



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 Recovery Rate
Kentucky Frontier Gas, LLC
dba Mike Little Gas Company, Inc.

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC, dba Mike Little Gas Company, Inc. (MLG), we are filing for a Gas Cost Recovery for the period commencing August 1, 2012.

Enclosed are calculations on which we base our request for rate changes. EGC is based on Columbia Gas IUS rate approved in 2012-00166. Quality rate is 80% of TCO App + transportation + fuel charges.

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

Sincerely,

KENTUCKY FRONTIER GAS, LLC
dba MIKE LITTLE GAS COMPANY, INC.

Dennis R. Horner
Kentucky Frontier Gas, LLC

Enclosure

Company Name

Mike Little Gas Company, Inc.

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date filed: June 27, 2012

Date Rates to be Effective: August 1, 2012

Reporting Period Ending: April 30, 2012

Mike Little Gas Company, Inc. - GAS COST RECOVERY RATE

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$ 3.5726
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (0.4925)
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		\$ 3.08012

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

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 68,515.94
/	Sales for the 12 months ended April 30, 2012	Mcf	19,178
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 3.5726
<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	\$ (0.1385)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.2646)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.1357)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0463
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.4925)
<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	\$ -

Mike Little Gas Company, Inc. - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

Actual MCF Purchases for 12 months ended: 4/30/2012

(1) Supplier	(2) Dth	(3) BTU Conversion	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Quality*			13,918	\$3.7526	\$52,228.69
Columbia Gas of KY**			3,621	\$4.4980	\$16,287.26
					\$0.00
					\$0.00
Totals			17,539		\$68,515.94
Line loss 12 months ended and sales of	<u>April 30, 2012</u> <u>19,178</u>	on purchases of =	<u>17,539</u> <u>-9.34%</u>		

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$68,515.94
/ Mcf Purchases (4)	Mcf	17,539
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$3.9065
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	17,539
= Total Expected Gas Cost (to Schedule 1A)	\$	\$68,515.94

* EGC calcu: TCO Appa futures for Jul (\$2.625/Dth); Aug (\$2..668/Dth); Sep (\$2.695/Dth) = \$2.6626/Dth (avg.)
(+) \$0.01 (TCO basis) x .8 = \$2.1381 + 12.35% (fuel) + \$0.725 (trans.) = \$3.1272 x 1.2 Dth/Mcf =
\$3.7526 /Mcf

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

Mike Little Gas Company, 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>Month 2</u>	<u>Month 3</u>
		<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>
Total Supply Volumes Purchased	Mcf	3,101	1,593	1,321
Total Cost of Volumes Purchased	\$	\$13,781	\$6,987	\$5,536
(divide by) Total Sales (not less than 95% of supply)	Mcf	2,946	1,821	1,255
(equals) Unit Cost of Gas	\$/Mcf	\$4.6780	\$3.8369	\$4.4111
(minus) EGC in effect for month	\$/Mcf	\$4.8266	\$4.8266	\$4.8266
(equals) Difference	\$/Mcf	(\$0.1486)	(\$0.9897)	(\$0.4155)
(times) Actual sales during month	Mcf	2,734	1,821	1,078
(equals) Monthly cost difference	\$	(\$406.21)	(\$1,802.23)	(\$447.87)

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	(\$2,656.31)
(divide by) Sales for 12 Months ended: <u>April 30, 2012</u>	Mcf	19,178
(equals) Actual Adjustment for the Reporting Period		(\$0.1385)
(plus) Over-recovery component from collections through expired AAs		\$0.0000
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		(\$0.1385)