

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

June 29, 2011

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

**RECEIVED**

**JUN 29 2011**

**PUBLIC SERVICE  
COMMISSION**

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

Dear Mr. Derouen:

Enclosed are an original and ten copies of Jefferson Gas Transmission's Gas Cost Recovery (GCR) filing for rates proposed to become effective August 1, 2011. Also included are an original and ten copies of 43rd 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 \$2.5651 per MCF of sales.

Sincerely,



Bert R. Layne

Jefferson Gas, LLC

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed: June 29, 2011

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Date Rates to be Effective: August 1, 2011

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Reporting Period is Calendar Quarter Ended: October 31, 2011

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SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	2.9969
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.4318)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>2.5651</u>

GCR to be effective for service rendered from Aug 1, 2011 to Oct 31, 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	(.1620)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.2461)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0323)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	.0086
=	Actual Adjustment (AA)	\$/Mcf	<u>(.4318)</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)	(2)	(3)	(4)	(5)**	(6)
Supplier	Dth	BTU Conversion Factor	Mcf	Rate	(4) X (5) Cost

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.

\$2.9969 Per Attached Schedule

CME Group » Energy » Henry Hub Natural Gas

Energy Products



Henry Hub Natural Gas Futures

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Quotes Time & Sales Volume Settlements  
Futures | Options

Trade Date  
Friday, June 24 2011

Daily Settlements for Henry Hub Natural Gas Futures (PRELIMINARY)

Trade Date: 06/24/2011

Month	Open	High	Low	Last	Change	Settle	Estimated Volume	Prior Day Open Interest
JUL 11	4.212	4.246	4.171	4.220	+036	4.229	52,592	35,674
AUG 11	4.228	4.265	4.194A	-	+033	4.250	38,747	141,936
SEP 11	4.262	4.290	4.219	4.260	+032	4.275	15,002	210,395
OCT 11	4.313	4.332	4.263	4.300	+032	4.319	10,080	114,907
NOV 11	4.405	4.468	4.400	-	+030	4.454	6,718	77,575
DEC 11	4.630	4.660	4.599A	4.630	+030	4.645	3,262	45,032
JAN 12	4.739	4.765	4.700	4.735	+030	4.750	3,862	91,197
FEB 12	4.705	4.754B	4.696A	4.720	+030	4.744	532	20,917
MAR 12	4.670	4.703	4.639A	4.665	+032	4.689	1,357	43.4
APR 12	4.515	4.573	4.514A	4.555	+030	4.558	2,116	43.5
MAY 12	4.547	4.594B	4.539A	4.580	+030	4.582	204	9.9
JUN 12	4.573	4.630	4.572	4.605	+030	4.616	510	11.2
JUL 12	4.635	4.681B	4.622A	4.650	+030	4.664	421	9.0
AUG 12	4.650	4.708B	4.650	4.680	+029	4.692	198	7.3
SEP 12	4.608	4.718B	4.666A	4.695	+030	4.704	191	7.3
OCT 12	4.712	4.759	4.708A	-	+029	4.745	369	25.0
NOV 12	4.871	4.894B	4.852A	4.875	+028	4.883	76	4.4
DEC 12	5.098	5.120	5.069A	5.085	+028	5.103	191	10.7
JAN 13	5.205	5.228	5.200	5.205	+027	5.215	87	10.1
FEB 13	5.176	5.205	5.158A	-	+026	5.186	6	2.2
MAR 13	5.100	5.125	5.100	-	+023	5.111	74	10.1
APR 13	4.897	4.897	4.895A	-	+023	4.876	11	3.4
MAY 13	4.900	4.900	4.900	-	+023	4.891	3	1.1
JUN 13	-	-	-	-	+023	4.926	-	1.4
JUL 13	-	-	-	-	+023	4.966	-	1.1
AUG 13	-	-	-	-	+023	4.996	-	1
SEP 13	-	-	-	-	+023	5.006	-	1
OCT 13	5.050	5.050	5.040	-	+023	5.052	13	1.1
NOV 13	5.180	5.180	5.180	-	+023	5.178	1	3.0 =
DEC 13	-	5.381B	-	-	+023	5.398	-	5.1
JAN 14	-	-	-	-	+023	5.522	-	3.1
FEB 14	-	-	-	-	+023	5.492	-	4.0 281334 *
MAR 14	-	-	-	-	+023	5.412	-	
APR 14	-	-	-	-	+023	5.162	-	3.1
MAY 14	-	-	-	-	+023	5.177	-	4.0 281334 *
JUN 14	-	-	-	-	+023	5.212	-	
JUL 14	-	-	-	-	+023	5.252	-	0.7 =
AUG 14	-	-	-	-	+023	5.282	-	2.0 996934 *
SEP 14	-	-	-	-	+023	5.297	-	
OCT 14	-	-	-	-	+023	5.347	-	
NOV 14	-	-	-	-	+023	5.409	-	
DEC 14	-	-	-	-	+023	5.726	-	0.0 *
JAN 15	-	-	-	-	+023	5.866	-	
FEB 15	-	-	-	-	+023	5.836	-	1.0
MAR 15	-	-	-	-	+023	5.756	-	4.16
APR 15	-	-	-	-	+023	5.481	-	1.801
MAY 15	-	-	-	-	+023	5.497	-	5.12
JUN 15	-	-	-	-	+023	5.532	-	1,097
JUL 15	-	-	-	-	+023	5.572	-	186
AUG 15	-	-	-	-	+023	5.605	-	125
SEP 15	-	-	-	-	+023	5.620	-	100
OCT 15	-	-	-	-	+023	5.668	-	212
NOV 15	-	-	-	-	+023	5.813	-	94
DEC 15	-	-	-	-	+023	6.050	-	2,588
JAN 16	-	-	-	-	+023	6.190	-	33
FEB 16	-	-	-	-	+023	6.158	-	29
MAR 16	-	-	-	-	+023	6.078	-	134
APR 16	-	-	-	-	+023	5.793	-	173
MAY 16	-	-	-	-	+023	5.808	-	35
JUN 16	-	-	-	-	+023	5.838	-	168
JUL 16	-	-	-	-	+023	5.876	-	34
AUG 16	-	-	-	-	+023	5.911	-	21

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	\$	_____
= Refund Adjustment including interest	\$	
÷ Sales for 12 months ended	Mcf	_____
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	

SCHEDULE IV  
ACTUAL ADJUSTMENT

For the 3 month period ended

April 30, 2011

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>( Feb 11 )</u>	<u>Month 2</u> <u>(Mar 11 )</u>	<u>Month 3</u> <u>(Apr 11)</u>
Total Supply Volumes Purchased	Mcf	5,151	3,990	1,973
Total Cost of Volumes Purchased	\$	15,349.98	10,493.70	5,997.92
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	5,151	3,990	1,973
= Unit Cost of Gas	\$/Mcf	2.9800	2.6300	3.0400
- EGC in effect for month	\$/Mcf	3.3157	3.3157	3.3157
= Difference [(over-)/Under-Recovery]	\$/Mcf	(.3357)	(.6857)	(.2757)
x Actual sales during month	Mcf	5,151	3,990	1,973
= Monthly cost difference	\$	(1,729.19)	(2,735.94)	(543.96)
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	(5,009.09)
÷ Sales for 12 months ended <u>March 31, 2011</u>			Mcf	30,918
= Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	(.1620)

Jefferson Gas, LLC

Mcfs Sold Last 12 Months

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
10/31/10	1,130
11/30/10	3,486
12/31/10	6,148
01/31/11	6,355
02/28/11	5,151
03/31/11	3,990
	30,918



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	\$	
	<b>Less:</b> 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.	\$	
	<b>Equals:</b> 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.		
	<b>Less:</b> 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.	\$	
	<b>Equals:</b> 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	\$	
	<b>Less:</b> 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.	\$	
	<b>Equals:</b> 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	

Entire Service Area

FOR \_\_\_\_\_

PSC KY NO. \_\_\_\_\_

43rd Revised SHEET NO. 1

Jefferson Gas, LLC

(NAME OF UTILITY)

CANCELLING PSC KY NO. \_\_\_\_\_

42nd Revised SHEET NO. 1

Applies to: All Customers

Rate, Monthly:

			Base Rate	Gas Cost	Rate per Unit (Mcf)
First	0 to 1 Mcf	Minimum Bill	3.8900	2.5651	6.4551
All Over	1 Mcf		2.2600	2.5651	4.8251

DATE OF ISSUE June 29, 2011

MONTH / DATE / YEAR

DATE EFFECTIVE August 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 \_\_\_\_\_