

**PIKE COUNTY LIGHT & POWER COMPANY**

COMPUTATION OF THE GAS COST RATE

EFFECTIVE: FOR SERVICE RENDERED ON AND AFTER  
SEPTEMBER 1, 2009 BILLING

COMPUTATION PERIOD: TWELVE MONTHS ENDING WITH THE AUGUST 2010  
CYCLE 20 BILLING

LINE NO.		FOR SERVICE RENDERED	
		BEFORE <u>9/1/09</u>	ON & AFTER <u>9/1/09</u>
1.	GAS COST RATE = ((C - E)/S) - B		
2.	C = PROJECTED COST OF GAS (SCHEDULE 2)	\$1,801,873	\$1,204,713
3.	S = PROJECTED SALES (MCF) (SCHEDULE 2)	137,700	139,225
4.	C/S	\$13.0855	\$8.6530
5.	SALES FOR USE IN CALCULATING THE "E" FACTOR (MCF)	137,700	139,225
6.	E = EXPERIENCED NET OVER/(UNDER) COLLECTION (SCHEDULE 6)	\$362,217	\$475,530
7.	E/S	\$2.6305	\$3.4156
8.	(C - E) / S	\$10.4550	\$5.2374
9.	B = BASE COST OF GAS PER MCF (SCHEDULE 12)	\$10.2991	\$8.9343
10.	((C - E) / S) - B	\$0.1559	(\$3.6969)
11.	GAS COST RATE (CENTS/CCF)	<u>1.5590</u>	<u>(36.9690)</u>