

May 31, 2012

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

RECEIVED

MAY 31 2012

PUBLIC SERVICE
COMMISSION

Re: Kentucky Frontier Gas, LLC
dba Belfry Gas Company, Inc.

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC, dba Belfry Gas Company, Inc. (BGC), we are filing for a Gas Cost Recovery for the period commencing July 1, 2012.

Enclosed is a Rates and Charges form and related calculations on which we base our request for rate changes. The cost of gas from BGC's supplier, Quality Natural Gas, LLC has been estimated for the calendar quarter beginning July 1, 2011.

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

Sincerely,

KENTUCKY FRONTIER GAS, LLC
dba BELFRY GAS COMPANY, INC.

Dennis R. Horner
Kentucky Frontier Gas, LLC

Enclosures

FOR

Belfry Kentucky
Community, Town or City

P.S.C. KY. NO. 102nd

Original SHEET NO. 1

Belfry 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)	\$ 4.2667	2.4934	6.7601
OVER 1 MCF	\$ 2.7182	2.4934	5.2116

B. DEPOSITS \$100.00

DATE OF ISSUE May 31, 2012
Month/Date/Year

DATE EFFECTIVE July 1, 2012

ISSUED BY 
(Signature of Officer)

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMINSSION

IN CASE NO. _____ DATED _____

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>		<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$	3.3979
+ Refund Adjustment (RA)	\$/Mcf	\$	-
+ Actual Adjustment (AA)	\$/Mcf	\$	(0.9045)
+ Balance Adjustment (BA)	\$/Mcf	\$	-
= Gas Cost Recovery Rate (GCR)			2.49335

GCR to be effective for service rendered from 7/1/12 to 9/30/12

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>		<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$	103,581
/	Sales for the 12 months ended <u>March 31, 2012</u>	Mcf		30,484
=	Expected Gas Cost (EGC)	\$/Mcf	\$	3.3979
<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	\$	(0.4818)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	(0.5037)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	(0.0051)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	0.0861
=	Actual Adjustment (AA)	\$/Mcf	\$	(0.9045)
<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	\$	-

Belfry Gas Company, Inc. - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

MCF Purchases for 12 months ended: March 31, 2012

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)* Rate	(6) (4) x (5) Cost
Quality Natural Gas, LLC			51,079	\$ 3.2280	\$ 164,883.01
					\$ -
Totals			51,079		\$ 164,883.01

Line loss 12 months ended: March 31, 2012 based on purchases of 51,079 Mcf
and sales of 30,484 Mcf. 40%

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 164,883
/ Mcf Purchases (4)	Mcf	51,079
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 3.2280
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	32,088
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 103,581

* EGC rate is calculated as follows: NYMEX futures for Jul (\$2.491); Aug (\$2.545); Sep (\$2.584) = \$2.540/Dth (avg.)
+ \$0.05 (basis) + \$0.10 (Quality Fee) = \$2.690/Dth x 1.2 Dth/Mcf = 3.228 \$/Mcf

** TCo Appalachian Index Basis

Belfry Gas Company, Inc.

Schedule IV
Actual Adjustment

For the 3 month period ending: March 31, 2012

<u>Particulars</u>	<u>Unit</u>	<u>January 1, 2012</u>	<u>February 1, 2012</u>	<u>March 1, 2012</u>
Total Supply Volumes Purchased	Mcf	10,397	8,726	6,460
Total Cost of Volumes Purchased	\$	\$ 40,168	\$ 29,022	\$ 19,877
(divide by) Total Sales (not less than 95% of supply)	Mcf	9,877	8,290	6,137
(equals) Unit Cost of Gas	\$/Mcf	\$ 4.0668	\$ 3.5010	\$ 3.2389
(minus) EGC in effect for month	\$/Mcf	\$ 4.8358	\$ 4.8358	\$ 4.8358
(equals) Difference	\$/Mcf	\$ (0.7690)	\$ (1.3348)	\$ (1.5969)
(times) Actual sales during month	Mcf	4,731	6,235	1,708
(equals) Monthly cost difference	\$	\$ (3,638.33)	\$ (8,322.66)	\$ (2,727.54)

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ (14,688.53)
(divide by) Sales for 12 Months ended:	Mcf	30,484
(equals) Actual Adjustment for the Reporting Period		\$ (0.4818)
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ (0.4818)