

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

**RECEIVED**

JUN - 1 2009

PUBLIC SERVICE  
COMMISSION

May 28, 2009

2009-00204

Ms. Leah Faulkner  
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 Belfry Gas Company, Inc.

Dear Ms. Faulkner:

On behalf of Kentucky Frontier Gas, LLC dba, Belfry Gas Company, Inc. we are filing for Gas Cost Recovery for the period commencing July 1, 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 Belfry's supplier, Kinhag Development Company, LLC has been estimated for the month of July, 2009.

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

Sincerely,

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



Robert J. Oxford, Member  
Kentucky Frontier Gas, LLC

RJO:psp

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)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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**RATES AND CHARGES**

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RETAIL RATES

Monthly Usage

	BASE RATE	GAS COST RECOVERY RATE	TOTAL RATE
First 1,000 cubic feet	\$ 4.2667	\$ 4.462	\$ 8.7287
Over 1,000 cubic feet	\$ 2.7182	\$ 4.462	\$ 7.1802

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

DATE EFFECTIVE July 1, 2009  
Month/Date/Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE \_\_\_\_\_

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

Company Name

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed:

May 28, 2009

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Date Rates to be Effective:

July 1, 2009

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Reporting Period is Calendar Quarter Ended

March 31, 2009

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SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	4.853
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	(-0.391)
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		4.462
GCR to be effective for service rendered from <u>July 1, 2009</u> to <u>July 31, 2009</u>		
<hr/>		
A. <u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	199,963
÷ Sales for the 12 months ended <u>March 31, 2009</u>	Mcf	41,207
= Expected Gas Cost (EGC)	\$/Mcf	4.853
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 (Schedule IV)	\$/Mcf	(-0.391)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
= Actual Adjustment (AA)	\$/Mcf	
D. <u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule 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	

SCHEDULE II  
EXPECTED GAS COST

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

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
Kinhag Development Co. LLC			44,068	4.61	203,153

Totals			<u>44,068</u>		<u>203,153</u>
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Line loss for 12 months ended March 31, 2009 is 6.49 % based on purchases of  
44,068 Mcf and sales of 41,207 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	203,153
÷ .Mcf Purchases (4)	Mcf	<u>44,068</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	4.61
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	<u>43,376</u>
= Total Expected Gas Cost (to Schedule IA)	\$	199,963

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

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

SCHEDULE IV

ACTUAL ADJUSTMENT

For the ~~3~~<sup>1</sup> month period ended March 31, 2009 (reporting period)

Particulars	Unit	Month 1 (3/09)	Month 2 <del>xxxxxx</del>	Month 3 <del>xxxxxx</del>
Total Supply Volumes Purchased	Mcf	10,417		
Total Cost of Volumes Purchased	\$	53,221		
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	5,622		
		<u>9,896</u>		
= Unit Cost of Gas	\$/Mcf	5.3780		
- EGC in effect for month	\$/Mcf	<u>8.2418</u>		
= Difference [(over-)/Under-Recovery]	\$/Mcf	<u>(-2.8638)</u>		
x Actual sales during month	Mcf	<u>5,622</u>		
= Monthly cost difference	\$	<u>-16,100</u>		

	Unit	Amount
Total cost difference (Month 1 <del>x</del> Month 2 <del>x</del> Month 3 <del>x</del> )	\$	-16,100
+ Sales for 12 months ended _____	Mcf	41,207
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	<u>(-0.391)</u>