



August 30, 2010

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

2010-00346

RECEIVED

AUG 31 2010

PUBLIC SERVICE
COMMISSION

Re: Gas Cost Adjustment
Kentucky Frontier Gas, LLC
dba Cow Creek Gas, Inc.

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC dba, Cow Creek Gas, Inc. (CCG) we are filing for Gas Cost Adjustment for the period commencing October 1, 2010.

Enclosed is a Rates and Charges form and related calculations on which we base our request for rate changes. This GCA is filed pursuant to the Sigma tariff adopted by Cow Creek pursuant to the Commission's Order in Case No. 2007-00419.

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

Sincerely,

KENTUCKY FRONTIER GAS, LLC
dba COW CREEK GAS, INC.

Dennis R. Horner
Kentucky Frontier Gas, LLC

Enclosures

Company Name

Cow Creek Gas, Inc

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date filed: August 30, 2009

Date Rates to be Effective: October 1, 2010

Reporting Period Ending: June 30, 2010

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

| | <u>Component</u> | <u>Unit</u> | <u>Amount</u> |
|---|------------------------------|-------------|---------------|
| | Expected Gas Cost (EGC) | \$/Mcf | \$ 7.2343 |
| + | Refund Adjustment (RA) | \$/Mcf | \$ - |
| + | Actual Adjustment (AA) | \$/Mcf | \$ 0.4654 |
| + | Balance Adjustment (BA) | \$/Mcf | \$ - |
| = | Gas Cost Recovery Rate (GCR) | | \$ 7.6997 |

GCR to be effective for service rendered from July 1, 2010 to September 30, 2010

| A | <u>EXPECTED GAS COST CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
|---|--|-------------|---------------|
| | Total Expected Gas Cost (Schedule II) | \$ | \$ 287,462.00 |
| / | Sales for the 12 months ended <u>June 30, 2010</u> | Mcf | 39,736 |
| = | Expected Gas Cost (EGC) | \$/Mcf | \$ 7.2343 |
| 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 | \$ 0.03068 |
| + | Previous Quarter Reported Actual Adjustment | \$/Mcf | \$ 0.26438 |
| + | Second Previous Quarter Reported Actual Adjustment | \$/Mcf | \$ 0.14844 |
| + | Third Previous Quarter Reported Actual Adjustment | \$/Mcf | \$ 0.02195 |
| = | Actual Adjustment (AA) | \$/Mcf | \$ 0.46545 |
| 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 | \$ - |

Cow Creek Gas, Inc. - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

Actual *MCF Purchases for 12 months ended June 30, 2010

| (1) Supplier | (2) Dth | (3) BTU Conversion Factor | (4) Mcf | (5)** Rate | (6) (4) x (5) Cost |
|--------------------------------|------------|---------------------------------|------------|---------------|--------------------------|
| Interstate Natural Gas Company | | | 41,066 | \$ 7.0000 | \$ 287,462.00 |
| | | | | | \$ - |
| Totals | | | 41,066 | | \$ 287,462.00 |

Line loss for 12 months ended June, 2010 bases on purchases of 41,066
and sales of 39,736 Mcf. 3.24%

| | Unit | Amount |
|---|--------|------------|
| Total Expected Cost of Purchases (6) | \$ | \$ 287,462 |
| / Mcf Purchases (4) | Mcf | 41,066 |
| = Average Expected Cost Per Mcf Purchased | \$/Mcf | \$ 7.0000 |
| x Allowable Mcf Purchases (must not exceed Mcf sales / .95) | Mcf | 41,066 |
| = Total Expected Gas Cost (to Schedule 1A) | \$ | \$ 287,462 |

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

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

Cow Creek Gas, Inc.

Schedule IV
Actual Adjustment

June 30,
For the 3 month period ending ~~March 31,~~ 2010

| Particulars | Unit | Month 1 | | Month 2 | | Month 3 | |
|---|--------|-------------|-------------|-------------|--------|---------|-------------|
| | | Apr-10 | May-10 | Jun-10 | May-10 | Jun-10 | Jun-10 |
| Total Supply Volumes Purchased | Mcf | 2,478 | 1,279 | 690 | | | |
| Total Cost of Volumes Purchased (divide by) Total Sales (not less than 95% of supply) | \$ | \$ 20,524 | \$ 8,952 | \$ 4,829 | | | |
| (equals) Unit Cost of Gas | Mcf | 2,360 | 1,218 | 657 | | | |
| (minus) EGC in effect for month | \$/Mcf | \$ 8.6966 | \$ 7.3498 | \$ 7.3501 | | | |
| (equals) Difference | \$/Mcf | \$ 7.8125 | \$ 7.8125 | \$ 7.8125 | | | |
| (times) Actual sales during month | \$/Mcf | \$ 0.8841 | \$ (0.4627) | \$ (0.4624) | | | |
| (equals) Monthly cost difference | Mcf | 2,360 | 1,218 | 657 | | | |
| | \$ | \$ 2,086.50 | \$ (563.63) | \$ (303.81) | | | |
| | | | | | | | |
| Total cost difference | Unit | | | | | | |
| (divide by) Sales for 12 Months ended June 30, 2010 | \$ | | | | | | \$ 1,219.06 |
| (equals) Actual Adjustment for the Reporting Period | Mcf | | | | | | 39,736 |
| (plus) Over-recovery component from collections through expired AAs | \$ | | | | | | \$ 0.0307 |
| (equals) Total Actual Adjustment for the Reporting Period (to Schedule I C) | \$ | | | | | | \$ - |
| | \$ | | | | | | \$ 0.0307 |