



September 30, 2010

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

RECEIVED

OCT 01 2010

**PUBLIC SERVICE
COMMISSION**

2010-00388

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 November 1, 2010.

Enclosed are calculations on which we base our request for rate changes. The cost of gas from Columbia Gas of Kentucky and Equitable Energy, LLC are based on their tariffs. Going forward from July 1, 2010 the MLG suppliers are Columbia and Quality. Quality rate is 80% of TCO App + transportation + gathering + fuel charges.

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>GCRR</u>	<u>Total</u>
FIRST (1) MCF (MINIMUM BILL)	\$ 5.5000	7.2258	12.7258
OVER 1 MCF	\$ 4.3271	7.2258	11.5529

B. DEPOSITS \$100.00

DATE OF ISSUE September 30, 2010

Month/Date/Year

DATE EFFECTIVE November 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 Company, Inc.

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date filed: September 30, 2010

Date Rates to be Effective: November 1, 2010

Reporting Period Ending: July 31, 2010

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$ 5.4087
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ 1.8171
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		\$ 7.2258

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

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 112,744.81
/	Sales for the 12 months ended <u>July 31, 2010</u>	Mcf	20,845
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 5.4087
<u>B</u>	<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	\$ -
<u>C</u>	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Sch. IV)	\$/Mcf	\$ 0.0897
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.6188
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 1.1212
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0126)
=	Actual Adjustment (AA)	\$/Mcf	\$ 1.8171
<u>D</u>	<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 Company, Inc. - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

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

(1) Supplier	(2) Dth	(3) BTU Conversion Fact:	(4) Mcf	(5)** Rate	(6) (4) x (5) Cost
Equitable			28,226	\$ 6.0011	\$ 169,387.05
Columbia Gas of KY			4,806	\$ 7.7304	\$ 37,152.30
Quality			395	\$ 6.0011	\$ 2,370.43
Totals			33,427		\$ 171,757.48
Line loss for 12 months ended and sales of	<u>July, 2010</u> <u>20,845</u>	based on purchases of Mcf.		<u>33,427</u>	
			37.64%		

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 171,757.48
/ Mcf Purchases (4)	Mcf	33,427
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.1383
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	21,942
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 112,744.81

*

** Gas supply switched to Quality beginning in July.
Quality EGC rate is calculated as follows: NYMEX futures for Nov. (\$4.1700/Dth),
Dec. (\$4.4650/Dth) and Jan. (\$4.4350) = average \$4.3567/Dth x 80% = \$3.4853/Dth
plus \$1.02/Dth (EQT transportation) = \$4.5053/Dth + 11% (fuel charge) = \$5.001/Dth x 1.2 Dth/Mcf = \$6.0011/Mcf
Columbia Gas IUS rate - Case No. 2010-00307

Mike Little Gas Company, Inc.

Schedule IV
Actual Adjustment

For the 3 month period ending June 30, 2010

Particulars	Unit	Month 1	Month 2	Month 3
		May-10	Jun-10	Jul-10
Total Supply Volumes Purchased	Mcf	864	1,041	444
Total Cost of Volumes Purchased	\$	\$ 7,257	\$ 8,988	\$ 2,997
(divide by) Total Sales (not less than 95% of supply)	Mcf	821	989	422
(equals) Unit Cost of Gas	\$/Mcf	\$ 8.8414	\$ 9.0884	\$ 7.1053
(minus) EGC in effect for month	\$/Mcf	\$ 6.8492	\$ 6.8492	\$ 6.8492
(equals) Difference	\$/Mcf	\$ 1.9922	\$ 2.2392	\$ 0.2561
(times) Actual sales during month	Mcf	570	299	255
(equals) Monthly cost difference	\$	\$ 1,135.54	\$ 669.53	\$ 65.30
Total cost difference	Unit			Amount
(divide by) Sales for 12 Months ended July 31, 2010	\$			\$ 1,870.36
(equals) Actual Adjustment for the Reporting Period	Mcf			20,845
(plus) Over-recovery component from collections through expired AAs				\$ 0.0897
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)				\$ -
				\$ 0.0897