



November 28, 2011

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

RECEIVED

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PUBLIC SERVICE
COMMISSION

Re: Kentucky Frontier Gas, LLC
dba Belfry Gas Company, Inc.

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC, dba Belfry Gas Company, Inc. (BGC), we are filing for a Gas Cost Recovery for the period commencing January 1, 2012.

Enclosed is a Rates and Charges form and related calculations on which we base our request for rate changes. The cost of gas from BGC's supplier, Quality Natural Gas, LLC has been estimated for the calendar quarter beginning October 1, 2011.

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

Sincerely,

KENTUCKY FRONTIER GAS, LLC
dba BELFRY GAS COMPANY, INC.

Dennis R. Horner
Kentucky Frontier Gas, LLC

Enclosures

FOR Belfry Kentucky
Community, Town or City

P.S.C. KY. NO. 102nd

Original SHEET NO. 1

Belfry Gas Company, Inc.
(Name of Utility)

CANCELING P.S. KY.NO.
SHEET NO. _____

RATES AND CHARGES

APPLICABLE: Entire area served

AVAILABILITY OF SERVICE: Domestic and commercial use in applicable areas.


A. MONTHLY RATES:

	<u>Base Rate</u>	<u>GCRR</u>	<u>Total</u>
FIRST (1) MCF (MINIMUM BILL)	\$ 4.2667	3.6727	7.9394
OVER 1 MCF	\$ 2.7182	3.6727	6.3909

B. DEPOSITS \$100.00

DATE OF ISSUE November 28, 2011
Month/Date/Year

DATE EFFECTIVE January 1, 2012

ISSUED BY 
(Signature of Officer)

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMINSSION
IN CASE NO. _____ DATED _____

Company Name

Belfry Gas Company, Inc.

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date filed: November 28, 2011

Date Rates to be Effective: January 1, 2012

Reporting Period is Calendar Quarter Ended: September 30, 2011

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>		<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$	4.8358
+ Refund Adjustment (RA)	\$/Mcf	\$	-
+ Actual Adjustment (AA)	\$/Mcf	\$	(1.1631)
+ Balance Adjustment (BA)	\$/Mcf	\$	-
= Gas Cost Recovery Rate (GCR)			3.67270

GCR to be effective for service rendered from January 1, 2012 to March 31, 2012

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>		<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$	192,527
/	Sales for the 12 months ended <u>September 30, 2011</u>	Mcf		39,813
=	Expected Gas Cost (EGC)	\$/Mcf	\$	4.8358

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	\$	(0.0051)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	0.0861
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	(0.1716)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	(1.0725)
=	Actual Adjustment (AA)	\$/Mcf	\$	(1.1631)

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	\$	-

Belfry Gas Company, Inc. - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

MCF Purchases for 12 months ended: September 30, 2011

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)* Rate	(6) (4) x (5) Cost
Quality Natural Gas, LLC			44,151	\$ 4.5940	\$ 202,829.69
					\$ -
Totals			44,151		\$ 202,829.69

Line loss 12 months ended: June-11 based on purchases of 44,151 Mcf
and sales of 39,813 Mcf. 9.83%

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 202,830
/ Mcf Purchases (4)	Mcf	44,151
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 4.5940
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	41,908
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 192,527

* EGC rate is calculated as follows: NYMEX futures for Jan (\$3.545); Feb (\$3.585); Mar (\$3.695) = \$3.6083/Dth (avg.)
+ \$0.12 (basis) + \$0.10 (Quality Fee) = \$3.8283/Dth x 1.2 Dth/Mcf = 4.594 \$/Mcf

** TCo Appalachian Index Basis

Belfry Gas Company, Inc.

Schedule IV
Actual Adjustment

For the 3 month period ending: September 30, 2011

Particulars	Unit	Month 1	Month 2	Month 3
		Jul-11	Aug-11	Sep-11
Total Supply Volumes Purchased	Mcf	1,562	1,593	1,712
Total Cost of Volumes Purchased	\$	\$ 8,596	\$ 8,698	\$ 9,450
(divide by) Total Sales (not less than 95% of supply)	Mcf	1,484	1,513	1,626
(equals) Unit Cost of Gas	\$/Mcf	\$ 5.7928	\$ 5.7475	\$ 5.8104
(minus) EGC in effect for month	\$/Mcf	\$ 5.8749	\$ 5.8749	\$ 5.8749
(equals) Difference	\$/Mcf	\$ (0.0821)	\$ (0.1274)	\$ (0.0645)
(times) Actual sales during month	Mcf	717	704	838
(equals) Monthly cost difference	\$	\$ (58.83)	\$ (89.68)	\$ (54.07)

	Unit	Amount
Total cost difference	\$	\$ (202.58)
(divide by) Sales for 12 Months ended September 30, 2011	Mcf	39,813
(equals) Actual Adjustment for the Reporting Period		\$ (0.0051)
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ (0.0051)