



November 30, 2010

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

RECEIVED

DEC 01 2010

PUBLIC SERVICE  
COMMISSION

Re: Kentucky Frontier Gas, LLC  
dba Belfry Gas Company, Inc.

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC, dba Belfry Gas Company, Inc. (BGC), we are filing for a Gas Cost Recovery for the period commencing January 1, 2011.

Enclosed is a Rates and Charges form and related calculations on which we base our request for rate changes. The cost of gas from BGC's supplier is the Inside FERC Columbia Appalachia First of Month rate times 80%. They also apply a gathering charge of \$0.7251/Dth plus 11% fuel.

If you have any questions, please call me at 303-422-3400.

Sincerely,

KENTUCKY FRONTIER GAS, LLC  
dba BELFRY GAS COMPANY, INC.

Dennis R. Horner  
Kentucky Frontier Gas, LLC

Enclosure

FOR

Belfry Kentucky  
Community, Town or City

P.S.C. KY. NO. 102nd

Original          SHEET NO. 1

Belfry Gas Company, Inc.  
(Name of Utility)

CANCELING P.S. KY.NO.

                         SHEET NO.                         

**RATES AND CHARGES**

APPLICABLE: Entire area served

AVAILABILITY OF SERVICE: Domestic and commercial use in applicable areas.

A. MONTHLY RATES:

	<u>Base Rate</u>	<u>GCR</u>	<u>Total</u>
FIRST (1) MCF (MINIMUM BILL)	\$ 4.2667	6.2997	10.5664
OVER 1 MCF	\$ 2.7182	6.2997	9.0179

B. DEPOSITS \$100.00

DATE OF ISSUE November 30, 2010

Month/Date/Year

DATE EFFECTIVE January 1, 2011

ISSUED BY 

(Signature of Officer)

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.    DATED

Company Name

Belfry Gas Company, Inc.

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date filed: November 30, 2010

---

Date Rates to be Effective: January 1, 2011

---

Reporting Period is Calendar Quarter Ended: September 30, 2010

---

## SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

	<u>Component</u>	<u>Unit</u>		<u>Amount</u>
	Expected Gas Cost (EGC)	\$/Mcf	\$	5.8029
+	Refund Adjustment (RA)	\$/Mcf	\$	-
+	Actual Adjustment (AA)	\$/Mcf	\$	0.4969
+	Balance Adjustment (BA)	\$/Mcf	\$	-
=	Gas Cost Recovery Rate (GCR)		\$	6.2997

GCR to be effective for service rendered from October 1, 2010 to December 31, 2010

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>		<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$	223,155
/	Sales for the 12 months ended September 30, 2010	Mcf		38,456
=	Expected Gas Cost (EGC)	\$/Mcf	\$	5.8029
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 (Sch. IV)	\$/Mcf	\$	(0.0416)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	(0.0134)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	0.3575
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	0.1944
=	Actual Adjustment (AA)	\$/Mcf	\$	0.4969
D	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>		<u>Amount</u>
	Balance Adjustment for the Reporting Period (Sch. 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	\$	-

**Belfry Gas Company, Inc. - GAS COST RECOVERY RATE**

SCHEDULE II

EXPECTED GAS COST

Actual \*MCF Purchases for 12 months ended September 30, 2010

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) x (5) Cost
Quality Natural Gas, LLC			40,379	\$ 5.5265	\$ 223,154.54
					\$ -
<b>Totals</b>			<b>40,379</b>		<b>\$ 223,154.54</b>

Line loss 12 months ended September, 2010 based on purchases of  
and sales of 38,456 Mcf. 40,379  
4.76%

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 223,155
/ Mcf Purchases (4)	Mcf	40,379
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.5265
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	40,379
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 223,155

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

\*\* 3rd quarter average of IFERC Columbia Appalachia FOM x .8 + \$0.7251/Dth (gathering) + 11% (fuel).

**Belfry Gas Company, Inc.**

Schedule IV  
Actual Adjustment

For the 3 month period ending June 30, 2010

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>
		<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>
Total Supply Volumes Purchased	Mcf	576	570	786
Total Cost of Volumes Purchased	\$	\$ 3,425	\$ 3,428	\$ 3,587
(divide by) Total Sales (not less than 95% of supply)	Mcf	549	543	749
(equals) Unit Cost of Gas	\$/Mcf	\$ 6.2386	\$ 6.3131	\$ 4.7891
(minus) EGC in effect for month	\$/Mcf	\$ 6.5406	\$ 6.5406	\$ 6.5406
(equals) Difference	\$/Mcf	\$ (0.3020)	\$ (0.2275)	\$ (1.7515)
(times) Actual sales during month	Mcf	549	543	749
(equals) Monthly cost difference	\$	\$ (165.79)	\$ (123.55)	\$ (1,311.91)

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ (1,601.24)
(divide by) Sales for 12 Months ended March 31, 2010	Mcf	38,456
(equals) Actual Adjustment for the Reporting Period		\$ (0.0416)
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ (0.0416)