

**PIKE COUNTY LIGHT & POWER COMPANY**

COMPUTATION OF THE GAS COST RATE

EFFECTIVE: FOR SERVICE RENDERED ON AND AFTER  
SEPTEMBER 1, 2002 BILLING

COMPUTATION PERIOD: TWELVE MONTHS ENDING WITH THE AUGUST 2003  
CYCLE 20 BILLING

LINE NO.		FOR SERVICE RENDERED	
		BEFORE <u>9/1/02</u>	ON & AFTER <u>9/1/02</u>
1.	GAS COST RATE = ((C - E)/S) -B		
2.	C = PROJECTED COST OF GAS (SCHEDULE 2)	\$804,980	\$694,818
3.	S = PROJECTED SALES (MCF) (SCHEDULE 2)	132,006	124,300
4.	C/S	\$6.0981	\$5.5898
5.	SALES FOR USE IN CALCULATING THE "E" FACTOR (MCF)	132,006	124,300
6.	E = EXPERIENCED NET OVER/(UNDER) COLLECTION (SCHEDULE 6)	(\$176,092)	\$93,379
7.	E/S	(\$1.3340)	\$0.7512
8.	(C - E) / S	\$7.4321	\$4.8386
9.	B = BASE COST OF GAS PER MCF (SCHEDULE 12)	\$5.6132	\$5.6132
10.	((C - E) / S) - B	\$1.8189	(\$0.7746)
11.	GAS COST RATE (CENTS/CCF)	<u>18.1890</u>	<u>(7.7460)</u>