



June 27, 2012

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

RECEIVED

JUN 27 2012

PUBLIC SERVICE  
COMMISSION

Re: Gas Cost Adjustment  
Kentucky Frontier Gas, LLC  
dba People's Gas, Inc.

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC dba, People's Gas, Inc., we are filing for Gas Cost Adjustment for the period commencing August 1, 2012. EGC is based on Columbia Gas IUS rate approved in Case No. 2012-00166.

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

Sincerely,

KENTUCKY FRONTIER GAS, LLC  
dba PEOPLE'S GAS, INC.

Dennis R. Horner  
Kentucky Frontier Gas, LLC

Enclosures

Company Name

Peoples Gas, Inc.

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date filed: June 27, 2012

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Date Rates to be Effective: August 1, 2012

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Reporting Period Ending: April 30, 2012

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## SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

	<u>Component</u>	<u>Unit</u>	<u>Amount</u>
	Expected Gas Cost (EGC)	\$/Mcf	\$ 4.7347
+	Refund Adjustment (RA)	\$/Mcf	\$ -
+	Actual Adjustment (AA)	\$/Mcf	\$ (0.6451)
+	Balance Adjustment (BA)	\$/Mcf	\$ -
=	Gas Cost Recovery Rate (GCR)		\$ 4.0897

GCR to be effective for service rendered from: 8/1/12 to 10/31/12

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 35,321
/	Sales for the 12 months ended <u>April 30, 2012</u>	Mcf	7,460
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 4.7347
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	\$ (0.9826)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.1264
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0727
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.1384
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.6451)
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	\$ -

**Peoples Gas, Inc. - GAS COST RECOVERY RATE**

SCHEDULE II

EXPECTED GAS COST

Actual \*MCF Purchases for 12 months ended: April 30, 2012

(1) Supplier	(2) Dth	(3) BTU Factor	(4) Mcf	(5)** Rate	(6) (4) x (5) Cost
Columbia Gas of KY			8,936	\$4.4980	\$40,194.13
Totals			8,936		\$40,194.13

Line loss 12 months ended April 30, 2012 on purchases of 8,936  
and sales of 7,460 = 17%

Total Expected Cost of Purchases (6)	<u>Unit</u> \$	<u>Amount</u> \$40,194
/ Mcf Purchases (4)	Mcf	8,936
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$4.4980
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	7,853
= Total Expected Gas Cost (to Schedule 1A)	\$	\$35,321

\*

\*\* Columbia Gas IUS rate approved May 18, 2012 Case No. 2012-00166

**Peoples Gas, Inc.**

Schedule IV  
Actual Adjustment

For the 3 month period ending:

April 30, 2012

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>Feb-12</u>	<u>Month 2</u> <u>Mar-12</u>	<u>Month 3</u> <u>Apr-12</u>
Total Supply Volumes Purchased	Mcf	1,001	614	446
Total Cost of Volumes Purchased	\$	\$6,986	\$5,047	\$3,235
(divide by) Total Sales (not less than 95% of supply)	Mcf	951	1,222	1,264
(equals) Unit Cost of Gas	\$/Mcf	\$7.3468	\$4.1304	\$2.5595
(minus) EGC in effect for month	\$/Mcf	\$6.5524	\$6.5524	\$6.5524
(equals) Difference	\$/Mcf	\$0.7944	(\$2.4220)	(\$3.9929)
(times) Actual sales during month	Mcf	852	1,222	1,264
(equals) Monthly cost difference	\$	\$676.80	-\$2,959.74	-\$5,047.01

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	(\$7,329.95)
(divide by) Sales for 12 Months ended: April 30, 2012	Mcf	7,460
(equals) Actual Adjustment for the Reporting Period		(\$0.9826)
(plus) Over-recovery component from collections through expired AAs		\$0.0000
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		(\$0.9826)