22
The Titan Energy Group, Inc.	May-09	1,457	1.035	1,408	7.8587	11,065.05
The Titan Energy Group, Inc.	Jun-09	659	1.035	637	7.8587	5,005.99
The Titan Energy Group, Inc.	Jul-09	814	1.035	786	7.8587	6,176.94
The Titan Energy Group, Inc.	Aug-09	707	1.035	683	7.8587	5,367.49
The Titan Energy Group, Inc.	Sep-09	881	1.035	851	7.8587	6,687.75
The Titan Energy Group, Inc.	Oct-09	1,169	1.035	1,129	7.8587	8,872.47
Sub-total		27,806		26,864		\$211,116.12

Add in: Annual East Tennessee Demand Charge \$4,015.00 x 12 mo. \$48,180.00

\$259,296.12

Line loss for the 12 months ended is \_\_\_\_\_ - or 0.00% based on purchases of 26,864 Mcf and sales of 26,864 Mcf.

	Unit	Amount
Total Expected Cost of Purchase (6) (See attached schedule)	\$	\$259,296.12
/ MCF Purchases (4)	Mcf	26,864
= Average Expected Cost Per Mcf Purchased	\$/Mcf	9.6522
x Allowable Mcf purchases (must not exceed Mcf Sales / .95)	Mcf	28,278
= Total Expected Gas Cost (to Schedule IA.)	\$	272,943.28

\* Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

\*\* Supplier's tariff sheets or notices are attached

SCHEDULE III  
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended October 31, 2008

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	-0-
+ Interest	\$	-0-
<u>= Refund Adjustment including interest</u>	\$	<u>-0-</u>
/ sales for 12 months ended October 31, 2008	Mcf	<u>26,864</u>
<u>= Supplier Refund Adjustment for the Reporting Period</u> (to Schedule IB.)	\$/Mcf	<u>-0-</u>

SCHEDULE IV  
ACTUAL ADJUSTMENT

For the 3 month period ended October 31, 2008

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>Aug-08</u>	<u>Month 2</u> <u>Sep-08</u>	<u>Month 3</u> <u>Oct-08</u>
Total Supply Volume Purchased	Mcf	683	851	1,129
Total Cost of Volume Purchased	\$	\$ 5,141.05	\$ 7,438.39	\$ 7,952.46
/ Total Sales (may not be less than 95% of supply volumes)	Mcf	683	851	1,129
= Unit Cost of Gas	\$/Mcf	7.5272	8.7408	7.0438
- EGC in effect for month	\$/Mcf	10.7691	10.7691	10.7691
= Difference [ (Over-)/ Under-Recovery]	\$/Mcf	-3.2419	-2.0283	-3.7253
x Actual Sales During Period	Mcf	683	851	1,129
= Monthly cost difference	\$	\$ (2,214.25)	\$ (1,726.11)	\$ (4,205.85)

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	-8,146.21
/ Sales for 12 months ended October 31, 2008.	Mcf	26,864
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(0.3032)

SCHEDULE V  
BALANCE ADJUSTMENT

For the 3 month period ended October 31, 2008

<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 Amountn (1) + (2) + (3)	\$	
/ Sales for 12 months ended <u>October 31, 2008</u> .	Mcf	
<hr/> = Balance Adjusment for the Reporting Period (to Schedule ID.)	\$ /Mcf	_____

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GASCO DISTRIBUTION SYSTEMS, INC.

REPORT OF SURCHARGE BILLED  
Pursuant to Case No. 2008-00096

As of the Quarterly Report of Gas Cost Recovery Rate Calculation for the period ended October 31, 2008, Gasco Distribution Systems, Inc. has recovered the following amounts with respect to the surcharge allowed in Case No. 2008-00096:

Amount of the surcharge billed for the current reporting period: \$ 12,616.75

Amount of the surcharge billed since initial assessment: \$ 12,616.75

December 29, 2008

By Trina L. King  
Trina L. King, Secretary