

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

December 29, 2006

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

RECEIVED

JAN 2 2007

PUBLIC SERVICE
COMMISSION

RE: Jefferson Gas, LLC
Case No. *2007-00003*
GCR Filing Proposed to Become
Effective February 1, 2007

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 February 1, 2007. Also included are an original and five copies of 25 th 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 \$3.6697 per MCF of sales.

Sincerely,



Bert R. Layne

Jefferson Gas, LLC

Quarterly Report of Gas Cost
Recovery Rate Calculation

Case No. 2007-00003

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**PUBLIC SERVICE
COMMISSION**

Date Filed: December 29, 2006

Date Rates to be Effective: February 1, 2007

Reporting Period is Calendar Quarter Ended: April 30, 2007

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.0992
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(1.4295)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>3.6697</u>

GCR to be effective for service rendered from February 1, 2007 to April 30, 2007

<u>A.</u>	<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	
<u>B.</u>	<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	
<u>C.</u>	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.0287)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0493)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.2315)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.1200)
=	Actual Adjustment (AA)	\$/Mcf	<u>(1.4295)</u>
<u>D.</u>	<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.

	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.

\$5.0992 Per Attached Schedule



Natural Gas of NYMEX, Inc.
President Ford

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Natural Gas

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Market Data

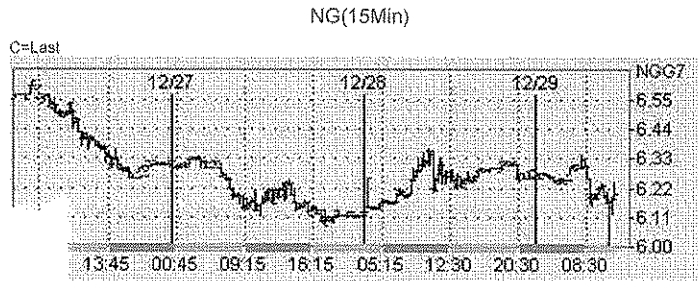
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12/29/2006 Session Overview

	Last	Open High	Open Low	High	Low	Most Recent Settle	Change
Feb 2007	6.212	6.230	6.220	6.346	6.000	6.248	-0.036
Mar 2007	6.380	6.380	6.370	6.500	6.215	6.392	-0.012
April 2007	6.470	n/a	n/a	6.537	6.327	6.482	-0.012
May 2007	6.566	6.600	6.600	6.630	6.431	6.582	-0.016
June 2007	6.663	6.704	6.704	6.704	6.600	6.697	-0.034
July 2007	6.806	6.827	6.827	6.827	6.700	6.817	-0.011

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

15 Minute Intraday Chart (Delayed Data)



Margins

Non-Member Customer Initial	1st nearby: \$8,775
Member Customer Initial	1st nearby: \$7,150
Clearing Member and Customer Maintenance	1st nearby: \$6,500

Quotes - G7

Last	6.212
Change	-0.04
Previous	6.212
Most recent settle	6.248
High	6.346
Open Interest	79254
Low	6.000
Volume	n/a

6•2480 +
6•3920 +
6•4820 +
19•1220 *

19•1220 ÷
3•0000 =
6•3740 +

6•3740 *

6•3740 x
0•8000 =
5•0992 +

5•0992 *

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SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____

<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	

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 3 month period ended October 31, 2006

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (Aug 06)</u>	<u>Month 2 (Sep 06)</u>	<u>Month 3 (Oct 06)</u>
Total Supply Volumes Purchased	Mcf	389	381	1,271
Total Cost of Volumes Purchased	\$	2,263.98	1,573.53	6,507.52
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	389	381	1,271
= Unit Cost of Gas	\$/Mcf	5.820	4.130	5.120
- EGC in effect for month	\$/Mcf	5.363	5.363	5.363
= Difference [(over-)/Under-Recovery]	\$/Mcf	.4570	(1.2330)	(.2430)
x Actual sales during month	Mcf	389	381	1,271
= Monthly cost difference	\$	177.77	(469.77)	(308.85)

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(600.85)
÷ Sales for 12 months ended <u>September 30, 2006</u>	Mcf	20,956
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(.0287)

Jefferson Gas, LLC

MCFs Sold Last 12 Months

10/31/05	621
11/30/05	2,468
12/31/05	4,482
01/31/06	3,242
02/28/06	4,060
03/31/06	2,452
04/30/06	1,042
05/31/06	928
06/30/06	599
07/31/06	292
08/31/06	389
09/30/06	381
	20,956

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
 1
 P.S.C. KY. NO. _____
 25th Revised SHEET NO. 1
 CANCELLING P.S.C. KY. NO. _____
 24th 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	3.6697	7.5597
All Over	1 Mcf		2.2600	3.6697	5.9297

DATE OF ISSUE December 29, 2006
Month / Date / Year
 DATE EFFECTIVE February 1, 2007
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 _____