

JOHNSON COUNTY GAS COMPANY

**P.O. Box 447
Betsy Layne, Kentucky 41605
Phone (606)789-5481
Fax(606)478-5266
Email: budri@mikrotec.com**

May 31, 2012

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

RECEIVED

JUN -4 2012

PUBLIC SERVICE
COMMISSION

Dear Mr. Derouen,

Please find the enclosed one original and ten copy of Johnson County Gas Company's proposed Gas Cost Recovery Rate (GCR) for 2012.

Johnson County Gas is in the process of negotiating contracts.

This includes the new revised rates. If you have any question please contact me.

Sincerely,



Bud Rife

P.S.C. Ky. No. 2012-00094
Cancels P.S.C. Ky. No. 1999-00155

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 April 13, 2012

Effective **April 13, 2012**

Issued By: Johnson County Gas Company



By: Bud Rife
President/Manager

Van Lear, Hager Hill
East Point, and Meally

P.S.C. No. 2012-00094
Cancelling P.S.C. No. 1999-000155

Johnson County Gas Company

CLASSIFICATION OF SERVICE

Proposed Rates:

Residential

	Base Rate	Gas Cost Recovery	Total Rate
Minimum Bill 0-1 Mcf	\$6.9542	\$4.8489	\$11.8031
All additional Mcf	\$5.9542	\$4.8489	\$10.8031

Commercial

Monthly

All Mcf	\$6.3042	\$4.8489	\$11.1531
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Date of Issue: April 13, 2012

Date Effective: April 31, 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	\$4.1680
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$0.5050)
Balance Adjustment (BA)	\$/Mcf	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$3.6630

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

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$75,423.86
/Sales for the 12 months ended	\$/Mcf	18,096.00
Expected Gas Cost	\$/Mcf	\$4.1680
<u>B. REFUND ADJUSTMENT CALCULATION</u>	<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
<u>C. ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Sch IV)	\$/Mcf	(\$0.2084)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.2966)
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
=Actual Adjustment (AA)	\$ Mcf	(\$0.5050)
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<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 March 31, 2012

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Bradco			4,781	\$8.50	\$40,638.50
EQT			2,348	\$6.7500	\$15,849.00
NiSource			4,574	\$4.1400	\$18,936.36
					\$0.00
					\$0.00
					\$0.00
					\$0.00
Totals			11,703		\$75,423.86

Line loss for 12 months ended 3/31/2012 is based on purchases of 11,703.00
and sales of 18,096.00 Mcf. -54.63%

	18096	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)			\$75,423.86
/ Mcf Purchases (4)			11,703
= Average Expected Cost Per Mcf Purchased			\$6.4448
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)			11,703.00
= Total Expected Gas Cost (to Schedule IA)			\$75,423.86

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT

Description	Unit	Amount
Supplier Refunds Received durir	\$	
Interest Factor (90 Day Commercial Paper Rate)		
Refunds Including Interest	\$	\$0.00
Divided by 12 Month Projected S	Mcf	18,096.00
<u>Current Supplier Refund Adjustment</u>		<u>0</u>

Jan-12	Dec-11	Nov-11	Oct-11
2981	3,593.0	901.0	224.0

For the 3 month period ended March 31, 2012

Schedule N
Actual Adjustment

Particulars	Unit	Mar-12	Feb-12	Jan-12
Total Supply Volumes Purchased	Mcf	3047	1509	1381
Total Cost of Volumes Purchased	\$	\$17,607.75	\$19,239.75	\$6,030.75
<u>Total Sales*</u>	Mcf	2,894.7	3,346.0	2,881.0
= Unit Cost of Gas	\$/Mcf	\$6.0829	\$5.7501	\$2.0231
= EGC in Effect for Month	\$/Mcf	\$4.9945	\$4.9945	\$4.9945
= Difference		\$1.0883	\$0.7555	(\$2.9715)
<u>Actual Sales during Month</u>	Mcf	2,352.0	3,345.0	2,881.0
<u>Monthly Cost Difference</u>	\$	\$2,559.59	\$2,527.82	(\$6,855.15)

Total Cost Difference (\$3,770.75)
 / Sales for 12 months ended 18,096.0
 = Actual Adjustment for the Reporting Period (to Sch IC) -\$0.2084

* May not be less than 95% of supply volume

For the 3 month period ended

March 31, 2012

Schedule IV
Actual Adjustment

Particulars	Unit			
	Mar-12	Feb-12	Jan-12	
Total Supply Volumes Purchased	3047	1509	1381	
Total Cost of Volumes Purchased	\$ 17,607.75	\$19,239.75	\$6,030.75	
/ Total Sales *	2,894.7	3,346.0	2,981.0	
= Unit Cost of Gas	\$/Mcf \$6,0829	\$/Mcf \$5,7501	\$/Mcf \$2,0231	
= EGC in Effect for Month	\$/Mcf \$4,9946	\$/Mcf \$4,9946	\$/Mcf \$4,9946	
= Difference	\$1,0883	\$0,7555	(\$2,9716)	
x Actual Sales during Month	2,352.0	3,346.0	2,981.0	
= Monthly Cost Difference	\$ 2,559.59	\$2,527.82	(\$8,958.15)	

Total Cost Difference

/ Sales for 12 months ended (\$3,770.75)

= Actual Adjustment for the Reporting Period (to Sch IC) 18,096.0

- \$0,2084

* May not be less than 95% of supply volume

Case No.

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

Under/(Over) Recovery	\$0
Mcf Sales for factor	18,096
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>\$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>\$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>0</u>
Equals: Balance Adjustment for the reporting period (to Schedule I, part D)	<u>#DIV/0!</u>