

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

March 29, 2011

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

**RECEIVED**

**MAR 29 2011**

**PUBLIC SERVICE  
COMMISSION**

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

Dear Mr. Derouen:

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, 2011. Also included are an original and ten copies of 42nd 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 \$2.5723 per MCF of sales.

Sincerely,



Bert R. Layne

Jefferson Gas, LLC

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed: March 29, 2011

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Date Rates to be Effective: May 1, 2011

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Reporting Period is Calendar Quarter Ended: July 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	3.2978
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(.7255)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>2.5723</u>

GCR to be effective for service rendered from May 1, 2011 to July 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	(.2461)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0323)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.0086
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.4557)
=	Actual Adjustment (AA)	\$/Mcf	<u>(.7255)</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) 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.

\$3.2978 Per Attached Schedule

Energy Products



**REGULATORY ARBITRAGE**  
 READ STORY ON OPEN MARKETS →

Henry Hub Natural Gas Futures

View Product List

Quotes | Contract Specifications | Performance Bonds / Margins | Product Calendar | Learn More



About this Report

Quotes Time & Sales Volume Settlements

Futures | Options

Trade Date

Daily Settlements for Henry Hub Natural Gas Futures (FINAL)

Trade Date: 03/24/2011

Month	Open	High	Low	Last	Change	Settle	Estimated Volume	Prior Day Open Interest
APR 11	4.350	4.399	4.213	4.213	-091	4.244	148,154	45,364
MAY 11	4.421	4.480	4.293	4.297	-085	4.327	114,361	257,069
JUN 11	4.485	4.545	4.362	4.370A	-080	4.397	36,008	68,423
JULY 11	4.562	4.610	4.432	4.440A	-076	4.467	27,069	90,074
AUG 11	4.600	4.637	4.460	4.492A	-076	4.494	10,847	33,430
SEP 11	4.600	4.644	4.475A	4.488	-077	4.502	9,880	45,937
OCT 11	4.643	4.689B	4.522	4.549	-077	4.551	25,398	70,872
NOV 11	4.810	4.837B	4.696	4.717A	-063	4.718	10,449	33,209
DEC 11	5.042	5.063B	4.936A	5.045	-056	4.961	7,008	28,157
JAN 12	5.163	5.187	5.050	5.082	-058	5.083	13,474	61,092
FEB 12	5.150	5.170	5.041	5.067B	-057	5.068	1,554	13,446
MAR 12	5.089	5.103B	4.982	5.006A	-055	5.007	4,504	29,383
APR 12	4.935	4.936B	4.826A	4.853A	-044	4.849	4,139	27,514
MAY 12	4.950	4.950	4.848A	4.873A	-044	4.868	292	6,299
JUN 12	4.980	4.981B	4.884A	4.904B	-044	4.902	127	4,467
JULY 12	5.020	5.021B	4.931A	4.950A	-044	4.945	59	4,103
AUG 12	5.050	5.051B	4.950	4.974	-044	4.972	1,248	4,818
SEP 12	5.031	5.035B	4.963A	4.982B	-044	4.979	259	4,359
OCT 12	5.082	5.106B	5.010A	5.025	-042	5.028	1,307	
NOV 12	5.211	5.215B	5.145A	5.182A	-039	5.162	239	
DEC 12	5.440	5.440	5.356A	5.369B	-034	5.377	71	
JAN 13	5.536	5.550	5.510	5.510	-033	5.499	151	
FEB 13	5.510	5.510	5.445A	5.463A	-031	5.459	3	
MAR 13	5.420	5.420	5.400	5.400	-027	5.379	143	
APR 13	5.200	5.200	5.110A	5.120B	-017	5.119	238	
MAY 13	5.200	5.200	5.200	5.200	-016	5.135	2	
JUN 13	-	-	-	-	-015	5.162	1	
JULY 13	-	-	-	-	-014	5.206	3	
AUG 13	-	-	-	-	-013	5.233	1	
SEP 13	-	-	-	-	-012	5.242	1	
OCT 13	-	-	5.294A	5.294A	-012	5.294	1	
NOV 13	-	-	-	-	-010	5.435	1	
DEC 13	-	-	5.654A	5.654A	-008	5.657	1	
JAN 14	5.755	5.755	5.755	5.755	-006	5.782	3	
FEB 14	-	-	-	-	-006	5.761	1	
MAR 14	-	-	-	-	-006	5.669	1	
APR 14	-	-	-	-	-006	5.389	-	
MAY 14	-	-	-	-	-006	5.409	-	
JUN 14	-	-	-	-	-006	5.441	-	
JULY 14	-	-	-	-	-006	5.489	-	
AUG 14	-	-	-	-	-006	5.519	-	
SEP 14	-	-	-	-	-006	5.532	-	
OCT 14	-	-	-	-	-006	5.585	-	492
NOV 14	-	-	-	-	-004	5.742	-	125
DEC 14	5.980	5.980	5.960	5.960	-004	5.979	82	303
JAN 15	-	-	-	-	-006	6.116	-	468
FEB 15	-	-	-	-	-006	6.101	-	74
MAR 15	-	-	-	-	-006	6.011	-	194
APR 15	-	-	-	-	-006	5.731	-	1,413
MAY 15	-	-	-	-	-006	5.746	-	394
JUN 15	-	-	-	-	-006	5.776	-	62
JULY 15	-	-	-	-	-006	5.821	-	94
AUG 15	-	-	-	-	-006	5.861	-	62

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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/>		<hr/>
= Refund Adjustment including interest	\$	
÷ 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 January 31, 2011

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 ( Nov 10 )</u>	<u>Month 2 (Dec 10 )</u>	<u>Month 3 (Jan 11)</u>
Total Supply Volumes Purchased	Mcf	3,486	6,148	6,355
Total Cost of Volumes Purchased	\$	9,481.92	20,042.48	17,857.55
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	3,486	6,148	6,355
= Unit Cost of Gas	\$/Mcf	2.7200	3.2600	2.8100
- EGC in effect for month	\$/Mcf	3.4840	3.4840	3.4840
= Difference [(over-)/Under-Recovery]	\$/Mcf	(0.7640)	(.2240)	(.6740)
x Actual sales during month	Mcf	3,486	6,148	6,355
= Monthly cost difference	\$	(2,663.30)	(1,377.15)	(4,283.27)
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	(8,323.72)
÷ Sales for 12 months ended <u>December 31, 2010</u>			Mcf	33,818
= Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	(.2461)

Jefferson Gas, LLC

Mcfs Sold Last 12 Months

01/31/10	6,387
02/28/10	6,794
03/31/10	5,215
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
	33,818



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	

FOR Entire Service Area

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

42nd Revised SHEET NO. 1

Jefferson Gas, LLC

\_\_\_\_\_  
(NAME OF UTILITY)

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

41st 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	2.5723	6.4623
All Over	1 Mcf		2.2600	2.5723	4.8323

DATE OF ISSUE March 29, 2011

MONTH / DATE / YEAR

DATE EFFECTIVE May 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 \_\_\_\_\_