

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

February 9, 2006

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

RECEIVED

FEB 10 2006

**PUBLIC SERVICE
COMMISSION**

RE: Jefferson Gas, LLC
Case No. 2006- 00056
Interim GCR Filing Proposed to Become
Effective March 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 March 1, 2006. Also included are an original and five copies of 21st 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. Please note that this is an interim filing. Jefferson expects to see a decrease in the purchase gas cost during March 2006 and would like to reduce our tariff effective March 1, 2006.

This filing proposes a GCR rate of \$6.3453 per MCF of sales.

Sincerely,



Bert R. Layne

Jefferson Gas, LLC

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: February 10, 2006

Date Rates to be Effective: March 1, 2006

Reporting Period is Calendar Quarter Ended: April 30, 2006

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.366
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.0207)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		6.3453

GCR to be effective for service rendered from February 1, 2006 to April 30, 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	.1000
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0500)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1287)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	.0580
=	Actual Adjustment (AA)	\$/Mcf	(.0207)

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 _____

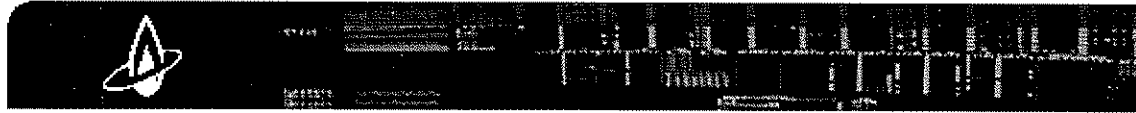
Line loss for 12 months ended _____ is _____ % based on purchases of _____ Mcf and sales of _____ Mcf.

	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.

\$6.366 Per Attached Schedule



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- Market Data
- Current Session Overview
- Current Expanded Table
- Previous Session Overview
- Previous Expanded Table
- Contract Detail Description
- Specifications
- Margins
- Termination Schedule
- Request for Information

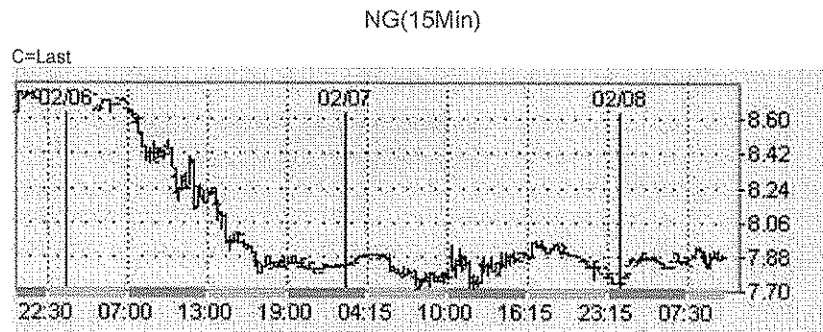
2/8/2006 Session Overview

	Last	Open High	Open Low	High	Low	Most Recent Settle	Change
Mar 2006	7.885	7.900	7.900	7.960	7.750	7.858	0.03
April 2006	8.063	0.00	0.00	8.151	7.980	8.058	0.01
May 2006	8.211	0.00	0.00	8.310	8.112	8.208	0.00
June 2006	8.345	0.00	0.00	8.418	8.250	8.338	0.01
July 2006	8.466	0.00	0.00	8.531	8.362	8.448	0.02
Aug 2006	8.535	0.00	0.00	8.615	8.535	8.533	0.00

- [Margins view](#)
- [Non-Member Customer Initial](#)
- [Member Customer Initial](#)
- [Clearing Member and Customer Maintenance](#)

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15 Minute Intraday Chart (Delayed Data)



- [Quotes - H6](#)
- Last
- Change
- Previous
- Most recent settle
- High
- Open Interest
- Low
- Volume

7.858 +
 8.058 +
 15.916 *
 15.916 ÷
 2.000 =
 7.958 +
 7.958 *
 7.958 x
 0.800 =
 6.366 +
 6.366 *

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

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended October 31, 2005

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Aug 05)</u>	<u>Month 2 (Sep 05)</u>	<u>Month 3 (Oct 05)</u>
Total Supply Volumes Purchased	Mcf	193	233	621
Total Cost of Volumes Purchased	\$	1,142.56	1,707.89	5,017.68
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	193	233	621
= Unit Cost of Gas	\$/Mcf	5.92	7.33	8.08
- EGC in effect for month	\$/Mcf	6.047	6.047	6.047
= Difference [(over-)/Under-Recovery]	\$/Mcf	(.127)	1.283	2.033
x Actual sales during month	Mcf	193	233	621
= Monthly cost difference	\$	(24.51)	298.94	1,262.49
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	1,536.92
÷ Sales for 12 months ended <u>September 30, 2005</u>			Mcf	15,381
= Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	.10

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

P.S.C. KY. NO. 1

21st Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

20th 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	6.3453	10.2353
All Over	1 Mcf		2.2600	6.3453	8.6053

DATE OF ISSUE February 10, 2006

DATE EFFECTIVE March 1, 2006

ISSUED BY Bert R. Layne
Month / Date / Year
(Signature of Officer)

TITLE Treasurer

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