

2009-00207

BEAR FORK GAS COMPANY, LLC

P.O. Box 2227
 Pikeville, KY 41502
 (606) 432-1549

July 13, 2009

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

RECEIVED

JUL 17 2009

PUBLIC SERVICE
 COMMISSION

Re: Revised Rate Increase Request

Dear Mr. Derouen:

Due to the increase in the cost of natural gas, our company must increase our farm tap gas rates. We currently have 83 customers located in the Bear Fork area of Pike County, Kentucky that consume an average of 7.55 MCF's per month per customer (83 MCF/customer/year.)

The calculated gas price is \$12.82 per MCF. We have listed the different components of the rate below for 2007, 2008, and 2009 (projected amounts based on the first six months of 2009). Please note that there is no profit built into this rate.

Gas Price Calculation:

	2009 Amount	2008 Amount	2007	
12 mo. NYMEX Strip as of 4/1/09 (12/31/08) (12/31/07)	6.93	8.94	6.92	Dth
Appalachian Differential	0.26	0.36	0.27	Dth
	<u>7.19</u>	<u>9.30</u>	<u>7.19</u>	Dth
 BTU conversion based on Chesapeake billing statement	 <u>1.2340</u>	 <u>1.2340</u>	 <u>1.2340</u>	
	8.87	11.48	8.87	MCF
 Schedule 1 Well Operator Costs	\$1.82	\$1.82	\$1.93	
Schedule 2 - Administrative Personnel Cost	\$0.69	\$0.69	\$0.47	
Schedule 3 - Meter Replacement, Supplies, etc.	\$0.25	\$0.22	\$0.35	
Schedule 4 - Mileage for Operator	\$0.61	\$0.61	\$0.58	
Schedule 5 - Postage & Office Supplies	\$0.20	\$0.20	\$0.21	
Cost per MCF	<u>\$12.44</u>	<u>\$15.02</u>	<u>\$12.41</u>	
 School Tax @3%	 <u>0.37</u>	 <u>0.45</u>	 <u>0.37</u>	
Total Cost per MCF	<u><u>12.82</u></u>	<u><u>15.47</u></u>	<u><u>12.78</u></u>	

Assumption for usage:

83 customers				
total MCF 's for 2008 and 2007 years	7520	7520	7078	
average MCF's per customer	91	91	85	MCF/year
average MCF 's per customer per month	7.55	7.55	7.11	

Based on 807 KAR 5:026: Section 9(1)(b), Bear Fork Gas Company, LLC would like to amend the rates and charges section of the original tariff filed to read as follows:

Monthly Rates:

Minimum Bill (1 MCF):	\$10.00
All additional MCF:	\$6.50

The rates are lower than calculated due to the fact that I feel the higher price will be detrimental to our customers in the present economic climate.

The notice to customers required by 807 KAR 5.026.9(d) was mailed on May 29, 2009.

If you have any further questions, please contact me.

Sincerely,

Sandra Newsom, President - Member Manager

Sandra Newsom, President