

**PIKE NATURAL GAS COMPANY - HILLSBORO DIVISION
PURCHASED GAS ADJUSTMENT
GAS COST RECOVERY RATE CALCULATION**

| PARTICULARS | UNIT | AMOUNT |
|--|--------|-------------|
| Expected Gas Cost (EGC) | \$/MCF | \$ 9.5000 |
| Supplier Refund and Reconciliation Adjustment (RA) | \$/MCF | \$ - |
| Actual Adjustment (AA) | \$/MCF | \$ (0.2583) |
| Gas Cost Recovery Rate (GCR) = EGC + RA + AA | \$/MCF | \$ 9.2417 |

Gas Cost Recovery Rate Effective Dates: October 1, 2007 to October 31, 2007.

| EXPECTED GAS COST SUMMARY CALCULATION | | |
|---|--------|--------------|
| PARTICULARS | UNIT | AMOUNT |
| Primary Gas Suppliers Expected Gas Cost | \$ | \$ 4,373,411 |
| Utility Production Expected Gas Cost | \$ | \$ - |
| Includable Propane Expected Gas costs | \$ | \$ - |
| Total Annual Expected Gas Costs | \$ | \$ 4,373,411 |
| Total Annual Sales | MCF | 460,359 |
| Expected Gas Costs (EGC) Rate | \$/MCF | \$ 9.5000 |

| SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION | | |
|---|--------|--------|
| PARTICULARS | UNIT | AMOUNT |
| Current Quarterly Supplier Refund & Reconciliation Adjustment | \$/MCF | \$ - |
| Previous Quarterly Supplier Refund & Reconciliation Adjustment | \$/MCF | \$ - |
| Second Previous Quarter Supplier Refund & Reconciliation Adjustment | \$/MCF | \$ - |
| Third Previous Quarter Supplier Refund & Reconciliation Adjustment | \$/MCF | \$ - |
| Supplier Refund & Reconciliation Adjustment (RA) | \$/MCF | \$ - |

| ACTUAL ADJUSTMENT SUMMARY CALCULATION | | |
|--|--------|-------------|
| PARTICULARS | UNIT | AMOUNT |
| Current Quarterly Actual Adjustment | \$/MCF | \$ (0.2132) |
| Previous Quarterly Reported Actual Adjustment | \$/MCF | \$ (0.8063) |
| Second Previous Quarterly Reported Actual Adjustment | \$/MCF | \$ 0.6535 |
| Third Previous Quarterly Reported Actual Adjustment | \$/MCF | \$ 0.1077 |
| Actual Adjustment (AA) | \$/MCF | \$ (0.2583) |

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 76-515-GA-ORD OF
THE PUBLIC UTILITIES COMMISSION OF OHIO, DATED OCTOBER 18, 1979.

DATE FILED: September 27, 2007

BY: Brian Jonard
TITLE: President