

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

March 30, 2006

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

RECEIVED
APR - 3 2006
PUBLIC SERVICE
COMMISSION

RE: Jefferson Gas, LLC
Case No. 2006-00141
GCR Filing Proposed to Become
Effective May 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 May 1, 2006. Also included are an original and five copies of 22 nd 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 \$4.9123 per MCF of sales.

Sincerely,



Bert R. Layne

Jefferson Gas, LLC

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: March 31, 2006

Date Rates to be Effective: May 1, 2006

Reporting Period is Calendar Quarter Ended: July 31, 2006

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.111
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(1.1987)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		4.9123

GCR to be effective for service rendered from May 1, 2006 to July 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	(1.1200)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	.1000
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0500)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1287)
=	Actual Adjustment (AA)	\$/Mcf	(1.1987)
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 _____

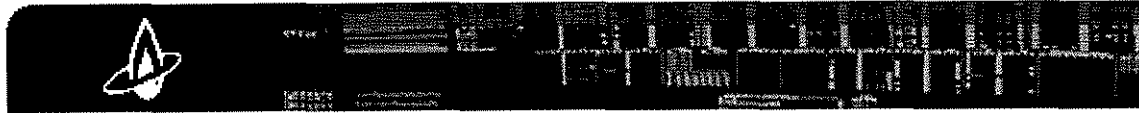
Line loss for 12 months ended _____ is _____ % based on purchases of _____ Mcf and sales of _____ Mcf.

	<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.

\$6.111 Per Attached Schedule



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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

3/30/2006 Session Overview

	Last	Open High	Open Low	High	Low	Most Recent Settle	Change
<u>May 2006</u>	7.520	0.00	0.00	7.562	7.473	7.456	0.06
<u>June 2006</u>	7.710	0.00	0.00	7.748	7.658	7.641	0.07
<u>July 2006</u>	7.925	0.00	0.00	7.925	7.839	7.816	0.11
<u>Aug 2006</u>	8.044	0.00	0.00	8.044	7.985	7.951	0.09
<u>Sep 2006</u>	8.150	0.00	0.00	8.150	8.068	8.056	0.09
<u>Oct 2006</u>	8.290	0.00	0.00	8.290	8.223	8.201	0.09

Margins view

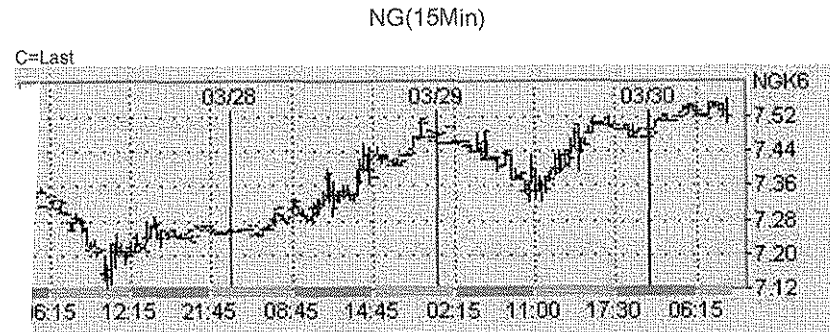
Non-Member Customer Initial

Member Customer Initial

Clearing Member and Customer Maintenance

[View all contract months, volume, and open interest](#)
[View real-time market data and charts](#)

15 Minute Intraday Chart (Delayed Data)



Quotes - K6

- Last
- Change
- Previous
- Most recent se
- High
- Open Interest
- Low
- Volume

7•456 +
 7•641 +
 7•816 +
 22•913 *
 22•913 ÷
 3•000 =
 7•638 +
 7•638 *
 7•638 x
 0•800 =
 6•111 +
 6•111 *

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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/> <hr/> = Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	<hr/>

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended January 31, 2006

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(Nov 05)</u>	<u>Month 2</u> <u>(Dec 05)</u>	<u>Month 3</u> <u>(Jan 06)</u>
Total Supply Volumes Purchased	Mcf	2,468	4,482	3,242
Total Cost of Volumes Purchased	\$	23,791.52	39,710.52	26,843.76
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	2,468	4,482	3,242
= Unit Cost of Gas	\$/Mcf	9.64	8.86	8.28
- EGC in effect for month	\$/Mcf	10.855	10.855	10.855
= Difference [(over-)/Under-Recovery]	\$/Mcf	(1.22)	(2.00)	(2.58)
x Actual sales during month	Mcf	2,468	4,482	3,242
= Monthly cost difference	\$	(3,010.96)	(8,964.00)	(8,364,.36)

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(20,339.32)
÷ Sales for 12 months ended <u>December 31, 2005</u>	Mcf	18,189
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(1.12)

Jefferson Gas, LLC

Mcfs Sold Last 12 Months

01/31/05	2,789
02/28/05	2,622
03/31/05	2,745
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
	18,189

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	_____

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended January 31, 2006

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Nov 05)</u>	<u>Month 2 (Dec 05)</u>	<u>Month 3 (Jan 06)</u>
Total Supply Volumes Purchased	Mcf	2,468	4,482	3,242
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x Actual sales during month	Mcf	2,468	4,482	3,242
= Monthly cost difference	\$	(3,010.96)	(8,964.00)	(8,364.36)

Total cost difference (Month 1 + Month 2 + Month 3)	<u>Unit</u> \$	<u>Amount</u> (20,339.32)
÷ Sales for 12 months ended <u>December 31, 2005</u>	Mcf	18,189
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(1.12)

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

22nd Revised SHEET NO. 1

Jefferson Gas, LLC
(Name of Utility)

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

21st Revised SHEET NO. 1

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	4.9123	8.8023
All Over	1 Mcf		2.2600	4.9123	7.1723

DATE OF ISSUE March 31, 2006
Month / Date / Year

DATE EFFECTIVE May 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 _____