

JOHNSON COUNTY GAS COMPANY

P.O. Box 447

Betsy Layne, Kentucky 41605

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RECEIVED

MAR 13 2012

PUBLIC SERVICE
COMMISSION

March 8, 2012

Mr. Jeffrey Derouen
Executive Director, Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen,

Please find the enclosed one original and ten copies of Johnson County Gas Company's proposed Gas Cost Recovery Rate (GCR) for 2011.

We are with Kentucky West about doing transportation. Brian Caperton said we could pay it back to them. That means the debt would come to Hall, Stephens, and Hall. The rate will be \$6.00 per MCF. This rate is what Prestonsburg City Utilities uses and this rate will also be what the Bradco Contract will be.

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

Sincerely,



Bud Rife

Johnson County Gas Company

Of

Betsy Layne, Kentucky 41605

Rates, Rules and Regulations for Furnishing Gas

At

Meally, Van Lear, East Point and Hager Hill

Filed with Public Service Commission of Kentucky

Issued March 8, 2012

Effective **April 1, 2012**

Issued By: Johnson County Gas Company

A handwritten signature in black ink, appearing to read "Bud Rife", with a long horizontal line extending to the right.

By: Bud Rife
President/Manager

Van Lear, Hager Hill
East Point, and Meally

P.S.C. No. 2012-
Cancelling P.S.C. No. 2011-00011

Johnson County Gas Company

CLASSIFICATION OF SERVICE

Proposed Rates:

Residential

	Base Rate	Gas Cost Recovery	Total Rate
First Mcf (minimum bill)	\$6.9542	\$6.4180	\$13.3722
All over 1 Mcf	\$5.9542	\$6.4180	\$12.3722

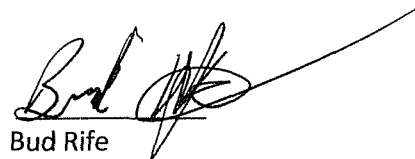
Commercial

All Mcf	\$6.3042	\$6.4180	\$12.7222
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Date of Issue: March 8, 2012

Date Effective: April 1, 2012

ISSUED BY:



Bud Rife
President/ Manager

Issued by authority of an Order of the Public Service Commission

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$6.7674
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$0.3494)
Balance Adjustment (BA)	\$/Mcf	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$6.4180

Rates to be effective for service rendered from April 1, 2012

A. EXPECTED GAS COST CALCULATION	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$105,009.50
/Sales for the 12 months ended	\$/Mcf	15,517.00
Expected Gas Cost	\$/Mcf	\$6.7674

B. REFUND ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch III)	\$/Mcf	\$0.0000
+Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
=Refund Adjustment (RA)	\$ Mcf	\$0.0000

C. ACTUAL ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Sch IV)	\$/Mcf	(\$0.3494)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
=Actual Adjustment (AA)	\$ Mcf	(\$0.3494)

D. BALANCE ADJUSTMENT CALCULATION	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0000
+Previous Quarter Reported Balance Adjustment	\$/Mcf	
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
=Balance Adjustment (BA)	\$ Mcf	\$0.0000

SCHEDULE II
 EXPECTED GAS COST

Actual Mcf Purchases for 12 months ended December 31, 2011

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Bradco			4,103	\$8.50	\$34,875.50
EQT			2,200	\$6.7500	\$14,850.00
NiSource			9,214.00	\$6.0000	\$55,284.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
Totals			15,517		\$105,009.50

Line loss for 12 months ended 12/31/2011 is based on purchases of 15,517.00 and sales of 15,517.00 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$105,009.50
/ Mcf Purchases (4)		15,517
= Average Expected Cost Per Mcf Purchased		\$6.7674
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		15,517.00
= Total Expected Gas Cost (to Schedule IA)		\$105,009.50

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Description	Unit	Amount
Supplier Refunds Received during 2 Month Period	\$	
Interest Factor (90 Day Commercial Paper Rate)		
Refunds Including Interest	\$	\$0.00
Divided by 12 Month Projected Sales Ended	Mcf	15,517.00
<u>Current Supplier Refund Adjustment</u>		<u>0</u>

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 12 month period ended **December 31, 2011**

Particulars	Unit	Dec-11	Nov-11	Oct-11	Sep-11	Aug-11	Jul-11
Total Supply Volumes Purchased	Mcf	2725	1634	349	277	295	244
Total Cost of Volumes Purchased	\$	\$15,096.44	\$10,974.00	\$7,568.50	\$1,922.00	\$2,137.50	\$1,809.00
/ Total Sales*	Mcf	3,993.0	1,552.3	331.0	405.0	785.1	731.8
= Unit Cost of Gas	\$/Mcf	\$4,201.6	\$7,069.6	\$22,827.6	\$4,805.0	\$7,627.1	\$7,804.1
- EGC in Effect for Month	\$/Mcf	\$8,689.9	\$8,689.9	\$8,689.9	\$8,689.9	\$8,689.9	\$8,689.9
= Difference	\$/Mcf	(\$2,488.3)	\$0,379.6	\$16,137.7	(\$1,884.9)	\$0,937.2	\$1,114.2
x Actual Sales during Month	Mcf	3,593.0	901.0	224.0	400.0	145.0	162.0
= Monthly Cost Difference	\$	(\$8,940.37)	\$342.03	\$3,614.85	(\$753.96)	\$135.90	\$180.51
Total Cost Difference		(\$5,421.05)					
/ Sales for 12 months ended		15,517.0					
= Actual Adjustment for the Reporting Period (to Sch IC)		-0.349361626					

* May not be less than 95% of supply volume

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended December 31, 2011

Particulars	Unit	Dec-11	Nov-11	Oct-11	Sep-11	Aug-11	Jul-11
Total Supply Volumes Purchased	Mcf	2735	1634	349	277	295	244
Total Cost of Volumes Purchased	\$	\$15,096.44	\$10,974.00	\$7,568.50	\$1,822.00	\$2,137.50	\$1,808.00
= Total Sales *	Mcf	3,593.0	1,552.3	331.6	400.0	280.3	231.8
= Unit Cost of Gas	\$/Mcf	\$4.2016	\$7.0695	\$22.8276	\$4.8050	\$7.6271	\$7.8041
- EGC in Effect for Month	\$/Mcf	\$6.6899	\$6.6899	\$6.6899	\$6.6899	\$6.6899	\$6.6899
= Difference	\$/Mcf	(\$2.4883)	\$0.3796	\$16.1377	(\$1.8849)	\$0.9372	\$1.1142
x Actual Sales during Month	Mcf	3,593.0	901.0	224.0	400.0	145.0	162.0
= Monthly Cost Difference	\$	(\$8,940.37)	\$342.03	\$3,614.85	(\$753.96)	\$135.90	\$180.51
Total Cost Difference							
/ Sales for 12 months ended		(\$5,421.05)					
= Actual Adjustment for the Reporting Period (to Sch IC)		15,517.0					
		-0.349361826					

* May not be less than 95% of supply volume

Case No.

<u>Effective Date</u>	<u>Mcf Sales</u>	<u>Factor</u>	<u>Refunded</u>	<u>Balance</u>
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
			\$0.00	\$0

Under/(Over) Recovery \$0
Mcf Sales for factor 15,517
BA Factor \$0.0000

Schedule V

BALANCE ADJUSTMENT

For the 3 month period ended:

<u>Particulars</u>	<u>Amount</u>
(1) Total cost difference used to compute AA of the GCR effective 4 quarters prior to the effective date of the currently effective GCR	<u>\$0</u>
Less: Dollar amount resulting from the AA of per Mcf as used to compute the GCR in effect 4 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	<u>\$0.0000</u> <u>\$0</u>
Equals: Balance Adjustment of the AA	<u>\$0</u>
(2) Total supplier refund adjustment including interest used to compute RA of the GCR effective 4 quarters prior to the effective date of the currently effective GCR	<u>\$0</u>
Less: Dollar amount resulting from the RA of per Mcf as used to compute the GCR in effect 4 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	<u>\$0.0000</u> <u>15517</u> <u>\$0</u>
Equals: Balance Adjustment of the RA	<u>\$0</u>
(3) Total balance adjustment used to compute BA of the GCR effective 4 quarters prior to the effective date of the currently effective GCR	<u>\$0</u>
Less: Dollar amount resulting from the BA of per Mcf as used to compute the GCR in effect 4 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	<u>\$0.0000</u> <u>15517</u> <u>\$0</u>
Equals: Balance Adjustment of the BA	<u>\$0</u>
Total Balance Adjustment Amount (1) + (2) + (3)	<u>\$0</u>
Divide: Mcf Sales for 12 months ended	<u>12/31/2011</u> <u>15517</u>
Equals: Balance Adjustment for the reporting period (to Schedule I, part D)	<u>0</u>