



November 30, 2010

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

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PUBLIC SERVICE
COMMISSION

Re: Gas Cost Adjustment
Kentucky Frontier Gas, LLC
dba Cow Creek Gas, Inc. (Sigma)

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC dba, Cow Creek Gas, Inc. (Sigma), we are filing for Gas Cost Adjustment 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. This GCA is filed pursuant to the Sigma tariff adopted by Cow Creek pursuant to the Commission's Order in Case No. 2007-00419.

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

Sincerely,

KENTUCKY FRONTIER GAS, LLC
dba COW CREEK GAS, INC.

Dennis R. Horner
Kentucky Frontier Gas, LLC

Enclosures

Company Name

Cow Creek Gas, Inc (Sigma)

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date filed: November 30, 2009

Date Rates to be Effective: January 1, 2011

Reporting Period Ending: September 30, 2010

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

	<u>Component</u>	<u>Unit</u>	<u>Amount</u>
	Expected Gas Cost (EGC)	\$/Mcf	\$ 8.5238
+	Refund Adjustment (RA)	\$/Mcf	\$ -
+	Actual Adjustment (AA)	\$/Mcf	\$ 0.5520
+	Balance Adjustment (BA)	\$/Mcf	\$ -
=	Gas Cost Recovery Rate (GCR)		\$ 9.0758

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)	\$	\$ 340,312.50
/	Sales for the 12 months ended <u>September 30, 2010</u>	Mcf	39,925
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 8.5238
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	\$ 0.10848
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.03068
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.26439
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.14844
=	Actual Adjustment (AA)	\$/Mcf	\$ 0.55199
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	\$ -

Cow Creek Gas, 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
Interstate Natural Gas Company			41,250	\$ 8.2500	\$ 340,312.50
Totals			41,250		\$ 340,312.50

Line loss for 12 months ended September, 2010 based on purchases of
and sales of 39,925 Mcf. 41,250
3.21%

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 340,313
/ Mcf Purchases (4)	Mcf	41,250
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 8.2500
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	41,250
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 340,313

** ING Co. rate = \$7.0000/Mcf + DLR Pipeline transportation = \$1.25/Mcf

Cow Creek Gas, Inc. (Sigma)

Schedule IV
Actual Adjustment

For the 3 month period ending September 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	427	715	517
Total Cost of Volumes Purchased*	\$	\$ 4,471	\$ 6,844	\$ 5,207
(divide by) Total Sales (not less than 95% of supply)	Mcf	407	681	492
(equals) Unit Cost of Gas	\$/Mcf	\$ 10.9853	\$ 10.0499	\$ 10.5833
(minus) EGC in effect for month	\$/Mcf	\$ 7.7158	\$ 7.7158	\$ 7.7158
(equals) Difference	\$/Mcf	\$ 3.2695	\$ 2.3341	\$ 2.8675
(times) Actual sales during month	Mcf	407	681	492
(equals) Monthly cost difference	\$	\$ 1,330.67	\$ 1,589.54	\$ 1,410.83

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ 4,331.04
(divide by) Sales for 12 Months ended <u>September 30, 2010</u>	Mcf	39,925
(equals) Actual Adjustment for the Reporting Period		\$ 0.1085
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ 0.1085

* Transportation cost of \$2,835 for May and June were not included in the previous quarter GCA. \$945 has been added to gas cost for each of the three months in this Actual Adjustment.