

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

RECEIVED
SEP 29 2004
PUBLIC SERVICE
COMMISSION

September 29, 2004

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

RE: Jefferson Gas, LLC
Case No.
GCR Filing Proposed to Become
Effective November 1, 2004

Dear Ms. O'Donnell:

2004-00387

Enclosed are an original and five copies of Jefferson Gas Transmission's Gas Cost Recovery (GCR) filing for rates proposed to become effective November 1, 2004. Also included are an original and five copies of 15th 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 \$5.5705 per MCF of sales.

Sincerely,



Bert R. Layne

Jefferson Gas, LLC

Quarterly Report of Gas Cost
Recovery Rate Calculation

RECEIVED

SEP 29 2004

PUBLIC SERVICE
COMMISSION

Date Filed: September 29, 2004

Date Rates to be Effective: November 1, 2004

Reporting Period is Calendar Quarter Ended: January 31, 2005

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.3296
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	.2409
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>5.5705</u>

GCR to be effective for service rendered from November 1, 2004 to January 31, 2005

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	.0061
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0871)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	.3823
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.0604)
=	Actual Adjustment (AA)	\$/Mcf	<u>.2409</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.

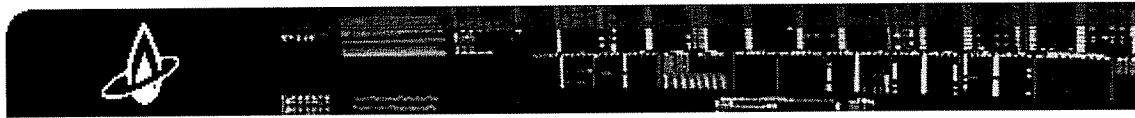
	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	_____
÷ Mcf Purchases (4)	Mcf	_____
= Average Expected Cost Per Mcf Purchased	\$/Mcf	_____
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	_____
= Total Expected Gas Cost (to Schedule IA)	\$	_____

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

\$5.3296 Per Attached Schedule

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Market Data

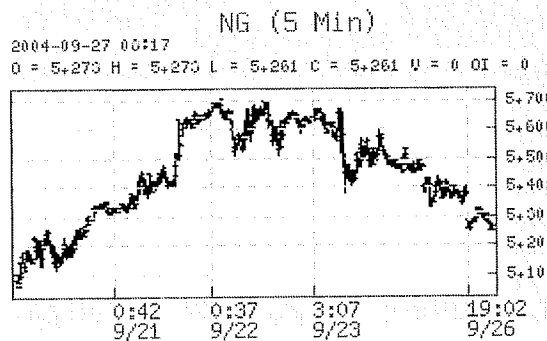
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9/27/04 Session Overview

	Last	Open High	Open Low	High	Low	Most Recent Settle	Change
Oct 2004	5.260	5.255	5.255	5.331	5.252	5.392	-0.132
Nov 2004	6.010	5.950	5.950	6.067	5.950	6.067	-0.057
Dec 2004	6.800	6.750	6.750	6.814	6.725	6.802	-0.002
Jan 2005	7.100	0.000	0.000	7.149	7.065	7.117	-0.017
Feb 2005	7.080	0.000	0.000	7.080	7.075	7.082	-0.002
March 2005	6.903	0.000	0.000	6.903	6.901	6.917	-0.014

[View all contract months, volume, and open interest](#)

15 Minute Intraday Chart (Delayed Data)



[View Daily Interactive Chart - Spot Month](#)

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 6 • 8020 +
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 19 • 9860 *

 19 • 9860 ÷
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[Margins view](#)

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

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended

July 31, 2004

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>(May 04)</u>	<u>Month 2</u> <u>(Jun 04)</u>	<u>Month 3</u> <u>(Jul 04)</u>
Total Supply Volumes Purchased	Mcf	290	143	149
Total Cost of Volumes Purchased	\$	1,258.60	686.40	704.77
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	290	143	149
= Unit Cost of Gas	\$/Mcf	4.34	4.80	4.73
- EGC in effect for month	\$/Mcf	4.4488	4.4488	4.4488
= Difference [(over-)/Under-Recovery]	\$/Mcf	(.1088)	.3512	.2812
x Actual sales during month	Mcf	290	143	149
= Monthly cost difference	\$	(31.55)	50.22	41.90
			<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)			\$	60.57
÷ Sales for 12 months ended			Mcf	9,921
= Actual Adjustment for the Reporting Period (to Schedule IC.)			\$/Mcf	.0061

Jefferson Gas, LLC

MCFs Sold Last 12 Months

7/31/2003	173
8/31/2003	198
9/30/2003	203
10/31/2003	564
11/30/2003	1,047
12/31/2003	1,514
1/31/2004	2,437
2/29/2004	1,451
3/31/2004	1,226
4/30/2004	675
5/31/2004	290
6/30/2004	143
	9,921

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

15th REVISED SHEET NO. 1

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

14th 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	5.5705	9.4605
All Over	1 Mcf		2.2600	5.5705	7.8305

DATE OF ISSUE SEPTEMBER 29, 2004
Month / Date / Year

DATE EFFECTIVE NOVEMBER 1, 2004
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 _____

P. O. BOX 24032
LEXINGTON, KY 40524

CERTIFIED MAIL



7004 0750 0000 1138 6721



FRANKFORT KY

MS. BETH O'DONNELL
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
P. O. BOX 615
FRANKFORT, KY 40602

SEP 29 2004

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