



RECEIVED

OCT 02 2013

PUBLIC SERVICE  
COMMISSION

October 1, 2013

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

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC, we are filing a unified GCA application pursuant to the Commission's order of April 30, 2013 in Case No. 2011-00443. Please see attached Expected Gas Cost for the combined systems. The unified GCA will be added to the tracker adjustments calculated in this filing for each of KFG's individual utilities for four quarters.

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

Sincerely,

KENTUCKY FRONTIER GAS, LLC  
dba COW CREEK GAS, INC.

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

Dennis R. Horner  
Kentucky Frontier Gas, LLC

Enclosures

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Kentucky Frontier Gas, LLC  
4891 Independence Street, Suite 200, Wheat Ridge, CO 80033  
igsinc@att.net 303-422-3400 Fax 303-422-6105

FOR ENTIRE AREA SERVED  
KENTUCKY FRONTIER GAS, LLC

P.S.C. KY. NO. 1

Original        SHEET NO. 1

Kentucky Frontier Gas, LLC  
(Name of Utility)

CANCELING P.S. KY. NO.

       SHEET NO.       

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RATES AND CHARGES

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APPLICABLE: Entire area served

Residential and Small Commercial

	<u>Gas Cost</u>		
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>
CUSTOMER CHARGE	\$ 10.0000		\$ 10.0000
ALL MCF	\$ 4.2023	\$ 4.9634	\$ 9.1657

Large Commercial

	<u>Gas Cost</u>		
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>
CUSTOMER CHARGE	\$ 50.0000		\$ 50.0000
ALL MCF	\$ 3.4454	\$ 4.9634	\$ 8.4088

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DATE OF ISSUE September 30, 2013  
Month/Date/Year

DATE EFFECTIVE November 1, 2013

ISSUED BY   
(Signature of Officer)

TITLE Member

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

KFG UNIFIED 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	\$ 5.0244
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (0.0610)
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		4.9634

GCR to be effective for service rendered from: 11/1/13 to 01/31/14

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 1,549,014
/	Sales for the 12 months ended July 31, 2013	Mcf	308,296
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 5.0244

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	\$ (0.0610)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ -
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ -
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ -
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.0610)

D	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Sch. V)	\$/Mcf	\$ -
+		\$/Mcf	\$ -
+	Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ -
+	Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ -
=	Balance Adjustment (BA)	\$/Mcf	\$ -

SCHEDULE II

EXPECTED GAS COST

MCF Purchases for 12 months ended:

(1) Supplier	(2) Dth	July 31, 2013		(5)* Rate	(6) (4) x (5) Cost
		(3) Btu Conversion Factor	(4) Mcf		
AEI-KAARS			3,557	\$ 3.1000	\$ 11,027
Columbia			17,671	\$ 5.9104	\$ 104,443
Cumberland Valley			111,127	\$ 4.9506	\$ 550,145
* Gray		1.0631	15,202	\$ 4.2524	\$ 64,645
* HI-Energy		1.0163	2,603	\$ 4.0652	\$ 10,582
*** HTC		1.1079	1,847	\$ 3.3620	\$ 6,210
*** Interstate Natural Gas (rate includes \$1.25/Mcf DLR trans)		1.2499	2,884	\$ 5.0429	\$ 14,544
Jefferson (rate includes \$1.25/Mcf DLR transportation)			17,656	\$ 5.9433	\$ 104,935
Magnum Drilling, Inc.			3,544	\$ 11.5500	\$ 40,933
Nytis (Auxier)		1.0962	8,055	\$ 4.1582	\$ 33,494
*** Nytis (Sigma rate includes \$1.25/Mcf DLR transportation)		1.0000	25,714	\$ 4.2846	\$ 110,174
Quality (Belfry)			57,745	\$ 4.4120	\$ 254,771
Quality (EKU,MLG)			77,930	\$ 4.7277	\$ 368,430
** Slone Energy		1.1673	16,623	\$ 4.0856	\$ 67,914
*** Tackett & Sons Drilling		1.0758	5,054	\$ 3.2646	\$ 16,499
*** Walker Resources		1.1344	4,481	\$ 3.4425	\$ 15,426
Totals			371,693	\$ 4.7732	\$ 1,774,171

Line loss 12 months ended: July 31, 2013 based on purchases of 371,693 Mcf  
and sales of 308,296 Mcf. 17%

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 1,774,171
/ Mcf Purchases (4)	Mcf	371,693
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 4.7732
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	324,522
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 1,549,014

NYMEX Futures 3 Mo. Avg. = \$3.7433/Dth + \$0.05 TCo Appa (basis) = \$3.7933/Dth

AEI-KAARS contract = \$3.10/Mcf

Jefferson contract = TCo + \$0.90 cost factor = \$3.7933/Dth + \$0.90 = \$4.4.6933/Mcf

CVR = TCo + \$0.0190/Dth Commodity + \$0.1909/Dth TCo Demand +  
\$0.0723/Dth Fuel + \$0.05/Dth CVR Fee x 1.2000 Dth/Mcf = \$4.9506

HTC, ING, Nytis, Tackett & Walker contract = \$3.00/Dth or 80% of TCo, whichever is greater

Nytis Sigma contract = 80% of Tco

Slone contract = \$3.50/Dth or 80% TCo, whichever is greater

Gray & HI-Energy contract = \$4.00/Dth or 80% TCo, whichever is greater

\$1.25/Mcf DLR transportation added to ING, Jefferson & Nytis for Cow Creek/Sigma

\* Estimated 3 mo. avg TCo = \$3.7933/Dth x .8 = \$3.0346/Dth < \$4.00/Dth; \$4.00/Dth x Dth/Mcf = \$/Mcf

\*\* Estimated 3 mo. avg TCo = \$3.7933/Dth x .8 = \$3.0346/Dth < \$3.50/Dth; \$3.50/Dth x Dth/Mcf = \$/Mcf

\*\*\* Estimated 3 mo. avg TCo = \$3.7933/Dth x .8 = \$3.0346/Dth > \$3.00/Dth; \$3.0346/Dth x Dth/Mcf = \$/Mcf

**KFG Unified**

Schedule IV  
Actual Adjustment

For the 3 month period ending: July 31, 2013

<u>Particulars</u>	<u>Unit</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>
Total Supply Volumes Purchased	Mcf	14,804	9,335	10,773
Total Cost of Volumes Purchased	\$	\$ 71,507	\$ 41,910	\$ 44,929
(divide by) Total Sales (not less than 95% of supply)	Mcf	15,919	7,739	10,213
(equals) Unit Cost of Gas	\$/Mcf	\$ 4.4919	\$ 5.4156	\$ 4.3992
(minus) EGC in effect for month	\$/Mcf	\$ 5.2251	\$ 5.2251	\$ 5.2251
(equals) Difference	\$/Mcf	\$ (0.7332)	\$ 0.1905	\$ (0.8259)
(times) Actual sales during month	Mcf	15,919	6,846	10,213
(equals) Monthly cost difference	\$	\$ (11,671.37)	\$ 1,304.43	\$ (8,434.95)

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ (18,801.89)
(divide by) Sales for 12 Months ended: July 31, 2013	Mcf	308,296
(equals) Actual Adjustment for the Reporting Period		\$ (0.06099)
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ (0.0610)

KY Frontier/Individual utilities' trailing tracking adjustments

Auxier	\$ (27,409.52)
Belfry	\$ 12,906.69
BTU	\$ (30,274.67)
Cow Creek	\$ (6,506.50)
East KY	\$ 12,309.20
Mike Little	\$ 1,334.68
Peoples Gas	\$ 590.85

MONTH	AUXIER		BELFRY		BTU		CC/SIGMA		EAST KENTUCKY		MIKE LITTLE		PEOPLES	
	MCF	\$	MCF	\$	MCF	\$	MCF	\$	MCF	\$	MCF	\$	MCF	\$
Jan-13	16,811	\$ 160,380	7,511	\$ 51,055	5,763	\$ 72,440	9,648	\$ 76,541	9,787	\$ 101,372	4,455	\$ 38,956	1,396	\$ 9,796
Feb-13	15,656	\$ 143,070	6,430	\$ 43,935	3,746	\$ 44,592	9,866	\$ 63,342	9,600	\$ 99,837	3,303	\$ 29,985	1,245	\$ 8,751
Mar-13	12,289	\$ 116,992	6,548	\$ 44,693	4,526	\$ 56,002	7,812	\$ 63,286	9,796	\$ 101,711	2,859	\$ 26,014	1,365	\$ 9,580
Apr-13	8,120	\$ 75,871	1,738	\$ 12,844	1,716	\$ 18,743	3,725	\$ 30,201	3,554	\$ 43,063	944	\$ 9,077	409	\$ 3,028

Auxier

Last GCA  
 effective date 4/1/2013  
 AA in effect  
 4/30/2013

	effective	to collect/return	Mos. collected	Sales	Reconciled	Remaining for tracker
(\$0.2393)	4/1/2013	\$ (22,990.00)	1 Apr-13	8120	\$ (1,943.12)	\$ (21,046.88)
(\$0.0128)	3/1/2013	\$ (1,223.00)	2 March, April	20409	\$ (261.24)	\$ (961.76)
(\$0.0271)	2/1/2013	\$ (2,620.00)	3 Feb - April	36,065	\$ (977.36)	\$ (1,642.64)
\$0.0060	1/1/2013	\$ 567.00	4 Jan - April	52,876	\$ 317.26	\$ 249.74
(\$0.0526)	12/1/2012	\$ (5,011.00)	5 Dec - April	64587	\$ (3,397.28)	\$ (1,613.72)
(\$0.0012)	11/1/2012	\$ (114.00)	6 Nov - April	76556	\$ (91.87)	\$ (22.13)
(\$0.0172)	10/1/2012	\$ (1,658.00)	7 Oct - April	82891	\$ (1,425.73)	\$ (232.27)
(\$0.0019)	9/1/2012	\$ (183.00)	8 Sept - April	86761	\$ (164.85)	\$ (18.15)
(\$0.0460)	8/1/2012	\$ (4,465.00)	9 Aug - April	90323	\$ (4,154.86)	\$ (310.14)
(\$0.0876)	7/1/2012	\$ (8,600.00)	10 July - April	94144	\$ (8,247.01)	\$ (352.99)
(\$0.1125)	6/1/2012	\$ (11,051.00)	11 June - April	98062	\$ (11,031.98)	\$ (19.02)
(\$0.1514)	5/1/2012	\$ (15,285.00)	12 May - April	102797	\$ (15,563.47)	\$ -
						\$ (25,969.98)

Sales												Total
May	June	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	Total
4,735.0	3,918.0	3,821.0	3,562.0	3,870.0	6,335.0	11,969.0	11,711.0	16,811.0	15656	12,289.0	8,120.0	102,797.0

AUXIER	
MCF	\$
16,811	\$ 160,380
15,656	\$ 143,070
12,289	\$ 116,992
8,120	\$ 75,871

BA in effect  
 4/30/2013

	effective	to collect/return	Mos. collected	Sales	Reconciled	Remaining for tracker
(\$0.0008)	4/1/2013	\$ (77.00)	1 Apr-13	8120	\$ (6.50)	\$ (70.50)
(\$0.0069)	3/1/2013	\$ (658.00)	2 March, April	20409	\$ (140.82)	\$ (517.18)
(\$0.0083)	2/1/2013	\$ (802.00)	3 Feb - April	36,065	\$ (299.34)	\$ (502.66)
(\$0.0015)	1/1/2013	\$ (138.00)	4 Jan - April	52,876	\$ (79.31)	\$ (58.69)
\$0.0005	12/1/2012	\$ 46.00	5 Dec - April	64587	\$ 32.29	\$ 13.71
(\$0.0059)	11/1/2012	\$ (564.00)	6 Nov - April	76556	\$ (451.68)	\$ (112.32)
(\$0.0078)	10/1/2012	\$ (754.00)	7 Oct - April	82891	\$ (646.55)	\$ (107.45)

(\$0.0011)	9/1/2012	\$	(107.00)	8 Sept - April	86761	\$	(95.44)	\$	(11.56)
(\$0.0078)	8/1/2012	\$	(761.00)	9 Aug - April	90323	\$	(704.52)	\$	(56.48)
(\$0.0037)	7/1/2012	\$	(362.00)	10 July - April	94144	\$	(348.33)	\$	(13.67)
(\$0.0107)	6/1/2012	\$	(1,052.00)	11 June - April	98062	\$	(1,049.26)	\$	(2.74)
(\$0.0031)	5/1/2012	\$	(318.00)	12 May - April	102797	\$	(318.67)	\$	-
								\$	(1,439.54)
									<b>\$ (27,409.52)</b>



Belfry

Last GCA effective date 4/1/2013

AA in effect 4/30/2013	effective	to collect/return	Mos. collected	July - April sales	Reconciled	Remaining for tracker
\$ 0.3905	4/1/2013	\$ 13,213.00	1 Apr-13	1738	\$ 678.69	\$ 12,534.31
\$ 0.0362	1/1/2013	\$ 1,177.00	4 Jan-April 2013	22227	\$ 804.62	\$ 372.38
\$ (0.1174)	10/1/2012	\$ (3,797.00)	7 Oct 2012-April 2013	35,711	\$ (4,192.47)	complete
\$ (0.4818)	7/1/2012	\$ (14,689.00)	10 July 2012 - April 2013	38,180	\$ (18,395.12)	complete
\$ (0.1725)		\$ (4,096.00)				<b>\$ 12,906.69</b>

Sales									
Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13 Total
979.0	844.0	646.0	2,458.0	4,801.0	6,225.0	7,511.0	6430	6,548.0	1,738.0 38,180.0

BTU

Last GCA effective date	4/1/2013					Known Sales			
AA in effect 4/30/2013	effective	to collect/return	Mos. collected			July - April	Reconciled	Remaining for tracker	
\$ (1.2534)	4/1/2013	\$ (33,246.00)	1 Apr-13			1,716.0	\$ (2,150.83)	\$ (31,095.17)	
0.0839	1/1/2013	\$ 2,142.00	4 Jan-April 2013			15751	\$ 1,321.51	\$ 820.49	
\$0.1648	10/1/2012	\$ 4,177.00	7 Oct 2012-April 2013			26,453	\$ 4,359.45	complete	
\$1.0301	7/1/2012	\$ 24,082.00	10 July 2012 - April 2013			27,609	\$ 28,440.03	complete	
<u>\$ 0.0254</u>		<u>\$ (2,845.00)</u>						<b>\$ (30,274.67)</b>	

Sales										
Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	Total
247.0	536.0	373.0	1,665.0	4,270.0	4,767.0	5,763.0	3746	4,526.0	1,716.0	27,609.0

Cow Creek

Last GCA effective date

4/1/2013

Sales

AA in effect 4/30/2013

	effective	to	Mos. collected	July - April	Reconciled	
\$ (0.1906)	4/1/2013	collect/return	1 Apr-13	3725	\$ (709.99)	\$ (6,478.02)
(\$0.0062)	1/1/2013		4 Jan-April 2013	31051	\$ (192.52)	\$ (28.48)
(\$0.3389)	10/1/2012		7 Oct 2012-April 2013	44,262	\$ (15,000.39)	complete
(\$0.8678)	7/1/2012		10 July 2012 - April 2013	45,844	\$ (39,783.42)	complete
\$ (1.4035)		\$ (51,775.00)				<b>\$ (6,506.50)</b>

Sales

Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	Total
615.0	425.0	542.0	1,992.0	6,252.0	4,967.0	9,648.0	9866	7,812.0	3,725.0	45,844.0

East KY

Last GCA  
effective

date 4/1/2013

AA in effect 4/30/2013	effective	to	Mos. collected before 2011-00443	order	Sales July - April	Reconciled	Remaining for tracker
\$ 0.2931	4/1/2013	collect/return		1 Apr-13	3554	\$ 1,041.68	\$ 12,047.32
\$0.0216	1/1/2013	\$ 13,089.00		4 Jan-April 2013	32737	\$ 707.12	\$ 261.88
(\$0.0498)	10/1/2012	\$ (2,241.00)		7 Oct 2012-April 2013	48,038	\$ (2,392.29)	complete
<u>(\$0.2890)</u>	7/1/2012	<u>\$ (13,488.00)</u>		10 July 2012 - April 2013	50,525	\$ (14,601.73)	complete
\$ (0.0241)		\$ (1,671.00)					<b>\$ 12,309.20</b>

Sales									
Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13 Total
733.0	806.0	948.0	2,139.0	6,934.0	6,228.0	9,787.0	9600	9,796.0	3,554.0 50,525.0

Mike Little

Last GCA

effective date 2/1/2013

AA in effect 4/30/2013	effective	to collect/return	Mos. collected before 2011-00443 order	Known Sales May 2012 - April 2013	Reconciled	Remaining for tracker
\$ 0.1125	2/1/2013	\$ 2,115.00	3 Feb - April 2013	7106	\$ 799.43	\$ 1,315.58
\$0.0132	11/1/2012	\$ 250.00	6 Nov 012-April 2013	17,492	\$ 230.89	\$ 19.11
(\$0.1385)	8/1/2012	\$ (2,657.00)	9 Aug 2012-April 2013	19,261	\$ (2,667.65)	complete
<u>(\$0.2646)</u>	5/1/2012	<u>\$ (4,705.00)</u>	12 May 2012 - April 2013	20,181	\$ (5,339.89)	Refund complete
\$ (0.2774)		\$ (4,997.00)				<b>\$ 1,334.68</b>

Sales											
May	June	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13 Total
391.0	303.0	226.0	239.0	331.0	1,199.0	2,696.0	3,235.0	4,455.0	3303	2,859.0	944.0 20,181.0

Peoples

Last GCA  
effective  
date 2/1/2013

AA in effect	4/30/2013	effective	to	Mos. collected	Known Sales			
			collect/return	before 2011-00443	May 2012 -	April 2013	Reconciled	Remaining for tracker
\$	0.1395	2/1/2013	\$ 1,012.00	3 Feb - April 2013	3019	\$	421.15	\$ 590.85
	\$0.0003	11/1/2012	\$ 1.83	6 Nov 012-April 2013	6,197	\$	1.86	complete
	(\$0.9826)	8/1/2012	\$ (7,330.00)	9 Aug 2012-April 2013	7,136	\$	(7,011.83)	complete
	\$0.1264	5/1/2012	\$ 1,086.00	12 May 2012 - April 2013	7,753	\$	979.98	Collection complete
	\$ (0.7164)		\$ (5,230.17)					<b>\$ 590.85</b>

Sales											
May	June	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13 Total
165.0	320.0	132.0	147.0	272.0	520.0	917.0	865.0	1,396.0	1245	1,365.0	409.0 7,753.0