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PUBLIC SERVICE
COMMISSION

March 3, 2011

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

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

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC dba, Cow Creek Gas, Inc. (CCG) we are filing for Gas Cost Adjustment for the period commencing April 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

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date filed: March 3, 2011

Date Rates to be Effective: April 1, 2011

Reporting Period Ending: December 31, 2010

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$ 8.5513
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ 0.4348
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		\$ 8.9861

GCR to be effective for service rendered from April 1, 2011 to June 30, 2011

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 358,660.50
/	Sales for the 12 months ended <u>December 31, 2010</u>	Mcf	41,942
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 8.5513
<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	\$ 0.03124
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.10848
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.03068
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.26439
=	Actual Adjustment (AA)	\$/Mcf	\$ 0.43479
<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	\$ -

Cow Creek Gas, Inc. - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

Actual *MCF Purchases for 12 months ended December 31, 2010

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) x (5) Cost
Interstate Natural Gas Company			43,474	\$ 8.2500	\$ 358,660.50
					\$ -
Totals			43,474		\$ 358,660.50

Line loss for 12 months ended Dec-10 bases on purchases of 43,474
and sales of 41,942 Mcf. 3.52%

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 358,661
/ Mcf Purchases (4)	Mcf	43,474
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 8.2500
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	43,474
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 358,661

Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein

** ING Co. rate = \$7.00/Mcf + DLR Pipeline transportation = \$1.25/Mcf

Cow Creek Gas, Inc.

Schedule IV
Actual Adjustment

For the 3 month period ending December 31, 2010

Particulars	Unit	Month 1		Month 2		Month 3	
		Oct-10	Nov-10	Dec-10	Nov-10	Dec-10	Dec-10
Total Supply Volumes Purchased	Mcf	1,191	3,896	6,735			
Total Cost of Volumes Purchased (divide by) Total Sales	\$	\$ 8,337	\$ 27,272	\$ 47,145			
(not less than 95% of supply)	Mcf	1,134	3,710	6,414			
(equals) Unit Cost of Gas	\$/Mcf	\$ 7.3519	\$ 7.3509	\$ 7.3503			
(minus) EGC in effect for month	\$/Mcf	\$ 7.2343	\$ 7.2343	\$ 7.2343			
(equals) Difference	\$/Mcf	\$ 0.1176	\$ 0.1166	\$ 0.1160			
(times) Actual sales during month	Mcf	1,134	3,710	6,414			
(equals) Monthly cost difference	\$	\$ 133.30	\$ 432.75	\$ 744.20			
 Total cost difference							
(divide by) Sales for 12 Months ended December 31, 2010	\$	\$	\$	\$ 1,310.25			
(equals) Actual Adjustment for the Reporting Period	Mcf			41,942			
(plus) Over-recovery component from collections through expired AAs	\$			\$ 0.0312			
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)	\$			\$ -			
				\$ 0.0312			