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PUBLIC SERVICE
COMMISSION

February 25, 2010

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

Re: Kentucky Frontier Gas, LLC
dba Belfry Gas Company, Inc.

Dear Mr. Derouen:

2010-20091

On behalf of Kentucky Frontier Gas, LLC, dba Belfry Gas Company, Inc. (BGC), we are filing for a Gas Cost Recovery for the period commencing April 1, 2010.

Enclosed is a Rates and Charges form and related calculations on which we base our request for rate changes. The cost of gas from BGC's supplier, Quality Natural Gas, LLC has been estimated for the calendar quarter beginning April 1, 2010.

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

Sincerely,

KENTUCKY FRONTIER GAS, LLC
dba BELFRY GAS COMPANY, INC.

Dennis R. Horner
Kentucky Frontier Gas, LLC

RJO/drh
Enclosure

FOR

Belfry Kentucky
Community, Town or City

P.S.C. KY. NO. 102nd

Original SHEET NO. 1

Belfry 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)	\$ 4.2667	3.1738	7.4405
OVER 1 MCF	\$ 2.7182	3.1738	5.8920

B. DEPOSITS \$100.00

DATE OF ISSUE February 25, 2010

Month/Date/Year

DATE EFFECTIVE April 1, 2010

ISSUED BY 

(Signature of Officer)

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMINSSION

IN CASE NO. 2009-00458 DATED November 24, 2009

Company Name

Belfry Gas Company, Inc.

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date filed: February 25, 2010

Date Rates to be Effective: April 1, 2010

Reporting Period is Calendar Quarter Ended: December 31, 2009

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>		<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$	6.1789
+ Refund Adjustment (RA)	\$/Mcf	\$	-
+ Actual Adjustment (AA)	\$/Mcf	\$	(3.0051)
+ Balance Adjustment (BA)	\$/Mcf	\$	-
= Gas Cost Recovery Rate (GCR)		\$	3.1738

GCR to be effective for service rendered from January 1, 2010 to March 31, 2010

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>		<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$	320,291.92
/	Sales for the 12 months ended December 31, 2009	Mcf		51,836
=	Expected Gas Cost (EGC)	\$/Mcf	\$	6.1789

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	\$	(0.1841)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	(0.7074)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	(0.3910)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	(1.7226)
=	Actual Adjustment (AA)	\$/Mcf	\$	(3.0051)

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	\$	-

Belfry Gas Company, Inc. - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

Actual *MCF Purchases for 12 months ended December 31, 2009

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) x (5) Cost
Quality Natural Gas, LLC			59,142	\$ 5.8700	\$ 347,163.54
					\$ -
Totals			59,142		\$ 347,163.54

Line loss 12 months ended December 31, 2009 is 12.4%*** based on purchases of 59,142 Mcf and sales of 51,836 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 347,164
/ Mcf Purchases (4)	Mcf	59,142
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.8700
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	54,564
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 320,292

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

** Supplier's tariff sheets or notices are attached

*** Purchased volumes for last 2 months of 2009 are excessive and inconsistent with historical averages. KFG is investigating the potential billing errors with the supplier.

Belfry Gas Company, Inc.

Schedule IV
Actual Adjustment

For the 3 month period ending December 31, 2009

Particulars	Unit	Month		
		1 Oct-09	2 Nov-09	3 Dec-09
Total Supply Volumes Purchased	Mcf	3,429	6,144	9,786
Total Cost of Volumes Purchased	\$	16,001	33,759	55,969
(divide by) Total Sales				
(not less than 95% of supply)	Mcf	3,258	5,837	9,297
(equals) Unit Cost of Gas	\$/Mcf	\$ 4.9120	\$ 5.7838	\$ 6.0203
(minus) EGC in effect for month	\$/Mcf	\$ 6.5406	\$ 6.5406	\$ 6.5406
(equals) Difference	\$/Mcf	\$(1.6286)	\$(0.7568)	\$(0.5203)
(times) Actual sales during month	Mcf	2,348	3,777	5,503
(equals) Monthly cost difference	\$	\$(3,824.01)	\$(2,858.36)	\$(2,863.17)

Total cost difference (divide by) Sales for 12 Months ended December 31, 2009	Unit		Amount
	\$	Mcf	
(equals) Actual Adjustment for the Reporting Period			\$ 51,836
(plus) Over-recovery component from collections through expired AAs			\$ (0.1841)
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)			\$ (0.1841)