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MAR 29 2012

PUBLIC SERVICE
COMMISSION

March 29, 2012

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

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 May 1, 2012.

Enclosed are calculations on which we base our request for rate changes. EGC is based on Columbia Gas IUS rate approved on February 29, 2012. 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.

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

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.

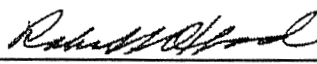
A. MONTHLY RATES:

	<u>Base Rate</u>	<u>GCR</u>	<u>Total</u>
FIRST (1) MCF (MINIMUM BILL)	\$ 5.5000	3.8934	9.3934
OVER 1 MCF	\$ 4.3271	3.8934	8.2205

B. DEPOSITS \$100.00

DATE OF ISSUE March 29, 2012

DATE EFFECTIVE May 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: March 29, 2012

Date Rates to be Effective: May 1, 2012

Reporting Period Ending: January 31, 2012

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	\$ 4.2604
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (0.3670)
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		\$ 3.8934

GCR to be effective for service rendered from May 1, 2012 to Jul 31, 2012.

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 75,766.58
/	Sales for the 12 months ended <u>Jan 31, 2012</u>	Mcf	17,784
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 4.2604

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	\$ (0.2646)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.1357)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0463
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0130)
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.3670)

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 Jan 31, 2012

(1) Supplier	(2) Dth	(3) BTU Conversion	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Quality*			14,283	\$ 3.4799	\$ 49,703.13
Columbia Gas of KY**			4,056	\$ 6.4259	\$ 26,063.45
				\$	-
				\$	-
Totals			18,339		\$ 75,766.58
Line loss 12 months ended	<u>January 31, 2012</u>	on purchases of	<u>18,339</u>		
and sales of	<u>17,784</u>	=	<u>3.03%</u>		

Total Expected Cost of Purchases (6)	Unit	Amount
	\$	\$ 75,766.58
/ Mcf Purchases (4)	Mcf	18,339
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 4.1314
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	18,339
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 75,766.58

* EGC calcu: TCO Appa futures for Apr (\$2.203/Dth); May (\$2.289/Dth); Jun (\$2.407/Dth) = \$2.2997/Dth (avg.)
 (+) \$0.12 (TCO basis) x .8 = \$1.9358 + 12.35% (fuel) + \$0.725 (trans.) = \$2.8999 x 1.2 Dth/Mcf =
\$3.4799 /Mcf

** Columbia Gas IUS rate approved Feb 29, 2012

Mike Little Gas Company, Inc.

Schedule IV
Actual Adjustment

For the 3 month period ending: January 31, 2012

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>
		<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>
Total Supply Volumes Purchased	Mcf	1,961	3,903	3,110
Total Cost of Volumes Purchased	\$	\$ 10,476	\$ 19,609	\$ 15,005
(divide by) Total Sales (not less than 95% of supply)	Mcf	1,954	3,708	3,141
(equals) Unit Cost of Gas	\$/Mcf	\$ 5.3613	\$ 5.2885	\$ 4.7771
(minus) EGC in effect for month	\$/Mcf	\$ 5.6703	\$ 5.6703	\$ 5.6703
(equals) Difference	\$/Mcf	\$ (0.3090)	\$ (0.3818)	\$ (0.8932)
(times) Actual sales during month	Mcf	1,954	3,394	3,141
(equals) Monthly cost difference	\$	\$ (603.77)	\$ (1,295.80)	\$ (2,805.41)

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ (4,704.98)
(divide by) Sales for 12 Months ended <u>Jan 31, 2012</u>	Mcf	17,784
(equals) Actual Adjustment for the Reporting Period		\$ (0.2646)
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ (0.2646)