

**SOUTHEASTERN NATURAL GAS COMPANY
PURCHASED GAS ADJUSTMENT
GAS COST RECOVERY RATE CALCULATION**

PARTICULARS	UNIT	AMOUNT
Expected Gas Cost (EGC)	\$/MCF	\$ 9.4900
Supplier Refund and Reconciliation Adjustment (RA)	\$/MCF	\$ -
Actual Adjustment (AA)	\$/MCF	\$ (0.0128)
Gas Cost Recovery Rate (GCR) = EGC + RA + AA	\$/MCF	\$ 9.4772

Gas Cost Recovery Rate Effective Dates: January 1, 2007 to January 31, 2007.

EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
Primary Gas Suppliers Expected Gas Cost	\$	\$ 1,017,394
Utility Production Expected Gas Cost	\$	\$ -
Includable Propane Expected Gas costs	\$	\$ -
Total Annual Expected Gas Costs	\$	\$ 1,017,394
Total Annual Sales	MCF	107,207
Expected Gas Costs (EGC) Rate	\$/MCF	\$ 9.4900

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
Current Quarterly Supplier Refund & Reconciliation Adjustment	\$/MCF	\$ -
Previous Quarterly Supplier Refund & Reconciliation Adjustment	\$/MCF	\$ -
Second Previous Quarter Supplier Refund & Reconciliation Adjustment	\$/MCF	\$ -
Third Previous Quarter Supplier Refund & Reconciliation Adjustment	\$/MCF	\$ -
Supplier Refund & Reconciliation Adjustment (RA)	\$/MCF	\$ -

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
Current Quarterly Actual Adjustment	\$/MCF	\$ (0.0236)
Previous Quarterly Reported Actual Adjustment	\$/MCF	\$ (0.0306)
Second Previous Quarterly Reported Actual Adjustment	\$/MCF	\$ 0.0957
Third Previous Quarterly Reported Actual Adjustment	\$/MCF	\$ (0.0543)
Actual Adjustment (AA)	\$/MCF	\$ (0.0128)

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 76-515-GA-ORD OF
THE PUBLIC UTILITIES COMMISSION OF OHIO, DATED OCTOBER 18, 1979.

DATE FILED: December 29, 2006.

BY: Brian Jonard
TITLE: President