



March 29, 2010

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

2010-00139

RECEIVED

MAR 31 2010

PUBLIC SERVICE
COMMISSION

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

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 May 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.

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>GCCR</u>	<u>Total</u>
FIRST (1) MCF (MINIMUM BILL)	\$ 5.5000	4.6639	10.1639
OVER 1 MCF	\$ 4.3271	4.6639	8.9910

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 March 29, 2010

Month/Date/Year

DATE EFFECTIVE May 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: March 29, 2010

Date Rates to be Effective: May 1, 2010

Reporting Period Ending: January 31, 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	\$ 6.8492
+	Refund Adjustment (RA)	\$/Mcf	\$ -
+	Actual Adjustment (AA)	\$/Mcf	\$ (2.1854)
+	Balance Adjustment (BA)	\$/Mcf	\$ -
=	Gas Cost Recovery Rate (GCR)		\$ 4.6639

GCR to be effective for service rendered from November 1, 2009 to January 31, 2010.

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 134,745.15
/	Sales for the 12 months ended <u>January 31, 2010</u>	Mcf	19,673
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 6.8492
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	\$ 0.2608
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0126)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.3674)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (2.0662)
=	Actual Adjustment (AA)	\$/Mcf	\$ (2.1854)
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 January 31, 2010

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) x (5) Cost
Equitable			23,481	\$ 6.8110	\$ 159,929.09
Columbia			5,241	\$ 5.1438	\$ 26,958.66
Totals			28,722		\$ 186,887.75

Line loss for 12 months ended January 31, 2010 is 31.5%*** based on purchase of 28,722 Mcf and sale of 19,673 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 186,888
/ Mcf Purchases (4)	Mcf	28,722
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 6.5068
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	20,708
=	\$	\$ 134,745

* 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 January 31, 2010

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>Nov-09</u>	<u>Month 2</u> <u>Dec-09</u>	<u>Month 2</u> <u>Jan-10</u>
Total Supply Volumes Purchased	Mcf	3,200	5,768	7,915
Total Cost of Volumes Purchased	\$	\$ 24,243	\$ 45,934	\$ 75,378
(divide by) Total Sales (not less than 95% of supply)	Mcf	3,040	5,480	7,519
(equals) Unit Cost of Gas	\$/Mcf	\$ 7.9747	\$ 8.3827	\$ 10.0247
(minus) EGC in effect for month	\$/Mcf	\$ 7.1329	\$ 7.1329	\$ 7.1329
(equals) Difference	\$/Mcf	\$ 0.8418	\$ 1.2498	\$ 2.8918
(times) Actual sales during month	Mcf	1,333	3,208	4,660
(equals) Monthly cost difference	\$	\$ 1,122.08	\$ 4,009.45	\$ 13,475.65
Total cost difference	<u>Unit</u> \$			<u>Amount</u> \$ 5,131.53
(divide by) Sales for 12 Months ended January 31, 2010	Mcf			19,673
(equals) Actual Adjustment for the Reporting Period				\$ 0.2608
(plus) Over-recovery component from collections through expired AAs				\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)				\$ 0.2608