



June 28, 2010

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

RECEIVED

JUN 29 2010

PUBLIC SERVICE
COMMISSION

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

2010 - 00258

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 August 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 MLG's supplier, 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.

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	8.7301	14.2301
OVER 1 MCF	\$ 4.3271	8.7301	13.0572

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

DATE OF ISSUE June 28, 2010

Month/Date/Year

DATE EFFECTIVE August 1, 2010

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 Co.

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date filed: June 28, 2010

Date Rates to be Effective: August 1, 2010

Reporting Period Ending: April 30, 2010

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	\$ 7.2519
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ 1.4782
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		\$ 8.7301

GCR to be effective for service rendered from February 1, 2010 to April 30, 2010.

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 151,941.33
/	Sales for the 12 months ended April 30, 2010	Mcf	20,952
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 7.2519
<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	\$ 0.7370
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 1.1212
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0126)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.3674)
=	Actual Adjustment (AA)	\$/Mcf	\$ 1.4782
<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 April 30, 2010

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) x (5) Cost
Equitable			19,860	\$ 6.8110	\$ 135,266.46
Columbia			5,189	\$ 7.1889	\$ 37,303.20
Totals			25,049		\$ 172,569.66

Line loss for 12 months ended April 30, 2010 is 16.4%*** based on purchase of 25,049 Mcf and sale of 20,952 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 172,570
/ Mcf Purchases (4)	Mcf	25,049
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 6.8893
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	22,055
=	\$	\$ 151,941

* 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 and first month of 2010 are excessive and inconsistent with historical averages. KFG is investigating potential billing errors with the supplier.

Mike Little Gas Company

Schedule IV
Actual Adjustment

For the period ending April 30, 2010

<u>Particulars</u>	<u>Unit</u>	Month 1 Feb-10	Month 2 Mar-10	Month 3 Apr-10
Total Supply Volumes Purchased	Mcf	5,091	2,711	1,126
Total Cost of Volumes Purchased	\$	\$ 43,446	\$ 23,312	\$ 8,485
(divide by) Total Sales (not less than 95% of supply)	Mcf	4,878	2,642	1,211
(equals) Unit Cost of Gas	\$/Mcf	\$ 8.9065	\$ 8.8236	\$ 7.0066
(minus) EGC in effect for month	\$/Mcf	\$ 6.8492	\$ 6.8492	\$ 6.8492
(equals) Difference	\$/Mcf	\$ 2.0573	\$ 1.9744	\$ 0.1574
(times) Actual sales during month	Mcf	4,878	2,642	1,211
(equals) Monthly cost difference	\$	\$ 10,035.60	\$ 5,216.41	\$ 190.62

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ 15,442.63
(divide by) Sales for 12 Months ended April 30, 2010	Mcf	20,952
(equals) Actual Adjustment for the Reporting Period		\$ 0.7370
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ 0.7370

COLUMBIA GAS OF KENTUCKY, INC.

CURRENTLY EFFECTIVE BILLING RATES				
<u>SALES SERVICE</u>	<u>Base Rate Charge</u> \$	<u>Gas Cost Adjustment^{1/}</u>		<u>Total Billing Rate</u> \$
		<u>Demand</u> \$	<u>Commodity</u> \$	
<u>RATE SCHEDULE GSR</u>				
Customer Charge per billing period	12.35			12.35
Delivery Charge per Mcf	1.8715	1.2069	5.2070	8.2854
<u>RATE SCHEDULE GSO</u>				
<u>Commercial or Industrial</u>				
Customer Charge per billing period	25.13			25.13
Delivery Charge per Mcf -				
First 50 Mcf or less per billing period	1.8715	1.2069	5.2070	8.2854
Next 350 Mcf per billing period	1.8153	1.2069	5.2070	8.2292
Next 600 Mcf per billing period	1.7296	1.2069	5.2070	8.1435
Over 1,000 Mcf per billing period	1.5802	1.2069	5.2070	7.9941
<u>RATE SCHEDULE IS</u>				
Customer Charge per billing period	583.39			583.39
Delivery Charge per Mcf				
First 30,000 Mcf per billing period	0.5467		5.2070 ^{2/}	5.7537
Over 30,000 Mcf per billing period	0.2905		5.2070 ^{2/}	5.4975
Firm Service Demand Charge				
Demand Charge times Daily Firm				
Volume (Mcf) in Customer Service Agreement		6.5245		6.5245
<u>RATE SCHEDULE IUS</u>				
Customer Charge per billing period	331.50			331.50
Delivery Charge per Mcf				
For All Volumes Delivered	0.7750	1.2069	5.2070	7.1889

1/ The Gas Cost Adjustment, as shown, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets 48 through 51 of this Tariff. The Gas Cost Adjustment applicable to a customer who is receiving service under Rate Schedule GS or IUS and received service under Rate Schedule SVGTS shall be \$8.0846 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS

2/ IS Customers may be subject to the Demand Gas Cost, under the conditions set forth on Sheets 14 and 15 of this tariff.

DATE OF ISSUE: March 1, 2010.

DATE EFFECTIVE: March 1, 2010
 (March 1, 2010)

Issued by authority of an Order of the Public Service Commission in Case No. 20 *Burt Kirtley* February 22, 2010

ISSUED BY: *Harold A. McElroy*

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
EFFECTIVE 3/1/2010
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)