

Jefferson Gas, LLC
220 Lexington Green, Bldg 2, Suite 130
P.O. Box 24032
Lexington, KY 40524-4032
Tele (859) 245-8193

June 29, 2006

Ms. Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RECEIVED

JUN 30 2006

PUBLIC SERVICE
COMMISSION

RE: Jefferson Gas, LLC
Case No. *2006-00330*
GCR Filing Proposed to Become
Effective August 1, 2006

Dear Ms. O'Donnell:

Enclosed are an original and five copies of Jefferson Gas Transmission's Gas Cost Recovery (GCR) filing for rates proposed to become effective August 1, 2006. Also included are an original and five copies of 23 rd revised sheet No. 1 of Jefferson's PSC Kentucky No. 1 Tariff, which is being filed pursuant to the Purchased Gas Adjustment provision of that Tariff.

This filing proposes a GCR rate of \$4.0615 per MCF of sales.

Sincerely,



Bert R. Layne

Jefferson Gas, LLC

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: June 29, 2006

Date Rates to be Effective: August 1, 2006

Reporting Period is Calendar Quarter Ended: October 31, 2006

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.3630
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(1.3015)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>4.0615</u>

GCR to be effective for service rendered from August 1, 2006 to October 31, 2006

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	
÷	Sales for the 12 months ended _____	Mcf	
=	Expected Gas Cost (EGC)	\$/Mcf	
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Sch.III)		
+	Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+	Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+	Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
=	Refund Adjustment (RA)	\$/Mcf	
C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.2315)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.1200)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.1000
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0500)
=	Actual Adjustment (AA)	\$/Mcf	<u>(1.3015)</u>
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
+	Previous Quarter Reported Balance Adjustment	\$/Mcf	
+	Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
+	Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
=	Balance Adjustment (BA)		

SCHEDULE II
EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended _____

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
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Totals _____

Line loss for 12 months ended _____ is _____ % based on purchases of
_____ Mcf and sales of _____ Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	_____
÷ Mcf Purchases (4)	Mcf	_____
= Average Expected Cost Per Mcf Purchased	\$/Mcf	_____
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	_____
= Total Expected Gas Cost (to Schedule IA)	\$	_____

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

\$5.363 Per Attached Schedule



Natural Gas

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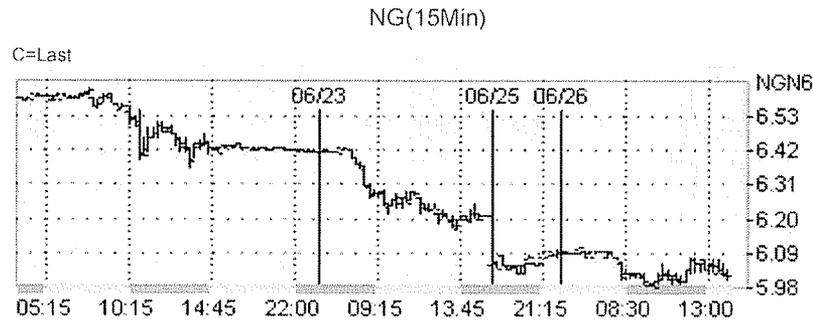
- Market Data
- Current Session Overview
- Current Expanded Table
- Previous Session Overview
- Previous Expanded Table
- Squawk Box
- Contract Detail Description
- Specifications
- Margins
- Termination Schedule
- Request for Information
- Exchange for Futures for Swaps (EFS)

6/26/2006 Session Overview

	Last	Open High	Open Low	High	Low	Most Recent Settle	Change
July 2006	6.030	6.010	5.990	6.210	5.980	6.226	-0.41
Aug 2006	6.240	6.210	6.185	6.420	6.185	6.416	-0.37
Sep 2006	6.480	6.470	6.430	6.670	6.430	6.656	-0.33
Oct 2006	6.890	6.880	6.840	7.055	6.830	7.041	-0.26
Nov 2006	8.160	8.150	8.150	8.260	8.140	8.335	-0.25
Dec 2006	9.580	9.650	9.650	9.650	9.540	9.729	-0.20

[View all contract months, volume, and open interest](#)
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15 Minute Intraday Chart (Delayed Data)



6.416 +
 6.656 +
 7.041 +
 20.113 *
 20.113 ÷
 3.000 =
 6.704 +
 6.704 *
 6.704 ×
 0.800 =
 5.363 +
 5.363 *

- Margins view
- Non-Member Customer Initia
- Member Custo Initial
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- Last Change
- Previous
- Most recent se
- High
- Open Interest
- Low
- Volume

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SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____ (reporting period) _____

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	
+ Interest	\$	
<hr/>		<hr/>
= Refund Adjustment including interest	\$	
÷ Sales for 12 months ended	Mcf	
<hr/>		<hr/>
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended April 30, 2006

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Feb 06)</u>	<u>Month 2 (Mar 06)</u>	<u>Month 3 (Apr 06)</u>
Total Supply Volumes Purchased	Mcf	4,060	2,452	1,042
Total Cost of Volumes Purchased	\$	29,435.00	19,493.40	7,043.92
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	4,060	2,452	1,042
= Unit Cost of Gas	\$/Mcf	7.25	7.95	6.76
- EGC in effect for month	\$/Mcf	9.436	6.366	6.366
= Difference [(over-)/Under-Recovery]	\$/Mcf	(2.186)	1.584	.394
x Actual sales during month	Mcf	4,060	2,452	1,042
= Monthly cost difference	\$	(8,875.16)	3,883.97	410.55

Total cost difference (Month 1 + Month 2 + Month 3)	<u>Unit</u> \$	<u>Amount</u> (4,580.64)
÷ Sales for 12 months ended <u>March 31, 2006</u>	Mcf	19,787
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(.2315)

Jefferson Gas, LLC

MCFs Sold Last 12 Months

04/30/05	890
05/31/05	603
06/30/05	360
07/31/05	183
08/31/05	193
09/30/05	233
10/31/05	621
11/30/05	2,468
12/31/05	4,482
01/31/06	3,242
02/28/06	4,060
03/31/06	2,452
	19,787

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____ (reporting period)

	<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1)	Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR Less: Dollar amount resulting from the AA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the AA was in effect. Equals: Balance Adjustment for the AA.	\$ \$ \$	 _____
(2)	Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect. Equals: Balance Adjustment for the RA	\$ \$	 _____
(3)	Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect. Equals: Balance Adjustment for the BA.	\$ \$ \$	 _____
	Total Balance Adjustment Amount (1) + (2) + (3)	\$	_____
÷	Sales for 12 months ended _____	Mcf	_____
=	Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	_____

FOR Entire Service Area
Community, Town or City
1
P.S.C. KY. NO. _____
23rd Revised SHEET NO. 1
1
CANCELLING P.S.C. KY. NO. _____
22nd Revised SHEET NO. 1

Jefferson Gas, LLC

(Name of Utility)

RATES AND CHARGES

Applies to: All Customers

Rate, Monthly:

			Base Rate	Gas Cost	Rate per Unit (Mcf)
First	0 to 1 Mcf	Minimum Bill	3.8900	4.0615	7.9515
All Over	1 Mcf		2.2600	4.0615	6.3215

DATE OF ISSUE June 29, 2006
Month / Date / Year

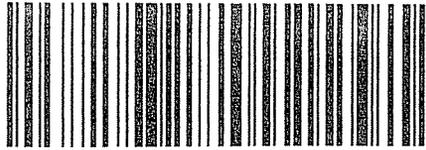
DATE EFFECTIVE August 1, 2006
Month / Date / Year

ISSUED BY Bert R. Layne
(Signature of Officer)

TITLE Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

s, LLC
032
Y 40524-4032



7005 1160 0004 8755 2858



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JUN 30 2006

PUBLIC SERVICE
COMMISSION

Ms. Beth O'Donnell
Public Service Commission
211 Sower Blvd
P. O. Box 615
Frankfort, KY 40602-0615

