



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

4445 EAST PIKE

ZANESVILLE, OH 43701

OFFICE 740 454-6198

FAX 740 454-7780

March 30, 2010

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

2010-00144

**RECEIVED**  
APR 02 2010  
PUBLIC SERVICE  
COMMISSION

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 May 1, 2010. 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

GASCO DISTRIBUTION SYSTEMS, INC.

QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

**RECEIVED**

APR 02 2010

PUBLIC SERVICE  
COMMISSION

Date Filed:

March 30, 2010

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Date Rates to be Effective:

May 1, 2010

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Reporting Period is Period Ended:

January 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	8.4616
+ Refund Adjustment (RA)	\$/Mcf	-
+ Actual Adjustment (AA)	\$/Mcf	1.3721
+ Balance Adjustment (BA)	\$/Mcf	(0.5750)
= Gas Cost Recovery Rate (GCR)	\$/Mcf	<u>9.2587</u>

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)	\$	139,870
	+ Sales for the 12 months ended January 31, 2010	Mcf	16,530
	= Expected Gas Cost (EGC)	\$/Mcf	<u>8.4616</u>
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	0.5898
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	1.8275
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	-0.5982
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	-0.4470
	+/- Other cost adjustments	\$/Mcf	0
	= Actual Adjustment (AA)	\$/Mcf	<u>1.3721</u>
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	(0.1302)
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	(0.3774)
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(0.0674)
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	-
	= Balance Adjustment (BA)	\$/Mcf	<u>(0.5750)</u>

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.	Feb-10	6,631	1.035	6,407	5.5469	35,538.99
The Titan Energy Group, Inc.	Mar-10	3,556	1.035	3,436	5.5469	19,059.15
The Titan Energy Group, Inc.	Apr-10	1,630	1.035	1,575	5.5469	8,736.37
The Titan Energy Group, Inc.	May-10	985	1.035	952	5.5469	5,280.65
The Titan Energy Group, Inc.	Jun-10	704	1.035	680	5.5469	3,771.89
The Titan Energy Group, Inc.	Jul-10	751	1.035	726	5.5469	4,027.05
The Titan Energy Group, Inc.	Aug-10	692	1.035	669	5.5469	3,710.88
The Titan Energy Group, Inc.	Sep-10	775	1.035	749	5.5469	4,154.63
The Titan Energy Group, Inc.	Oct-10	1,383	1.035	1,336	5.5469	7,410.66
The Titan Energy Group, Inc.	Nov-10	1,786	1.035	1,726	5.5469	9,573.95
The Titan Energy Group, Inc.	Dec-10	5,759	1.035	5,564	5.5469	30,862.95
The Titan Energy Group, Inc.	Jan-11	6,024	1.035	5,820	5.5469	32,282.96
Sub-total		17,107		16,530		\$91,690.26

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

\$139,870.26

Line loss for the 12 months ended is \_\_\_\_\_ or 0.00% based on purchases of 16,530 Mcf and sales of 16,530 Mcf.

	Unit	Amount
Total Expected Cost of Purchase (6) (See attached schedule)	\$	\$139,870.26
/ MCF Purchases (4)	Mcf	16,530
= Average Expected Cost Per Mcf Purchased	\$/Mcf	8.4616
x Allowable Mcf purchases (must not exceed Mcf Sales / .95)	Mcf	17,400
= Total Expected Gas Cost (to Schedule IA.)	\$	147,231.85

\* 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 January 31, 2010

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	-0-
+ Interest	\$	-0-
<hr/>		<hr/>
= Refund Adjustment including interest	\$	-0-
/ sales for 12 months ended January 31, 2010	Mcf	16,530
<hr/>		<hr/>
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	-0-

SCHEDULE IV  
ACTUAL ADJUSTMENT

For the 3 month period ended January 31, 2010

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>Nov-09</u>	Month 2 <u>Dec-09</u>	Month 3 <u>Jan-10</u>
Total Supply Volume Purchased	Mcf	1,726	5,564	5,820
Total Cost of Volume Purchased	\$	\$ 23,890.37	\$ 41,883.77	\$ 63,563.07
/ Total Sales (may not be less than 95% of supply volumes)	Mcf	1,726	5,564	5,820
<hr/> = Unit Cost of Gas	\$/Mcf	<hr/> 13.8415	<hr/> 7.5276	<hr/> 10.9215
- EGC in effect for month	\$/Mcf	<hr/> 6.9871	<hr/> 6.9871	<hr/> 6.9871
= Difference [ (Over-)/ Under-Recovery]	\$/Mcf	<hr/> 6.8544	<hr/> 0.5405	<hr/> 3.9344
x Actual Sales During Period	Mcf	<hr/> 952	<hr/> 680	<hr/> 726
= Monthly cost difference	\$	<hr/> \$ 6,525.36	<hr/> \$ 367.56	<hr/> \$ 2,856.37
Total cost difference (Month 1 + Month 2 + Month 3)			\$	9,749.29
/ Sales for 12 months ended January 31, 2010.			Mcf	<hr/> 16,530
<hr/> = Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	0.5898

SCHEDULE V  
BALANCE ADJUSTMENT

For the 3 month period end January 31, 2010

<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.	\$	44,700.97
Less: Dollar amount resulting from the BA of 1.7136 \$/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 27,342 Mcf during the 12-month period the BA was in effect.	\$	
Equals: Balance Adjustment for the BA.	\$	46,853.25 <u>-2,152.28</u>
Total Balance Adjustment Amount (1) + (2) + (3)	\$	
/ Sales for 12 months ended <u>January 31, 2010.</u>	Mcf	16,530
<hr/> = Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	<hr/> -0.1302

Gasco Distribution Systems, Inc.  
 Albany, KY Division  
 Energy Adjustment Surcharge

Surcharge Amount \$4.9284  
 Total Allowed \$275,635.97

	Unbilled Surcharge Volumes	Surcharge Volumes	Surcharge Dollars	Surcharge Final Bills	Monthly Total	Cumulative Total	Remaining Balance
August, 2008	29	654	3,218.26	4.93	3,223.19	3,223.19	\$272,412.78
September, 2008	17	834	4,110.29	0.00	4,110.29	7,333.48	\$268,302.49
October, 2008	57	1072	5,283.27	0.00	5,283.27	12,616.75	\$263,019.22
November, 2008	743	2969	14,632.49	0.00	14,632.49	27,249.24	\$248,386.73
December, 2008	137	3304	16,283.43	0.00	16,283.43	43,532.67	\$232,103.30
January, 2009	1128	4493	22,138.38	4.93	22,143.31	65,675.98	\$209,959.99
February, 2009	32	4413	21,719.55	29.57	21,749.12	87,425.10	\$188,210.87
March, 2009	21	3414	16,736.89	88.72	16,825.61	104,250.71	\$171,385.26
April, 2009	14	1575	7,668.71	24.64	7,693.35	111,944.06	\$163,691.91
May, 2009	3	952	4,667.30	9.86	4,677.16	116,621.22	\$159,014.75
June, 2009	1	679	3,346.43	0.00	3,346.43	119,967.65	\$155,668.32
July, 2009	4	722	3,558.35	0.00	3,558.35	123,526.00	\$152,109.97
August, 2009	3	666	3,282.36	0.00	3,282.36	126,808.36	\$148,827.61
September, 2009	2	767	3,780.11	0.00	3,780.11	130,588.47	\$145,047.50
October, 2009	4	1332	6,564.81	0.00	6,564.81	137,153.28	\$138,482.69
November, 2009	6	1720	8,476.97	4.93	8,481.90	145,635.18	\$130,000.79
December, 2009	13	5551	27,298.46	59.14	27,357.60	172,992.78	\$102,643.19
January, 2010	14	5806	28,614.36	0.00	28,614.36	201,607.14	\$74,028.83
Total To Date	2,228	40,923	201,380.42	226.72	201,607.14		



3/30/2010

**GASCO DISTRIBUTION SYSTEMS INC. - ALBANY DIVISION**  
**GAS COST ESTIMATE MAY 2010 - JULY 2010**

CHARGE TYPE		May 2010	June 2010	July 2010										ANNUAL
														TOTAL
NYMEX		\$3.9300	\$4.0170	\$4.1270										
TGP La. (ZONE 1)+.40/MMBTU		\$0.4000	\$0.4000	\$0.4000										
<b>TOTAL</b>		\$4.3300	\$4.4170	\$4.5270	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
TITAN RETAINAGE	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	
LESS TITAN RETAINAGE		\$4.6559	\$4.7495	\$4.8677	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	
TITAN TRANS FEE	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	
ETNG TRANS FEE	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.0027	
<b>TOTAL</b>		\$5.2586	\$5.3522	\$5.4704	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	\$0.6027	
VOLUME ESTIMATE(DTH)		985	704	751	0	0	0	0	0	0	0	0	0	2,440
TOTAL (S) GAS		\$5,179.73	\$3,767.92	\$4,108.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,056
LOCAL PROD. VOL. (DTH)														0
LOCAL PROD. VOL. (MCF)														\$0
LOCAL PROD. BTU														\$0
LOCAL PROD. COSTS EST.														
LOCAL PROD. TOTAL COSTS \$														0
VOLUME ESTIMATE(MCF)		952	680	726	0	0	0	0	0	0	0	0	0	2,358
BTU CONVERSION	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	
AVERAGE RATE (MCF)		\$5.4409	\$5.5411	\$5.6588	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

May 2010 - July 2010  
**\$5.5469 per Mcf**

# NYMEX Natural Gas Futures

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Month	Price	Change	Low	High
May 10	3.9300	0.0140	3.8470	3.9600
Jun 10	4.0170	0.0160	3.9340	4.0470
Jul 10	4.1270	0.0260	4.0350	4.1480
Aug 10	4.1910	0.0170	4.1190	4.2150
Sep 10	4.2510	0.0390	4.1450	4.2530
Oct 10	4.3450	0.0230	4.2660	4.3650
Nov 10	4.7270	0.0430	4.6470	4.7420
Dec 10	5.1570	0.0530	5.0680	5.1730
Jan 11	5.3730	0.0510	5.2860	5.3900
Feb 11	5.3410	0.0500	5.2560	5.3550
Mar 11	5.2350	0.0570	5.1470	5.2440
Apr 11	5.0110	0.0530	4.9380	5.0210

Average	Price	Change
3 Month Avg	4.0247	0.0187
6 Month Avg	4.1435	0.0225
12 Month Avg	4.6421	0.0368
24 Month Avg	5.0438	0.0350
36 Month Avg	5.2802	0.0214
Prompt Summer (May10-Oct10)	4.1435	0.0225
Peak Avg (Nov10-Mar11)	5.1666	0.0508
Off-Pk Avg (Apr11-Oct11)	5.1216	0.0496

[ Legal Disclaimer ]



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