



December 19, 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 People's Gas, Inc.

RECEIVED

DEC 20 2011

PUBLIC SERVICE
COMMISSION

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC dba, People's Gas, Inc., we are filing for Gas Cost Adjustment for the period February 1, 2012 to April 30, 2012. EGC is based on Columbia Gas IUS rate approved on November 29, 2011.

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

Sincerely,

KENTUCKY FRONTIER GAS, LLC
dba PEOPLE'S GAS, INC.

Dennis R. Horner
Kentucky Frontier Gas, LLC

Enclosures

FOR: Phelps
Community, Town or City

P.S.C. KY. NO. 1

SHEET NO. 1

Peoples Gas, Inc.
(Name of Utility)

CANCELING P.S. KY. NO. 1

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)	\$ 4.3971	6.9180	11.3151
OVER 1 MCF	\$ 2.7670	6.9180	9.6850

B. DEPOSITS \$100.00

DATE OF ISSUE December 19, 2011

DATE EFFECTIVE February 1, 2012

ISSUED BY 
(Signature of Officer)

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMINSION

IN CASE NO. _____ DATED _____

Company Name

Peoples Gas, Inc.

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date filed: December 19, 2011

Date Rates to be Effective: February 1, 2012

Reporting Period Ending: October 31, 2011

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>		<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$	6.5524
+ Refund Adjustment (RA)	\$/Mcf	\$	-
+ Actual Adjustment (AA)	\$/Mcf	\$	0.4055
+ Balance Adjustment (BA)	\$/Mcf	\$	(0.0399)
= Gas Cost Recovery Rate (GCR)		\$	6.9180

GCR to be effective for service rendered from February 1, 2012 to April 30, 2012

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>		<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$	60,465.74
/	Sales for the 12 months ended <u>October 31, 2011</u>	Mcf		9,228
=	Expected Gas Cost (EGC)	\$/Mcf	\$	6.5524
<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	\$	0.0727
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	0.1384
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	0.0879
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	0.1065
=	Actual Adjustment (AA)	\$/Mcf	\$	0.4055
<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	\$	(0.0399)
=	Balance Adjustment (BA)	\$/Mcf	\$	(0.0399)

Peoples Gas, Inc. - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

Actual *MCF Purchases for 12 months ended October 31, 2011

(1) Supplier	(2) Dth	(3) BTU Factor	(4) Mcf	(5)** Rate	(6) (4) x (5) Cost
Columbia Gas of KY			12,004	\$ 6.2248	\$ 74,722.50
					\$ -
Totals			12,004		\$ 74,722.50

Line loss for 12 months ended October 31, 2011 based on purchases of 12,004
and sales of 9,228 = 23.13%

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 74,722.50
/ Mcf Purchases (4)	Mcf	12,004
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 6.2248
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	9,714
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 60,465.74

*

** Columbia Gas IUS rate approved November 29, 2011

Peoples Gas, Inc.

Schedule IV
Actual Adjustment

For the 3 month period ending Oct 31, 2011

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>
		<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>
Total Supply Volumes Purchased	Mcf	191	490	718
Total Cost of Volumes Purchased	\$	\$ 1,556	\$ 3,515	\$ 4,607
(divide by) Total Sales (not less than 95% of supply)	Mcf	181	466	682
(equals) Unit Cost of Gas	\$/Mcf	\$ 8.5754	\$ 7.5510	\$ 6.7541
(minus) EGC in effect for month	\$/Mcf	\$ 6.5580	\$ 6.5580	\$ 6.5580
(equals) Difference	\$/Mcf	\$ 2.0174	\$ 0.9930	\$ 0.1961
(times) Actual sales during month	Mcf	178	245	350
(equals) Monthly cost difference	\$	\$ 359.09	\$ 243.29	\$ 68.65

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ 671.03
(divide by) Sales for 12 Months ended <u>Oct 31, 2011</u>	Mcf	9,228
(equals) Actual Adjustment for the Reporting Period		\$ 0.0727
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ 0.0727