

PIKE COUNTY LIGHT & POWER COMPANY

COMPUTATION OF THE GAS COST RATE

EFFECTIVE: FOR SERVICE RENDERED ON AND AFTER
SEPTEMBER 1, 2006 BILLING

COMPUTATION PERIOD: TWELVE MONTHS ENDING WITH THE AUGUST 2007
CYCLE 20 BILLING

LINE NO.		FOR SERVICE RENDERED	
		BEFORE <u>9/1/06</u>	ON & AFTER <u>9/1/06</u>
1.	GAS COST RATE = ((C - E)/S) -B		
2.	C = PROJECTED COST OF GAS (SCHEDULE 2)	\$1,826,558	\$1,620,088
3.	S = PROJECTED SALES (MCF) (SCHEDULE 2)	142,100	143,300
4.	C/S	\$12.8540	\$11.3056
5.	SALES FOR USE IN CALCULATING THE "E" FACTOR (MCF)	141,100	143,300
6.	E = EXPERIENCED NET OVER/(UNDER) COLLECTION (SCHEDULE 6)	\$15,988	\$5,578
7.	E/S	\$0.1133	\$0.0389
8.	(C - E) / S	\$12.7407	\$11.2667
9.	B = BASE COST OF GAS PER MCF (SCHEDULE 12)	\$7.4666	\$10.2991
10.	((C - E) / S) - B	\$5.2741	\$0.9676
11.	GAS COST RATE (CENTS/CCF)	<u>52.7410</u>	<u>9.6760</u>