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PUBLIC SERVICE
COMMISSION

November 6, 2009

Mr. Daniel Hinton, CPA
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Re: Case No. 2009-00371
Kentucky Frontier Gas, LLC

Dear Mr. Hinton:

Please find the attached revised tariff sheets that you requested reflecting the approved tariff rates.

KFG originally included the "extra 6" (5th digit) to show the GCRR would equal \$4.5820 and the Total Rates would equal \$10.0820 and \$8.9091 respectively, using conventional rounding-off practices. Please provide me with the PSC rules for rounding so KFG filings can be correct in the future.

Thanks,

A handwritten signature in cursive script that reads "Dennis Horner".

Dennis Horner

Company Name

Mike Little Gas Co.

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date filed: September 10, 2009

Date Rates to be Effective: November 1, 2009

Reporting Period is Calendar Quarter Ended: July 31, 2009

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	\$ 6.7580
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (2.1761)
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		\$ 4.5819

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

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 163,821.05
/	Sales for the 12 months ended _____	Mcf	24,241
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 6.7580

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	\$ (0.3674)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (2.0662)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.2575
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ -
=	Actual Adjustment (AA)	\$/Mcf	\$ (2.1761)

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	\$ -

MIKE LITTLE GAS - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

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

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) x (5) Cost
Equitable			17,595	\$ 6.8110	\$ 119,839.55
Columbia			5,176	\$ 8.4972	\$ 43,981.51
Totals			22,771		\$ 163,821.05

Line loss for 12 months ended July 31, 2009 is -3.22% based on purchases of 23,485 Mcf and sales of 24,241 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 163,821
/ Mcf Purchases (4)	Mcf	22,771
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 7.1943
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	22,771
=	\$	\$ 163,821

* 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

July 31, 2009

For the 3 month period ending

Particulars	Month 1			Month 2			Month 3		
	09	09	09	09	09	09	09	09	09
Total Supply Volumes Purchased	Unit								
	Mcf	832	474	461					
Total Cost of Volumes Purchased	\$	8,095	3,653	3,543					
(divide by) Total Sales									
(not less than 95% of supply)	Mcf	1,322	581	438					
(equals) Unit Cost of Gas	\$/Mcf	6.1233	6.2874	8.0900					
(minus) EGC in effect for month	\$/Mcf	12.3938	7.6063	7.6063					
(equals) Difference	\$/Mcf	(6.2705)	(1.3189)	0.4837					
(times) Actual sales during month	Mcf	1,322	581	312					
(equals) Monthly cost difference	\$	(8,289.60)	(766.26)	150.90					
Total cost difference	Unit								
(divide by) Sales for 12 Months ended July 31, 2009	\$			(8,904.96)					
(equals) Actual Adjustment for the Reporting Period	Mcf			24,241					
(plus) Over-recovery component from collections through expired AAs	\$			(0.3674)					
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)	\$			-					
	\$			(0.3674)					