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December 27, 2004

PUCO

Docketing Division, 13<sup>th</sup> Floor  
 The Public Utilities Commission of Ohio  
 180 East Broad Street  
 Columbus, Ohio 43266-0573

Re: In the Matter of the Gas Cost Recovery Filings of Gas Distribution  
 Companies for the First Quarter of 2005  
 Case No. 05-217-GA-GCR

Dear Docketing Clerk:

Enclosed are fourteen (14) copies of The Waterville Gas & Oil Company's Gas Cost Recovery (GCR) Report, as required by Section 4901:1-14, O.A.C. for the quarter commencing February 1, 2005 in accordance with PUCO Order dated August 6, 2004 in Case No. 04-1225-GA-GCR.

Waterville Gas & Oil Company's GCR rate effective February 1, 2005 is \$8.4835 per MCF, which represents an increase of \$1.3936 per MCF from the current GCR rate in effect for the current quarter.

Please date stamp and return the extra copy for our file. Thank you.

Very truly yours,

Robert S. Black  
 President  
 WATERVILLE GAS & OIL CO.

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business technician Date Processed 12-28-04

RSB/bjb

Enclosure

11 North River Road  
 Post Office Box 259  
 Waterville, Ohio 43566  
 (419) 878-4972

THE WATERVILLE GAS & OIL COMPANY

PURCHASED GAS ADJUSTMENT

Gas Cost Recovery Rate Calculation

Particulars	Unit	Amount
Expected Gas Cost (EGC)	\$/Mcf	9.6211
Supplier Refund and Reconciliation Adjustment (RA)	\$/Mcf	0.0000
Actual Adjustment (AA)	\$/Mcf	(1.1376)
<b>Gas Cost Recovery Rate (GCR) = EGC + RA + AA + BA</b>	\$/Mcf	<b>8.4835</b>

**GAS COST RECOVERY RATE EFFECTIVE DATES:      02/01/05 to 05/01/05**

Expected Gas Cost Summary Calculation - Schedule 1

Particulars	Unit	Amount
Primary Gas Suppliers Expected Gas Cost	\$	4,978,633.48
Other Gas Cost	\$	0.00
Total Annual Expected Gas Cost	\$	4,978,633.48
Total Annual Sales	Mcf	517,469
Expected Gas Cost (EGC) Rate	\$/Mcf	9.6211

Supplier Refund and Reconciliation Adjustment Summary Calculation - Schedule 2

Particulars	Unit	Amount
Current Quarter Supplier Refund & Reconciliation Adjustment	\$/Mcf	0.0000
Previous Quarter Supplier Refund & Reconciliation Adjustment	\$/Mcf	0.0000
Second Previous Quarter Supplier Refund & Reconciliation Adjustment	\$/Mcf	0.0000
Third Previous Quarter Supplier Refund & Reconciliation Adjustment	\$/Mcf	0.0000
Supplier Refund & Reconciliation Adjustment (RA)	\$/Mcf	0.0000

Actual Adjustment Summary Calculation - Schedule 3

Particulars	Unit	Amount
Current Quarter Actual Adjustment	\$/Mcf	(0.0732)
Previous Quarter Actual Adjustment	\$/Mcf	(0.0533)
Second Previous Quarter Actual Adjustment	\$/Mcf	(0.9125)
Third Previous Quarter Actual Adjustment	\$/Mcf	(0.0986)
Actual Adjustment (AA)	\$/Mcf	(1.1376)

**THE WATERVILLE GAS & OIL COMPANY**  
**PURCHASED GAS ADJUSTMENT**  
**Expected Gas Cost Rate Calculation**

Details for the EGC Rate in Effect as of 02/01/05  
 and the Volume for the Twelve Month Period Ended 10/31/04

Supplier Name	Expected Gas Cost Amount (\$)			
	Demand	Commodity	Miscellaneous	Total
Primary Gas Suppliers (A) Interstate Pipeline Suppliers (Schedule 1-A) <u>Columbia Gas Transmission Corp.</u> _____ _____		4,978,633.48		4,978,633.48
(B) Synthetic (Schedule 1-A) _____ _____				
(C) Special Purchases (Schedule 1-B) _____ _____				
<b>Total Gas Suppliers</b>				<b>4,978,633.48</b>
<b>Total Expected Gas Cost Amount</b>				<b>4,978,633.48</b>

**THE WATERVILLE GAS & OIL COMPANY**  
**PURCHASED GAS ADJUSTMENT**  
**Primary Gas Supplier/Transporter**

Details for the EGC Rate in Effect as of 02/01/05  
and the Volume for the Twelve Month Period Ended 10/31/04

Supplier/Transporter Name Columbia Gas Transmission Corporation

Tariff Sheet Reference \_\_\_\_\_

Effective Date of Tariff \_\_\_\_\_ Rate Schedule Number \_\_\_\_\_

Type Gas Purchased     Natural     Liquefied     Synthetic  
Unit or Volume Type     Mcf     Dth     Other  
Purchase Source         Interstate     Intrastate

Particulars	Unit Rate (\$ per)	Twelve Month Volume	Expected Gas Cost Amount (\$)
<b><u>Demand</u></b>			
Contract Demand			
Other Demand			
<b>Total Demand</b>			
<b><u>Commodity</u></b>			
Commodity	* 9.61	518,068	4,978,633.48
Other Commodity			
<b>Total Commodity</b>			
<b><u>Miscellaneous</u></b>			
Transportation			
Other Miscellaneous			
<b>Total Miscellaneous</b>			
<b>Total Expected Gas Cost of Primary Supplier/Transporter</b>			<b>4,978,633.48</b>

\* Denotes New Unit Rate

THE WATERVILLE GAS & OIL COMPANY  
PURCHASED GAS ADJUSTMENT  
Supplier Refund and Reconciliation Adjustment

Details for the Three Months Ended 10/31/04

Particulars	Unit	Amount
Jurisdictional Sales: Twelve Months Ended <u>10/31/04</u>	Mcf	
Total Sales: Twelve Months Ended <u>10/31/04</u>	Mcf	
Ratio of Jurisdictional Sales to Total Sales	Ratio	0.00
Supplier Refunds Received During Three Month Period	\$	0.00
Jurisdictional Share of Supplier Refunds Received	\$	0.00
Reconciliation Adjustments Ordered During Quarter	\$	0.00
Total Jurisdictional Refund & Reconciliation Adjustment	\$	0.00
Interest Factor		1.0550
Refunds & Reconciliation Adjustment Including Interest	\$	0.00
Jurisdictional Sales: Twelve Months Ended <u>10/31/04</u>	Mcf	0
<b>Current Supplier Refund &amp; Reconciliation Adjustment</b>	<b>\$/Mcf</b>	<b>0.0000</b>

Details of Refunds/Adjustments  
Received/Ordered During the Three Month Period Ended 10/31/04

Particulars	Unit	Amount
Supplier Refunds Received During Quarter:		
Total Supplier Refunds	\$	0.00
Reconciliation Adjustments Ordered During Quarter:		
Total Reconciliation Adjustments	\$	0.00

THE WATERVILLE GAS & OIL COMPANY  
PURCHASED GAS ADJUSTMENT  
Actual Adjustment

Details for the Three Month Period Ended 10/31/04

Particulars	Unit	August	September	October
<u>Supply Volume Per Books</u>				
Primary Gas Suppliers	Mcf	11,419	14,826	27,552
Other Volumes:	Mcf			
Total Supply Volumes	Mcf	11,419	14,826	27,552
<u>Supply Cost Per Books</u>				
Primary Gas Suppliers	\$	79,231.77	86,152.18	167,880.85
Other Cost: <u>Balance Adjustment</u>	\$			1,421.81
Total Supply Cost	\$	79,231.77	86,152.18	169,302.66
<u>Sales Volumes</u>				
Jurisdictional	Mcf	5,714	6,932	12,654
Non-Jurisdictional	Mcf	6,231	6,419	11,798
Total Sales Volumes	Mcf	11,945	13,351	24,452
Unit Book Cost of Gas (Supply \$ / Sales Mcf)	\$/Mcf	6.6330	6.4529	6.9239
Less EGC in Effect for Month	\$/Mcf	7.6549	7.6549	7.6549
Difference	\$/Mcf	(1.0219)	(1.2020)	(0.7310)
Times Monthly Jurisdictional Sales	Mcf	5,714	6,932	12,654
Monthly Cost Difference	\$	(5,839.14)	(8,332.26)	(9,250.07)

Particulars	Unit	Months
Cost Difference for the Three Month Period	\$	(23,421.47)
Divided by Normalized 12 Month Sales Ended 10/31/04	Mcf	319,915
<b>Current Quarter Actual Adjustment</b>	\$/Mcf	<b>(0.0732)</b>

THE WATERVILLE GAS & OIL COMPANY  
PURCHASED GAS ADJUSTMENT  
Balance Adjustment

Details for the Three Month Period Ended 10/31/04

Particulars	Unit	Amount
Cost difference between book and effective EGC as used to compute AA of the GCR in effect four quarters prior to the currently effective GCR	\$	(32,801.07)
Less Dollar amount resulting from the AA of <u>(0.1292)</u> \$/Mcf as used to compute the GCR in effect four quarters prior to the currently effective GCR times the jurisdictional sales of <u>264,883</u> Mcf for the period between the effective date of the current GCR rate and the effective date of the GCR rate in effect approximately one year prior to the current rate	\$	(34,222.88)
Balance Adjustment for the AA	\$	1,421.81
Dollar amount of supplier refunds and Commission ordered reconciliation adjustments as used to compute RA of the GCR in effect four quarters prior to the currently effective GCR	\$	0.00
Less Dollar amount resulting from the unit rate for supplier refunds and reconciliation adjustments of <u>0.0000</u> \$/Mcf as used to compute RA of the GCR in effect four quarters prior to the currently effective GCR times the jurisdictional sales of <u>264,883</u> Mcf for the period between the effective date of the current GCR rate and the effective date of the GCR rate in effect approximately one year prior to the current rate	\$	0.00
Balance Adjustment for the RA	\$	0.00
Dollar amount of balance adjustment as used to compute BA of the GCR in effect one quarter prior to the currently effective GCR	\$	0.00
Less Dollar amount resulting from the BA of <u>0.0000</u> \$/Mcf as used to compute the GCR in effect one quarter prior to the currently effective GCR times the jurisdictional sales of <u>25,300</u> Mcf for the period between the effective date of the current GCR rate and the effective date of the GCR rate in effect immediately prior to the current rate	\$	0.00
Balance Adjustment for the BA	\$	0.00
<b>Total Balance Adjustment Amount</b>	<b>** \$</b>	<b>1,421.81</b>

\*\* Transferred to Schedule 3