

CURRENT QUARTER'S RATES

APPENDIX B
GAS COST ADJUSTMENT FACTOR FOR PURCHASED GAS

THE RATE ADJUSTMENT FOR THE FOLLOWING RATES SHALL BE ON THE BASIS OF A RATE TRACKING FACTOR, OCCASIONED SOLELY BY CHANGES IN THE COST OF PURCHASED GAS, IN ACCORDANCE WITH ORDER OF INDIANA UTILITY REGULATORY COMMISSION, APPROVED MAY 14, 1986, IN CAUSE NO. 37091, AS FOLLOWS:

APPLICABLE GAS COST ADJUSTMENT FACTOR

RATE	ACTUAL JANUARY 12	ACTUAL FEBRUARY 12	ESTIMATED MARCH 12
91-92-93-94	\$(0.6014) / THERM	\$(0.6289) / THERM	\$(0.5898) / THERM

BASE RATES EFFECTIVE OCTOBER 15, 2007, IN ACCORDANCE WITH INDIANA UTILITY REGULATORY ORDER ISSUED UNDER CAUSE NO. 43208. THE BASE RATE COST OF GAS INCLUDED IN EACH OF THE ABOVE RATES IS STATED IN APPENDIX A – SHEET NO. 9-9

RATE	BASE RATE	ACTUAL JANUARY 12 ADJUSTED RATE	ACTUAL FEBRUARY 12 ADJUSTED RATE	ESTIMATED MARCH 12 ADJUSTED RATE
91	\$1.3663/THERM	\$0.7649/THERM	\$0.7374/THERM	\$0.7765/THERM
92	\$1.2121/THERM	\$0.6107/THERM	\$0.5832/THERM	\$0.6223/THERM
93	\$1.0990/THERM	\$0.4976/THERM	\$0.4701/THERM	\$0.5092/THERM
94	\$1.1663/THERM	\$0.5649/THERM	\$0.5374/THERM	\$0.5765/THERM

ISSUED DATE

ISSUED PER I.U.R.C. CAUSE NO. 37352-GCA113

EFFECTIVE FOR THE
 CONSUMPTION
 MONTHS OF
 JANUARY 12
 FEBRUARY 12
 MARCH 12

Breakeven costs for other fuels – JANUARY thru MARCH 2012

Following is the breakeven cost for various fuels when compared to the above rates, including adjustment for efficiency. No allowance is made for service charges. Natural gas is figured at 100,000 BTU per therm and 85% efficiency. "Breakeven cost" means the following fuels must be purchased at the indicated costs to be comparable to OVG's rates for natural gas during the effective period.

JANUARY 2012				
Fuel – Heating Value – Efficiency	Rate 91	Rate 92	Rate 93	Rate 94
#2 OIL -133,000 BTU/Gal. - 63%	\$ 0.75	\$ 0.60	\$ 0.49	\$ 0.56
#6 OIL -152,000 BTU/Gal. - 63%	\$ 0.86	\$ 0.69	\$ 0.56	\$ 0.64
Propane – 91,500 BTU/Gal. - 85%	\$ 0.70	\$ 0.56	\$ 0.46	\$ 0.52
Electricity - 3413 BTU/KWH -100%	\$0.0283	\$ 0.0226	\$0.0184	\$0.0209
Coal - 26MM BTU/Ton - 55%	\$ 130	\$ 104	\$ 84	\$ 96
Wood - 22MM BTU/Cord - 55%	\$ 109	\$ 87	\$ 71	\$ 81

FEBRUARY 2012				
Fuel – Heating Value – Efficiency	Rate 91	Rate 92	Rate 93	Rate 94
#2 OIL -133,000 BTU/Gal. - 63%	\$ 0.73	\$ 0.57	\$ 0.46	\$ 0.53
#6 OIL -152,000 BTU/Gal. - 63%	\$ 0.83	\$ 0.66	\$ 0.53	\$ 0.61
Propane – 91,500 BTU/Gal. - 85%	\$ 0.67	\$ 0.53	\$ 0.43	\$ 0.49
Electricity - 3413 BTU/KWH -100%	\$ 0.0273	\$ 0.0216	\$ 0.0174	\$ 0.0199
Coal - 26MM BTU/Ton - 55%	\$ 125	\$ 99	\$ 80	\$ 91
Wood - 22MM BTU/Cord - 55%	\$ 105	\$ 83	\$ 67	\$ 77

MARCH 2012				
Fuel – Heating Value – Efficiency	Rate 91	Rate 92	Rate 93	Rate 94
#2 OIL -133,000 BTU/Gal. - 63%	\$ 0.77	\$ 0.61	\$ 0.50	\$ 0.57
#6 OIL -152,000 BTU/Gal. - 63%	\$ 0.88	\$ 0.70	\$ 0.57	\$ 0.65
Propane – 91,500 BTU/Gal. - 85%	\$ 0.71	\$ 0.57	\$ 0.47	\$ 0.53
Electricity - 3413 BTU/KWH -100%	\$0.0287	\$0.0230	\$ 0.0189	\$ 0.0214
Coal - 26MM BTU/Ton - 55%	\$ 132	\$ 106	\$ 86	\$ 98
Wood - 22MM BTU/Cord - 55%	\$ 111	\$ 89	\$ 73	\$ 82