

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 2006

PUBLIC SERVICE
COMMISSION

September 28, 2006

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

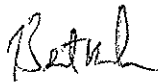
RE: Jefferson Gas, LLC
Case No. *2006-00429*
GCR Filing Proposed to Become
Effective November 1, 2006

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 November 1, 2006. Also included are an original and five copies of 24 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 \$4.6712 per MCF of sales.

Sincerely,



Bert R. Layne

Jefferson Gas, LLC

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: September 28, 2006

Date Rates to be Effective: November 1, 2006

Reporting Period is Calendar Quarter Ended: January 31, 2007

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.9720
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(1.3008)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		4.6712

GCR to be effective for service rendered from November 1, 2006 to January 31, 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	(.0493)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	(.2315)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.1200)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	.1000
=	Actual Adjustment (AA)	\$/Mcf	(1.3008)

<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)		

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 _____

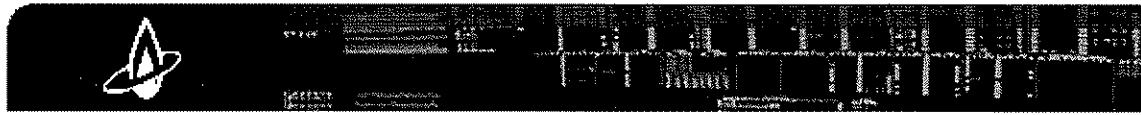
Line loss for 12 months ended _____ is _____ % based on purchases of _____ Mcf and sales of _____ Mcf.

	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.

\$5.972 Per Attached Schedule



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Market Data

- Current Session Overview
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- Previous Expanded Table
- Squawk Box
- Contract Detail Description
- Specifications
- Margins
- Termination Schedule
- Request for Information
- Exchange for Futures for Swaps (EFS)

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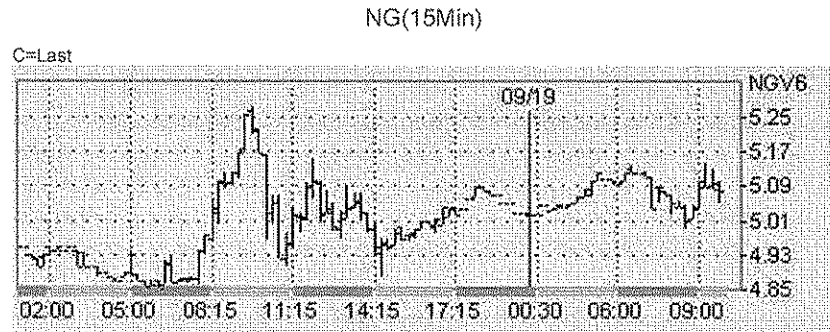
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9/19/2006 Session Overview

	Last	Open High	Open Low	High	Low	Most Recent Settle	Change
Oct 2006	5.040	5.035	5.035	5.145	4.992	4.942	0.10
Nov 2006	6.318	6.345	6.345	6.400	6.270	6.256	0.06
Dec 2006	7.990	7.870	7.870	8.044	7.840	7.806	0.18
Jan 2007	8.551	8.410	8.410	8.585	8.370	8.336	0.22
Feb 2007	8.600	8.450	8.450	8.600	8.435	8.391	0.21
Mar 2007	8.430	8.300	8.300	8.430	8.300	8.261	0.17

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15 Minute Intraday Chart (Delayed Data)



- Margins [view](#)
- Non-Member Customer Initial
- Member Customer Initial
- Clearing Member and Customer Maintenance

- Quotes - V6
- Last
- Change
- Previous
- Most recent se
- High
- Open Interest
- Low
- Volume

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SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended July 31, 2006

<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 July 31, 2006

<u>Particulars</u>	<u>Unit</u>	<u>Month 1 (May 06)</u>	<u>Month 2 (Jun 06)</u>	<u>Month 3 (Jul 06)</u>
Total Supply Volumes Purchased	Mcf	928	599	292
Total Cost of Volumes Purchased	\$	5,605.12	3,012.97	1,486.28
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	928	599	292
= Unit Cost of Gas	\$/Mcf	6.04	5.03	5.09
- EGC in effect for month	\$/Mcf	6.111	6.111	6.111
= Difference [(over-)/Under-Recovery]	\$/Mcf	(.071)	(1.081)	(1.021)
x Actual sales during month	Mcf	928	599	292
= Monthly cost difference	\$	(65.89)	(647.52)	(298.13)

Total cost difference (Month 1 + Month 2 + Month 3)	<u>Unit</u>	<u>Amount</u>
	\$	(1,011.54)
÷ Sales for 12 months ended <u>June 30, 2006</u>	Mcf	20,503
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(.0493)

Jefferson Gas, LLC

MCFs Sold Last 12 Months

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
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

20,503

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. _____
 24th Revised SHEET NO. 1
 CANCELLING P.S.C. KY. NO. _____
 23rd Revised SHEET NO. 1

Jefferson Gas, LLC

 (Name of Utility)

RATES AND CHARGES

Applies to: All Customers

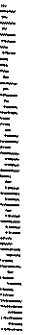
Rate, Monthly:

			Base Rate	Gas Cost	Rate per Unit (Mcf)
First	0 to 1 Mcf	Minimum Bill	3.8900	4.6712	8.5612
All Over	1 Mcf		2.2600	4.6712	6.9312

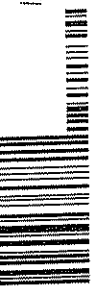
DATE OF ISSUE September 28, 2006
Month / Date / Year
 DATE EFFECTIVE November 1, 2006
Month / Date / Year
 ISSUED BY Bert R. Layne
(Signature of Officer)
 TITLE Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. _____ DATED _____

Jefferson Gas, LI
P. O. Box 24032
Lexington, KY 40524-4032



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Ms. Beth O'Donnell, Executive Dir.
Public Service Commission
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Frankfort, KY 40602