

December 27, 2012

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

RECEIVED
DEC 28 2012
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, 2013.

Enclosed are calculations on which we base our request for rate changes. EGC is based on Columbia Gas IUS rate approved in 2012-00477. 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.

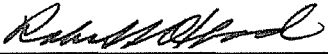
A. MONTHLY RATES:

	<u>Base Rate</u>	<u>GCR</u>	<u>Total</u>
FIRST (1) MCF (MINIMUM BILL)	\$ 5.5000	4.5918	10.0918
OVER 1 MCF	\$ 4.3271	4.5918	8.9189

B. DEPOSITS \$100.00

DATE OF ISSUE December 27, 2012

DATE EFFECTIVE February 1, 2013

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 27, 2012

Date Rates to be Effective: February 1, 2013

Reporting Period Ending: October 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	\$ 4.8692
+	Refund Adjustment (RA)	\$/Mcf	\$ -
+	Actual Adjustment (AA)	\$/Mcf	\$ (0.2774)
+	Balance Adjustment (BA)	\$/Mcf	\$ -
=	Gas Cost Recovery Rate (GCR)		\$ 4.5918

GCR to be effective for service rendered from: 2/1/13 to 4/30/13

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 91,595.33
/	Sales for the 12 months ended July 31, 2012	Mcf	18,811
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 4.8692

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	\$ 0.1125
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0132
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.1385)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.2646)
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.2774)

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: 10/31/2012

(1) Supplier	(2) Dth	(3) BTU Conversion	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Quality*			19,842	\$4.5551	\$90,382.29
Columbia Gas of KY**			3,635	\$5.0116	\$18,217.17
					\$0.00
					\$0.00
Totals			23,477		\$108,599.46

Line loss 12 months ended October 31, 2012 on purchases of 23,477
and sales of 18,811 = 19.87%

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$108,599.46
/ Mcf Purchases (4)	Mcf	23,477
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$4.6258
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	19,801
= Total Expected Gas Cost (to Schedule 1A)	\$	\$91,595.33

* EGC calcu: NYMEX futures for Feb (\$3.43/Dth); Mar (\$3.44/Dth); Apr (\$3.47/Dth) = \$3.4467/Dth (avg.)
(+) \$0.03 (TCO basis) x .8 = \$2.7333 + 12.35% (fuel) + \$0.725 (trans.) = \$3.7959 x 1.2 Dth/Mcf =
\$4.5551 /Mcf

** Columbia Gas IUS rate approved November 28, 2012 Case No. 2012-00477

Mike Little Gas Company, Inc.

Schedule IV
Actual Adjustment

For the 3 month period ending: October 31, 2012

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>12</u>	<u>Aug-</u>	<u>Month 2</u> <u>Sep-12</u>	<u>Month 3</u> <u>Oct-12</u>
Total Supply Volumes Purchased	Mcf	1,690		750	1,577
Total Cost of Volumes Purchased	\$	\$7,840		\$3,306	\$7,163
(divide by) Total Sales (not less than 95% of supply)	Mcf	1,606		713	1,498
(equals) Unit Cost of Gas	\$/Mcf	\$4.8832		\$4.6400	\$4.7812
(minus) EGC in effect for month	\$/Mcf	\$3.5726		\$3.5726	\$3.5726
(equals) Difference	\$/Mcf	\$1.3106		\$1.0674	\$1.2086
(times) Actual sales during month	Mcf	239		331	1,199
(equals) Monthly cost difference	\$	\$313.24		\$353.31	\$1,449.15

Total cost difference	<u>Unit</u> \$				<u>Amount</u> \$2,115.69
(divide by) Sales for 12 Months ended: <u>October 31, 2012</u>	Mcf				18,811
(equals) Actual Adjustment for the Reporting Period					\$0.1125
(plus) Over-recovery component from collections through expired AAs					\$0.0000
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)					\$0.1125

NOTE: Aug, Sep & Oct volumes are greater than expected. EQT is investigating meter readings.