

Jefferson Gas, LLC
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RECEIVED

JAN 3 2010

PUBLIC SERVICE
COMMISSION

December 29, 2010

Mr. Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RE: Jefferson Gas, LLC
Case No.
GCR Filing Proposed to Become
Effective February 1, 2011

Case No. 2011-00001

Dear Mr. Derouen:

Enclosed are an original and five copies of Jefferson Gas Transmission's Gas Cost Recovery (GCR) filing for rates proposed to become effective February 1, 2011. Also included are an original and ten copies of 41st 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 \$2.2735 per MCF of sales.

Sincerely,



Bert R. Layne

Jefferson Gas, LLC

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: December 29, 2010

Date Rates to be Effective: February 1, 2011

Reporting Period is Calendar Quarter Ended: April 30, 2011

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	3.3157
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(1.0422)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		2.2735
GCR to be effective for service rendered from February 1, 2011	to	April 30, 2011

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	(.0323)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	.0086
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.4557)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.5628)
=	Actual Adjustment (AA)	\$/Mcf	(1.0422)
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)	\$/Mcf	

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.

	<u>Unit</u>	<u>Amount</u>
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.

\$3.3157 Per Attached Schedule

CME Group » Energy » Henry Hub Natural Gas

Energy Products



Henry Hub Natural Gas Futures

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Trade Date

Thursday, December 23 2010

Daily Settlements for Henry Hub Natural Gas Futures (FINAL)

Month	Open	High	Low	Last	Change	Settle
JAN 11	4.119	4.174	4.052	4.095	-069	4.083
FEB 11	4.187	4.212	4.093	4.120	-055	4.133
MAR 11	4.162	4.212	4.105	4.131A	-047	4.149
APR 11	4.148	4.210	4.105	4.135A	-039	4.152
MAY 11	4.163	4.215B	4.149	4.185	-036	4.193
JUN 11	4.222	4.264B	4.195	4.235	-034	4.246
JLY 11	4.283	4.331B	4.268	4.305	-030	4.317
AUG 11	4.332	4.372B	4.314			
SEP 11	4.355	4.384B	4.320			
OCT 11	4.400	4.456B	4.393			
NOV 11	4.622	4.655B	4.607A		4.133000*	
DEC 11	4.884	4.927	4.863		4.149000*	
JAN 12	5.057	5.073B	5.022		4.152000*	
FEB 12	5.022	5.038B	4.995A		12.434000**	
MAR 12	4.921	4.943B	4.898A			
APR 12	4.728	4.752	4.707A		12.434000*	
MAY 12	4.724	4.751B	4.720A		3.0=	
JUN 12	4.795	4.795	4.754A		4.144666**	
JLY 12	4.831	4.840	4.799A			
AUG 12	4.855	4.865B	4.825		4.144666*	
SEP 12	4.835	4.871B	4.835		0.8=	
OCT 12	4.948	4.957	4.915		3.315732**	
NOV 12	5.140	5.140	5.089			
DEC 12	5.376	5.387	5.346A			
JAN 13	5.530	5.530	5.530			
FEB 13	5.512	5.512	5.464A	5.464A	-005	5.485
MAR 13	-	-	-	-	-002	5.348
APR 13	-	-	-	-	+003	5.068
MAY 13	-	-	-	-	+003	5.068
JUN 13	-	-	-	-	+003	5.093

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 October 31, 2010

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Aug 10)</u>	<u>Month 2 (Sep 10)</u>	<u>Month 3 (Oct 10)</u>
Total Supply Volumes Purchased	Mcf	473	651	1,130
Total Cost of Volumes Purchased	\$	1,735.91	2,122.26	3,842.00
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	473	651	1,130
= Unit Cost of Gas	\$/Mcf	3.6700	3.2600	3.4000
- EGC in effect for month	\$/Mcf	3.8780	3.8780	3.8780
= Difference [(over-)/Under-Recovery]	\$/Mcf	(0.2080)	(.6180)	(.4780)
x Actual sales during month	Mcf	473	651	1,130
= Monthly cost difference	\$	(98.38)	(402.32)	(540.14)
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	(1,040.84)
÷ Sales for 12 months ended <u>September 30, 2010</u>			Mcf	32,251
= Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	(.0323)

Jefferson Gas, LLC

Mcfs Sold Last 12 Months

10/31/09	1,167
11/30/09	2,053
12/31/09	5,977
01/31/10	6,387
02/28/10	6,794
03/31/10	5,215
04/30/10	1,587
05/31/10	892
06/30/10	613
07/31/10	442
08/31/10	473
09/30/10	651
	32,251

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

PSC KY NO. _____

41st Revised SHEET NO. 1

CANCELLING PSC KY NO. _____

40th Revised SHEET NO. 1

Jefferson Gas, LLC

(NAME OF UTILITY)

Applies to: All Customers

Rate, Monthly:

			Base Rate	Gas Cost	Rate per Unit (Mcf)
First	0 to 1 Mcf	Minimum Bill	3.8900	2.2735	6.1635
All Over	1 Mcf		2.2600	2.2735	4.5335

DATE OF ISSUE December 29, 2010

MONTH / DATE / YEAR

DATE EFFECTIVE February 1, 2011

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 _____