

SIGMA GAS CORPORATION

PO Box 22
Salyersville, Kentucky 41465

City of Salyersville
Manager

606-349-1505

August 30, 2006

RECEIVED

AUG 31 2006

PUBLIC SERVICE
COMMISSION

Case 2006-00395

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

RE: Gas Cost Recovery Filing


Dear Ms. O'Donnell:

The Sigma Gas Corporation asks for a waiver for the required 30 day notice of a tariff change. We are trying to get on the same quarterly reporting schedule as our supplier, Jefferson Gas, LLC.

We would like to submit our gas cost recovery filing. We are reporting period calendar quarter for June 2006 thru August 2006. We apologize for the tardiness of this filing and intend to correct this in future filings.

Thank you,

Sincerely,


Karen Howard

SIGMA GAS CORPORATION

PO Box 22
Salyersville, Kentucky 41465

City of Salyersville
Manager

606-349-1505

	Base Rate	Gas Cost Recovery	Total
First MCF (Minimum Bill)	6.25	8.92	15.17
All Over First MCF	4.5522	8.92	13.47

Rate Effective: September 1, 2006

Jefferson Gas, LLC
 220 Lexington Green Circle, Suite #130
 Lexington, KY 40503

August 10, 2006

City of Salyersville
 P.O. Box 640
 Salyersville, KY 41465

Estimated Gas Cost Computation per MCF

	Quarter beginning:	09/01/06
	Quarter ending:	11/30/06
Monthly delivery contracts settle price on 1st day of month prior to beginning of quarter:		
NYMEX settle price on August 1, 2006 for gas sold in September 2006	\$	8.211
NYMEX settle price on August 1, 2006 for gas sold in October 2006		8.451
NYMEX settle price on August 1, 2006 for gas sold in November 2006		9.811
Average Est. NYMEX settle price as of August 1, 2006		8.824
Add: transportation charge per mcf		2.000
Estimated gas cost computation per mcf	\$	<u>10.824</u>

Company Name

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed:

Aug. 30, 2006

Date Rates to be Effective:

Sept. 1, 2006

Reporting Period is Calendar Quarter Ended:

June 06 / Aug 06

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component	Unit	Amount
Expected Gas Cost (EGC)	\$/Mcf	10.82
+ Refund Adjustment (RA)	\$/Mcf	(.723)
+ Actual Adjustment (AA)	\$/Mcf	(1.1761)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		8.92

GCR to be effective for service rendered from June to Aug

A. <u>EXPECTED GAS COST CALCULATION</u>		
	Unit	Amount
Total Expected Gas Cost (Schedule II)	\$	545,706.70
÷ Sales for the 12 months ended	Mcf	50,435
= Expected Gas Cost (EGC)	\$/Mcf	10.82
B. <u>REFUND ADJUSTMENT CALCULATION</u>		
	Unit	Amount
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>		
	Unit	Amount
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	.041
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(.203)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0863)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.4748)
= Actual Adjustment (AA)	\$/Mcf	(0.723)
D. <u>BALANCE ADJUSTMENT CALCULATION</u>		
	Unit	Amount
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	(1.10)
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0210)
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0075)
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	(.0476)
= Balance Adjustment (BA)		(1.1761)

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
Jefferson Gas			50,435	10.82	545,706.70

Totals _____ 50,435 545,706.70

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.

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

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended _____ (reporting period) _____

Particulars	Unit	Month 1 (April)	Month 2 (May)	Month 3 (June)
Total Supply Volumes Purchased	Mcf	2921	1844	616
Total Cost of Volumes Purchased	\$	27,165.30	17,149.20	5449.75
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	3037	1917	640
= Unit Cost of Gas	\$/Mcf	8.94	8.94	8.51
- EGC in effect for month	\$/Mcf	8.52	8.52	8.52
= Difference [(over-)/Under-Recovery]	\$/Mcf	.42	.42	(0.01)
x Actual sales during month	Mcf	3037	1917	640
= Monthly cost difference	\$	1275.54	805.14	(6.40)

Total cost difference (Month 1 + Month 2 + Month 3)	Unit	Amount
÷ Sales for 12 months ended	\$	2074.28
= Actual Adjustment for the Reporting Period (to Schedule IC.)	Mcf	50435
	\$/Mcf	.041

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____ (reporting period) _____

Particulars	Unit	Amount
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	(.4748)
Less: Dollar amount resulting from the AA of <u>(.1798)</u> \$/Mcf as used to compute the GCR in effect	\$	
X four quarters prior to the effective date of the currently effective GCR times the sales of <u>309391</u> Mcf during the 12-month period the AA was in effect.		(55,628.50)
Equals: Balance Adjustment for the AA.	\$	(55628.97)
(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)	\$	(55628.97)
÷ Sales for 12 months ended _____	Mcf	50 435
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	(1.10)