

**KENTUCKY FRONTIER GAS, LLC  
dba EAST KENTUCKY UTILITIES, INC.  
P.O. BOX 408  
PRESTONSBURG, KY 41653**

RECEIVED  
JUL 27 2009  
PUBLIC SERVICE  
COMMISSION

July 22, 2009

2009-00309

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

Re: Gas Cost Recovery Rate  
Kentucky Frontier Gas, LLC  
dba Mike Little Gas Company, Inc.

Dear Ms. Faulkner:

On behalf of Kentucky Frontier Gas, LLC dba, Mike Little Gas Company, Inc. (MLG) we are filing for Gas Cost Recovery for the period commencing August 22, 2009.

Enclosed is a Rates and Charges form and related calculations on which we base our request for rate changes. The cost of gas from MLG's suppliers, Columbia Gas of Kentucky and Equitable Energy, LLC are based on their tariffs.

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

Sincerely,

KENTUCKY FRONTIER GAS, LLC  
dba MIKE LITTLE GAS COMPANY, INC.



Robert J. Oxford, Member  
Kentucky Frontier Gas, LLC

RJO:drh

Enclosures

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

P.S.C. KY. NO. 1

SHEET NO. 3

Mike Little Gas Company, Inc.  
(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

AVAILABILITY OF SERVICE: Domestic and commercial use in applicable areas.

A. MONTHLY RATES:

	<u>BASE RATE</u>	<u>GCRR</u>
FIRST (1) MCF (MINIMUM BILL)	\$5.5000	\$6.6315=\$12.1315
	\$4.3271	\$6.6315=\$10.9586

SURCHARGE: In addition to the above rates, a surcharge of \$0.696 per MCF used for all areas (except Goble Roberts) for Kentucky West Virginia Gas Company FERC Docket #TQ-89-46-000.

B. DEPOSITS \$100.00

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DATE OF ISSUE \_\_\_\_\_  
Month/Date/Year

DATE EFFECTIVE \_\_\_\_\_

ISSUED BY *Robert D. Offord*  
(Signature of Officer)

TITLE *Member Manager*

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMINSSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Company Name

Mike Little Gas Co.

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date filed: July 22, 2009

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Date Rates to be Effective: August 22, 2009

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Reporting Period is Calendar Quarter Ended: April 30, 2009

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MIKE LITTLE GAS - 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	7.5995
+ Refund Adjustment (RA)	\$/Mcf	0.0000
+ Actual Adjustment (AA)	\$/Mcf	-0.9680
+ Balance Adjustment (BA)	\$/Mcf	0.0000
= Gas Cost Recovery Rate (GCR)		6.6315

GCR to be effective for service rendered from August 1, 2009 to October 31, 2009

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 179,782
/	Sales for the 12 months ended	Mcf	23,657
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 7.5995
<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	\$ (1.9536)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.9856
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.9680)
<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	
=	Balance Adjustment (BA)	\$/Mcf	\$ -

MIKE LITTLE GAS - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

Actual \*MCF Purchases for 12 months ended January 31, 2009

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) x (5) Cost
Equitable			17,842	6.811	121,522
Columbia			5,705	8.4972	48,477
Totals			23,547		169,998

Line loss for 12 months ended April 30, 2009 is 0% based on purchases of 23,547 Mcf and sales of 23,657 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	169,998
/ Mcf Purchases (4)	Mcf	23,547
= Average Expected Cost Per Mcf Purchased	\$/Mcf	7.2195
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	24,902
=	\$	179,782

\* Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein

\*\* Supplier's tariff sheets or notices are attached

Mike Little Gas Company

Schedule IV  
Actual Adjustment

For the 9 month period ending

January 31, 2009

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>
		<u>Feb-09</u>	<u>Mar-09</u>	<u>Apr-09</u>
Total Supply Volumes Purchased	Mcf	3,824	2,627	1,402
Total Cost of Volumes Purchased	\$	\$ 38,560	\$ 25,252	\$ 12,138
(divide by) Total Sales (not less than 95% of supply)	Mcf	3,727	3,794	2,336
(equals) Unit Cost of Gas	\$/Mcf	\$ 10.3461	\$ 6.6558	\$ 5.1961
(minus) EGC in effect for month	\$/Mcf	\$ 12.3938	\$ 12.3938	\$ 12.3938
(equals) Difference	\$/Mcf	\$ (2.0477)	\$ (5.7380)	\$ (7.1977)
(times) Actual sales during month	Mcf	3,727	3,794	2,336
(equals) Monthly cost difference	\$	\$ (7,632)	\$ (21,770)	\$ (16,814)
Total cost difference			<u>Unit</u>	<u>Amount</u>
(divide by) Sales for 12 Months ended April 30, 2009			\$	\$ (46,216)
(equals) Actual Adjustment for the Reporting Period (to Schedule I C)			Mcf	23,657
			\$/Mcf	\$ (1.9536)