

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

March 30, 2010

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

**RECEIVED**

MAR 30 2010

PUBLIC SERVICE  
COMMISSION

RE: Public Gas Company  
Case No.  
GCR Filing Proposed to Become  
Effective May 1, 2010

Dear Mr. Derouen:

2010-00136

Enclosed are an original and five copies of Public Gas Company's Cost Recovery (GCR) filing for rates proposed to become effective May 1, 2010. Also included are an original and five copies of 53rd 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 \$6.6633 per MCF of sales.

Sincerely,



Bert R. Layne

**Public Gas Company**

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Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed: March 30, 2010

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Date Rates to be Effective: May 1, 2010

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Reporting Period is Calendar Quarter Ended: July 31, 2010

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SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	7.2513
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.5880)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		6.6633

GCR to be effective for service rendered from May 1, 2010 to July 31, 2010

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	(.4522)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0973)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0142)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0243)
=	Actual Adjustment (AA)	\$/Mcf	(.5880)
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 October 31, 2009

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Month		Purchases Mcfs	Rate	Sales Mcfs	
11/30/08		13,293	7.2513	12,942	
12/31/08		21,600	7.2513	20,832	
01/31/09		23,497	7.2513	22,859	
02/28/09		19,510	7.2513	18,977	
03/31/09		13,065	7.2513	12,630	
04/30/09		9,208	7.2513	8,926	
05/31/09		2,877	7.2513	2,829	
06/30/09		1,753	7.2513	1,713	
07/31/09		1,820	7.2513	1,766	
08/31/09		1,448	7.2513	1,400	
09/30/09		1,815	7.2513	1,746	
10/31/09		5,785	7.2513	5,625	
Totals		115,671		112,245	

Line loss for 12 months ended October 31, 2009 is 2.96% based on purchases of 115,671 Mcf and sales of 112,245 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.

**\$7.2513 Per Attached Schedule**

Jefferson Gas, LLC

03/29/10

Expected gas price, May, June and July 2010

Public Gas has asked for an estimate of their gas price for the months of May, June and July 2010.

	Gas price* to Public Gas
May 2010	6.97
June 2010	7.03
July 2010	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 March 25, 2010.

6.970000+  
7.030000+  
7.110000+  
21.110000:++  
  
21.110000+  
3.00=  
7.036667:++  
  
7.036667+  
0.9704=  
7.251306:++

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 January 31, 2010

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Nov 09)</u>	<u>Month 2 (Dec 09)</u>	<u>Month 3 (Jan 10)</u>
Total Supply Volumes Purchased	Mcf	8,715	21,356	23,166
Total Cost of Volumes Purchased	\$	56,386.05	143,085.20	181,853.10
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	8,434	20,585	22,355
= Unit Cost of Gas	\$/Mcf	6.6856	6.9509	8.1348
- EGC in effect for month	\$/Mcf	8.4106	8.4106	8.4106
= Difference [(over-)/Under-Recovery]	\$/Mcf	(1.7250)	(1.4597)	(.2758)
x Actual sales during month	Mcf	8,434	20,585	22,355
= Monthly cost difference	\$	(14,548.65)	(30,047.92)	(6,165.51)
Total cost difference (Month 1 + Month 2 + Month 3)	<u>Unit</u> \$			<u>Amount</u> (50,762.08)
÷ Sales for 12 months ended <u>October 31, 2009</u>	Mcf			<u>112,245</u>
Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf			<u>(.4522)</u>

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 <b>Less:</b> 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. <b>Equals:</b> 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. <b>Less:</b> 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. <b>Equals:</b> 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 <b>Less:</b> 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. <b>Equals:</b> 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  
 \_\_\_\_\_ 1  
 PSC KY NO. \_\_\_\_\_  
 53rd Revised \_\_\_\_\_ SHEET NO. \_\_\_\_\_ 1  
 \_\_\_\_\_ 1  
 CANCELLING PSC KY NO. \_\_\_\_\_  
 52nd Revised \_\_\_\_\_ SHEET NO. \_\_\_\_\_ 1

Public Gas Company  
 \_\_\_\_\_  
 (NAME OF UTILITY)

Applies to: All Customers

Rate, Monthly:

			Base Rate	Gas Cost	Rate per Unit (Mcf)
First	0 to 1 Mcf	Minimum Bill	3.2705	6.6633	9.9338
All Over	1 Mcf		2.1505	6.6633	8.8138

DATE OF ISSUE March 30, 2010  
 \_\_\_\_\_  
 DATE EFFECTIVE May 1, 2010  
 \_\_\_\_\_  
 ISSUED BY Bert R. Layne  
 \_\_\_\_\_  
 TITLE Treasurer  
 \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
 IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_