

August 29, 2011

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

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

RECEIVED

SEP - 2 2011

PUBLIC SERVICE
COMMISSION

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 October 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, Quality Natural Gas, LLC has been estimated for the calendar quarter beginning October 1, 2011.

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

Enclosures

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.

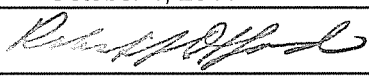
A. MONTHLY RATES:

	<u>Base Rate</u>	<u>GCR</u>	<u>Total</u>
FIRST (1) MCF (MINIMUM BILL)	\$ 4.2667	4.1982	8.4649
OVER 1 MCF	\$ 2.7182	4.1982	6.9164

B. DEPOSITS \$100.00

DATE OF ISSUE August 29, 2011
Month/Date/Year

DATE EFFECTIVE October 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: August 29, 2011

Date Rates to be Effective: October 1, 2011

Reporting Period is Calendar Quarter Ended: June 30, 2011

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$ 5.3788
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (1.1806)
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		4.19820

GCR to be effective for service rendered from October 1, 2011 to December 30, 2011

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 211,899
/	Sales for the 12 months ended <u>June 30, 2011</u>	Mcf	39,395
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 5.3788
<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 (Sch. IV)	\$/Mcf	\$ 0.0861
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.1716)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (1.0725)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0226)
=	Actual Adjustment (AA)	\$/Mcf	\$ (1.1806)
<u>D</u>	<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

MCF Purchases for 12 months ended: June 30, 2011

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)* Rate	(6) (4) x (5) Cost
Quality Natural Gas, LLC			50,240	\$ 5.1099	\$ 256,721.38
					\$ -
Totals			50,240	\$	256,721.38

Line loss 12 months ended: June-11 based on purchases of 50,240 Mcf
and sales of 39,395 Mcf. 21.59%

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 256,721
/ Mcf Purchases (4)	Mcf	50,240
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.1099
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	41,468
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 211,899

* EGC rate is calculated as follows: NYMEX futures for ^{Oct} ~~Jul~~ (\$3.8850); ^{Nov} ~~Aug~~ (\$4.0100); ^{Dec} ~~Sep~~ (\$4.220) = \$4.0383/Dth (avg.)
+ \$0.12 (basis) + \$0.10 (Quality Fee) = \$4.2583/Dth x 1.2 Dth/Mcf = 5.1099 \$/Mcf

** TCo Appalachian Index Basis

Belfry Gas Company, Inc.

Schedule IV
Actual Adjustment

For the 3 month period ending: June 30, 2011

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>
		<u>Apr-11</u>	<u>May-11</u>	<u>June-11</u>
Total Supply Volumes Purchased	Mcf	2,875	2,680	1,951
Total Cost of Volumes Purchased	\$	\$ 15,445	\$ 14,846	\$ 10,677
(divide by) Total Sales (not less than 95% of supply)	Mcf	2,731	2,546	1,853
(equals) Unit Cost of Gas	\$/Mcf	\$ 5.6549	\$ 5.8311	\$ 5.7606
(minus) EGC in effect for month	\$/Mcf	\$ 4.7322	\$ 4.7322	\$ 4.7322
(equals) Difference	\$/Mcf	\$ 0.9227	\$ 1.0989	\$ 1.0284
(times) Actual sales during month	Mcf	1,467	1,243	652
(equals) Monthly cost difference	\$	\$ 1,353.63	\$ 1,365.94	\$ 670.52

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ 3,390.09
(divide by) Sales for 12 Months ended June 30, 2011	Mcf	39,395
(equals) Actual Adjustment for the Reporting Period		\$ 0.0861
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ 0.0861