



May 27, 2011

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

RECEIVED

MAY 31 2011

PUBLIC SERVICE  
COMMISSION

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

Dear Mr. Derouen:

2011-191

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

A handwritten signature in cursive script that reads "Dennis R. Horner".

Dennis R. Horner  
Kentucky Frontier Gas, LLC

Enclosures

FOR ENTIRE AREA SERVED  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 1

Cow Creek Gas, Inc. (Sigma)  
(Name of Utility)

CANCELING P.S. KY.NO.  
SHEET NO. \_\_\_\_\_

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RATES AND CHARGES

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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)	\$ 6.2500	7.1836	13.4336
OVER 1 MCF	\$ 4.5522	7.1836	11.7358

B. Minimum Bill: 13.4336

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DATE OF ISSUE May 27, 2011  
Month/Date/Year

DATE EFFECTIVE July 1, 2011

ISSUED BY   
(Signature of Officer)

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Company Name

Cow Creek Gas, Inc. (Sigma)

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date filed: May 27, 2011

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Date Rates to be Effective: July 1, 2011

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Reporting Period is Calendar Quarter Ended: March 31, 2011

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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	\$ 8.2792
+	Refund Adjustment (RA)	\$/Mcf	\$ -
+	Actual Adjustment (AA)	\$/Mcf	\$ (1.0956)
+	Balance Adjustment (BA)	\$/Mcf	\$ -
=	Gas Cost Recovery Rate (GCR)		7.1836

GCR to be effective for service rendered from July 1, 2011 to September 30, 2011

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 313,932
/	Sales for the 12 months ended March 31, 2011	Mcf	37,918
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 8.2792
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	\$ (1.2658)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0312
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.1084
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0306
=	Actual Adjustment (AA)	\$/Mcf	\$ (1.0956)
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. (Sigma) - GAS COST RECOVERY RATE**

SCHEDULE II

EXPECTED GAS COST

MCF Purchases for 12 months ended: March 31, 2011

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)* Rate	(6) (4) x (5) Cost
Interstate Natural Gas			35,298	\$ 8.2500	\$ 291,208.50
Jefferson Gas			4,362	5.20945	\$ 22,723.62
Totals			39,660		\$ 313,932.12

Line loss 12 months ended: March-11 based on purchases of 39,660 Mcf  
and sales of 37,918 Mcf. 4.39%

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 313,932
/ Mcf Purchases (4)	Mcf	39,660
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 7.9156
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	39,660
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 313,932

\* ING Co. rate = \$7.0000/Mcf + DLR Pipeline transportation = \$1.2500/Mcf 8.25 \$/Mcf  
Jefferson Gas Invoices attached.

**Cow Creek Gas, Inc. - Sigma**

Schedule IV  
Actual Adjustment

For the 3 month period ending: March 31, 2011

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>
		<u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>
Total Supply Volumes Purchased	Mcf	9,358	6,215	4,423
Total Cost of Volumes Purchased	\$	\$ 62,647	\$ 47,112	\$ 29,084
(divide by) Total Sales (not less than 95% of supply)	Mcf	10,517	7,150	4,253
(equals) Unit Cost of Gas	\$/Mcf	\$ 5.9568	\$ 6.5890	\$ 6.8386
(minus) EGC in effect for month	\$/Mcf	\$ 8.5238	\$ 8.5238	\$ 8.5238
(equals) Difference	\$/Mcf	\$ (2.5670)	\$ (1.9348)	\$ (1.6852)
(times) Actual sales during month	Mcf	10,517	7,150	4,253
(equals) Monthly cost difference	\$	\$ (26,997.44)	\$ (13,833.53)	\$ (7,167.32)

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ (47,998.30)
(divide by) Sales for 12 Months ended March 31, 2011	Mcf	37,918
(equals) Actual Adjustment for the Reporting Period		\$ (1.2658)
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ (1.2658)

# INVOICE

## Jefferson Gas, LLC

220 Lexington Green Circle, Ste. #130  
Lexington, KY 40503  
888-453-9255

Invoice # 1 010311-1  
Date 01/03/2011  
Due Date 01/25/2011  
by Check

*Cow Creek*  
*Sigma*

TO DLR Enterprises, Inc.  
ATTN: Peggy Pinion  
  
P.O. Box 3385  
Pikeville, KY 41502

Sent via mail

Month	Deal	Quantity	Price	Total
Dec-10	Contract dated 1/17/08	1,075	\$ 5.31	\$ 5,708.25

TOTAL \$ 5,708.25

### Price Computation:

Columbia Gas Transmission Corp.

Appalachia Index - December	\$ 4.41
Add Cost Factor	\$ 0.90
Total Cost per Mcfs	<u>\$ 5.31</u>

FAC copy

low creeks gas purch  
for bill

# INVOICE

## Jefferson Gas, LLC

220 Lexington Green Circle, Ste. #130  
Lexington, KY 40503  
888-453-9255

Invoice # 1 020711-1  
Date 02/07/2011  
Due Date 02/28/2011  
by Check

TO Kentucky Frontier Gas  
ATTN: Accounts Payable  
  
P.O Box 408  
Prestonsburg, KY 41653

Sent via mail

Month	Deal	Quantity	Price	Total
Jan-11	Contract dated 1/17/08 DLR Receipt Point	1,662	\$ 5.28	\$ 8,775.36

TOTAL \$ 8,775.36

### Price Computation:

Columbia Gas Transmission Corp.	
Appalachia Index - January	\$ 4.38
Add Cost Factor	\$ 0.90
Total Cost per Mcfs	<u>\$ 5.28</u>

old contract  
w/ DLR

806	
	8,775.36



# INVOICE

## Jefferson Gas, LLC

220 Lexington Green Circle, Ste. #130  
Lexington, KY 40503  
888-453-9255

Invoice # 1 030411-1  
Date 03/04/2011  
Due Date 03/31/2011  
by Check

TO Kentucky Frontier Gas  
ATTN: Accounts Payable  
  
P.O Box 408  
Prestonsburg, KY 41653

Sent via mail

804  
4,145.64  
4,145.64

Month	Deal	Quantity	Price	Total
Feb-11	Contract dated 1/17/08 DLR Receipt Point	772 \$	5.37 \$	4,145.64

TOTAL \$ 4,145.64

### Price Computation:

Columbia Gas Transmission Corp.

Appalachia Index - February \$ 4.47

Add Cost Factor \$ 0.90

Total Cost per Mcfs \$ 5.37

# INVOICE

## Jefferson Gas, LLC

220 Lexington Green Circle, Ste. #130  
Lexington, KY 40503  
888-453-9255

Invoice # 1 040611-1  
Date 04/06/2011  
Due Date 04/30/2011  
by Check

TO Kentucky Frontier Gas  
ATTN: Accounts Payable  
  
P.O Box 408  
Prestonsburg, KY 41653

Sent via mail

Month	Deal	Quantity	Price	Total
Mar-11	Contract dated 1/17/08 DLR Receipt Point	853	\$ 4.80	\$ 4,094.40

TOTAL \$ 4,094.40

### Price Computation:

Columbia Gas Transmission Corp.

Appalachia Index - March	\$ 3.90
Add Cost Factor	\$ 0.90
Total Cost per Mcfs	<u>\$ 4.80</u>