

**PIKE COUNTY LIGHT & POWER COMPANY**

COMPUTATION OF THE GAS COST RATE

EFFECTIVE: FOR SERVICE RENDERED ON AND AFTER  
SEPTEMBER 1, 2007 BILLING

COMPUTATION PERIOD: TWELVE MONTHS ENDING WITH THE AUGUST 2008  
CYCLE 20 BILLING

LINE NO.		FOR SERVICE RENDERED	
		BEFORE <u>9/1/07</u>	ON & AFTER <u>9/1/07</u>
1.	GAS COST RATE = ((C - E)/S) - B		
2.	C = PROJECTED COST OF GAS (SCHEDULE 2)	\$1,620,088	\$1,779,487
3.	S = PROJECTED SALES (MCF) (SCHEDULE 2)	143,300	143,500
4.	C/S	\$11.3056	\$12.4006
5.	SALES FOR USE IN CALCULATING THE "E" FACTOR (MCF)	143,300	143,500
6.	E = EXPERIENCED NET OVER/(UNDER) COLLECTION (SCHEDULE 6)	\$5,578	\$319,880
7.	E/S	\$0.0389	\$2.2291
8.	(C - E) / S	\$11.2667	\$10.1715
9.	B = BASE COST OF GAS PER MCF (SCHEDULE 12)	\$10.2991	\$10.2991
10.	((C - E) / S) - B	\$0.9676	(\$0.1276)
11.	GAS COST RATE (CENTS/CCF)	<u>9.6760</u>	<u>(1.2760)</u>