

December 19, 2011

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

RECEIVED

DEC 20 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 February 1, 2012.

Enclosed are calculations on which we base our request for rate changes. EGC is based on Columbia Gas IUS rate approved on November 29, 2011. Quality rate is 80% of TCO App + transportation + 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

FOR: Melvin, Byro, Weeksbury, Langley and Goble Roberts
Community, Town or City

P.S.C. KY. NO. 1

SHEET NO. 5

Mike Little 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)	\$ 5.5000	4.2383	9.7383
OVER 1 MCF	\$ 4.3271	4.2383	8.5654

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 COMMISSION
IN CASE NO. _____ DATED _____

Company Name

Mike Little Gas Company, 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

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	\$	4.8266
+ Refund Adjustment (RA)	\$/Mcf	\$	-
+ Actual Adjustment (AA)	\$/Mcf	\$	(0.5884)
+ Balance Adjustment (BA)	\$/Mcf	\$	-
= Gas Cost Recovery Rate (GCR)		\$	4.2383

GCR to be effective for service rendered from Feb 1, 2012 to Apr 30, 2012.

A	<u>EXPECTED GAS COST CALCULATION</u>		<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)		\$	\$ 103,569.49
/	Sales for the 12 months ended Oct 31, 2011		Mcf	21,458
=	Expected Gas Cost (EGC)		\$/Mcf	\$ 4.8266

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	\$ (0.1357)
+	Previous Quarter Reported Actual Adjustment		\$/Mcf	\$ 0.0463
+	Second Previous Quarter Reported Actual Adjustment		\$/Mcf	\$ (0.0130)
+	Third Previous Quarter Reported Actual Adjustment		\$/Mcf	\$ (0.4860)
=	Actual Adjustment (AA)		\$/Mcf	\$ (0.5884)

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	\$ -

Mike Little Gas Company, Inc. - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

Actual MCF Purchases for 12 months ended Oct 31, 2011

(1) Supplier	(2) Dth	(3) BTU Conversion	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Quality*			15,772	\$ 4.6568	\$ 73,447.68
Columbia Gas of KY**			4,839	\$ 6.2248	\$ 30,121.81
					\$ -
Totals			20,611		\$ 103,569.49
Line loss 12 months ended and sales of	<u>October 31, 2011</u> <u>21,458</u>	on purchases of =	<u>20,611</u> <u>-4.11%</u>		

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 103,569.49
/ Mcf Purchases (4)	Mcf	20,611
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.0250
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	20,611
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 103,569.49

* EGC calcu: TCO Appa futures for Feb (\$3.370/Dth); Mar (\$3.392/Dth); Apr (\$3.410/Dth) = \$3.391/Dth (avg.)
(+) \$0.12 (TCO basis) x .8 = \$2.809 + 12.35% (fuel) + \$0.725 (trans.) = \$3.8807 x 1.2 Dth/Mcf =
\$4.6568 /Mcf

** Columbia Gas IUS rate approved Nov 29, 2011

Mike Little Gas Company, Inc.

Schedule IV
Actual Adjustment

For the 3 month period ending: October 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	391	351	473
Total Cost of Volumes Purchased	\$	\$ 4,966	\$ 2,790	\$ 2,650
(divide by) Total Sales (not less than 95% of supply)	Mcf	371	378	1,190
(equals) Unit Cost of Gas	\$/Mcf	\$ 13.3692	\$ 7.3810	\$ 2.2269
(minus) EGC in effect for month	\$/Mcf	\$ 6.4548	\$ 6.4548	\$ 6.4548
(equals) Difference	\$/Mcf	\$ 6.9144	\$ 0.9262	\$ (4.2279)
(times) Actual sales during month	Mcf	256	378	1,190
(equals) Monthly cost difference	\$	\$ 1,770.09	\$ 350.09	\$ (5,031.21)

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ (2,911.03)
(divide by) Sales for 12 Months ended <u>Oct 31, 2011</u>	Mcf	21,458
(equals) Actual Adjustment for the Reporting Period		\$ (0.1357)
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ (0.1357)