



August 29, 2012

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

RECEIVED

AUG 31 2012

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, 2012.

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. (Sigma)

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date filed: August 28, 2012

Date Rates to be Effective: October 1, 2012

Reporting Period is Calendar Quarter Ended: June 30, 2012

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$ 4.1405
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (1.4854)
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		2.6550

GCR to be effective for service rendered from: 10/1/12 to 12/31/12

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 147,662
/	Sales for the 12 months ended June 30, 2012	Mcf	35,663
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 4.1405
<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	\$ (0.3389)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.8678)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.1387)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.1400)
=	Actual Adjustment (AA)	\$/Mcf	\$ (1.4854)
<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	\$ -

Cow Creek Gas, Inc. (Sigma) - GAS COST RECOVERY RATE

SCHEDULE II

EXPECTED GAS COST

MCF Purchases for 12 months ended: June 30, 2012

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)* Rate	(6) (4) x (5) Cost
ING + Nytis			28,740	3.9869	114,584
Jefferson			8,866	3.7602	33,338
					0
					0
Totals			37,606		147,921

Line loss 12 months ended: June 30, 2012 based on purchases of 37,606 Mcf
and sales of 35,663 Mcf. 5%

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 147,921
/ Mcf Purchases (4)	Mcf	37,606
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 3.9335
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	37,540
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 147,662

* 80% of estimated** TCo 3 Mo. Avg.+ \$1.25/Mcf transportation = 3.9869 \$/Mcf

* EGC from Jefferson based on average of previous quarter.

** NYMEX Futures 3 Mo. Avg. = \$2.851/Dth + \$0.00 TCo Appa (basis) = \$2.851/Dth x 1.2 Dth/Mcf = \$3.4212/Mcf

Cow Creek Gas, Inc. - Sigma

Schedule IV
Actual Adjustment

For the 3 month period ending: June 30, 2012

<u>Particulars</u>	<u>Unit</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>
Total Supply Volumes Purchased	Mcf	2,642	928	1,037
Total Cost of Volumes Purchased	\$	\$ 4,772	\$ 1,619	\$ 2,164
(divide by) Total Sales (not less than 95% of supply)	Mcf	2,544	882	985
(equals) Unit Cost of Gas	\$/Mcf	\$ 1.8758	\$ 1.8364	\$ 2.1966
(minus) EGC in effect for month	\$/Mcf	\$ 4.9844	\$ 4.9844	\$ 4.9844
(equals) Difference	\$/Mcf	\$ (3.1086)	\$ (3.1480)	\$ (2.7878)
(times) Actual sales during month	Mcf	2,544	768	632
(equals) Monthly cost difference	\$	\$ (7,908.31)	\$ (2,417.64)	\$ (1,761.88)

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ (12,087.83)
(divide by) Sales for 12 Months ended: <u>June 30, 2012</u>	Mcf	35,663
(equals) Actual Adjustment for the Reporting Period	\$	(0.3389)
(plus) Over-recovery component from collections through expired AAs	\$	-
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)	\$	(0.3389)