



June 29, 2011

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

RECEIVED

JUN 30 2011

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, 2011.

Enclosed are calculations on which we base our request for rate changes. EGC is based on Columbia Gas IUS rate approved in Case No. 2011-00155. Quality rate is 80% of TCO App + transportation + gathering + 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 29, 2011

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Date Rates to be Effective: August 1, 2011

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Reporting Period Ending: April 30, 2011

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**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	\$ 6.4548
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (0.5272)
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		\$ 5.9276

GCR to be effective for service rendered from Aug 1, 2011 to Oct 31, 2011.

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 135,860.56
/	Sales for the 12 months ended <u>April 30, 2011</u>	Mcf	21,048
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 6.4548

<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	\$ (0.0130)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.4860)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.1179)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0897
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.5272)

<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 April 30, 2011

(1) Supplier	(2) Dth	(3) BTU Conversion	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Quality*			17,126	\$ 6.1854	\$ 105,931.16
Columbia Gas of KY**			4,804	\$ 6.2301	\$ 29,929.40
					\$ -
Totals			21,930		\$ 135,860.56

Line loss 12 months ended April 30, 2011 on purchases of 21,930  
and sales of 21,048 = 4.02%

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 135,860.56
/ Mcf Purchases (4)	Mcf	21,930
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 6.1952
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	21,930
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 135,860.56

\* EGC rate is calculated as follows: NYMEX futures for Aug (\$4.3540); Sep (\$4.3730); Oct (\$4.4120) = \$4.3797/Dth (avg.)  
x .8 = \$3.5037 + \$0.12 (TCO basis) + \$0.72 (trans.) + 11% (fuel) = \$5.1545 x 1.2 Dth/Mcf =  
\$6.1854 /Mcf

\*\* Columbia Gas IUS rate - Case No. 2011-00155

**Mike Little Gas Company, Inc.**

Schedule IV  
Actual Adjustment

For the 3 month period ending: April 30, 2011

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>
		<u>Feb-11</u>	<u>Mar-11</u>	<u>Apr-11</u>
Total Supply Volumes Purchased	Mcf	3,282	2,255	1,278
Total Cost of Volumes Purchased	\$	\$ 20,973	\$ 12,744	\$ 8,032
(divide by) Total Sales (not less than 95% of supply)	Mcf	3,118	2,241	1,214
(equals) Unit Cost of Gas	\$/Mcf	\$ 6.7266	\$ 5.6867	\$ 6.6156
(minus) EGC in effect for month	\$/Mcf	\$ 6.3795	\$ 6.3795	\$ 6.3795
(equals) Difference	\$/Mcf	\$ 0.3471	\$ (0.6928)	\$ 0.2361
(times) Actual sales during month	Mcf	3,002	2,241	996
(equals) Monthly cost difference	\$	\$ 1,042.12	\$ (1,552.46)	\$ 235.16
Total cost difference	<u>Unit</u>			<u>Amount</u>
	\$			\$ (275.18)
(divide by) Sales for 12 Months ended <u>April 30, 2011</u>	Mcf			21,048
(equals) Actual Adjustment for the Reporting Period				\$ (0.0131)
(plus) Over-recovery component from collections through expired AAs				\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)				\$ (0.01307)
				\$ (0.0130)