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PUBLIC SERVICE  
COMMISSION

November 29, 2012

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

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 January 1, 2013.

Enclosed is a Rates and Charges form and related calculations on which we base our request for rate changes.

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

Sincerely,

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

A handwritten signature in black ink that reads "Dennis R. Horner".

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.                                 

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RATES AND CHARGES

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APPLICABLE: Entire area served

AVAILABILITY OF SERVICE: Domestic and commercial use in applicable areas.

A. MONTHLY RATES:

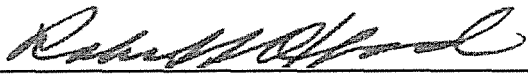
	<u>Base Rate</u>	<u>GCRR</u>	<u>Total</u>
FIRST (1) MCF (MINIMUM BILL)	\$ 4.2667	4.0449	8.3116
OVER 1 MCF	\$ 2.7182	4.0449	6.7631

B. DEPOSITS \$100.00

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DATE OF ISSUE November 29, 2012  
Month/Date/Year

DATE EFFECTIVE January 1, 2013

ISSUED BY   
(Signature of Officer)

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO.                                  DATED

Company Name

Belfry Gas Company, Inc.

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date filed: November 29, 2012

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Date Rates to be Effective: January 1, 2013

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Reporting Period is Calendar Quarter Ended: September 30, 2012

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## SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>		<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$	5.1116
+ Refund Adjustment (RA)	\$/Mcf	\$	-
+ Actual Adjustment (AA)	\$/Mcf	\$	(1.0667)
+ Balance Adjustment (BA)	\$/Mcf	\$	-
= Gas Cost Recovery Rate (GCR)			4.0449

GCR to be effective for service rendered from:

1/1/13 to 3/31/13

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>		<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$	166,331
/	Sales for the 12 months ended <u>Sept. 30, 2012</u>	Mcf		32,540
=	Expected Gas Cost (EGC)	\$/Mcf	\$	5.1116
<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	\$	0.0362
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	(0.1174)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	(0.4818)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	(0.5037)
=	Actual Adjustment (AA)	\$/Mcf	\$	(1.0667)
<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: September 30, 2012

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)* Rate	(6) (4) x (5) Cost
Quality Natural Gas, LLC			64,114	\$ 4.8560	\$ 311,337.58
					\$ -
<b>Totals</b>			64,114		\$ 311,337.58

Line loss 12 months ended: Sep-12 based on purchases of 64,114 Mcf  
and sales of 32,540 Mcf. = 49% \*\*\*

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 311,338
/ Mcf Purchases (4)	Mcf	64,114
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 4.8560
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	34,253
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 166,331

\* NYMEX Futures 3 Mo. Avg. = \$3.8867/Dth + \$0.06 TCo Appa (basis) = \$3.9467/Dth  
\$3.9467 + \$0.10 (Quality Fee) = \$4.0467/Dth x 1.2 Dth/Mcf =

4.856 \$/Mcf

\*\* TCo Appalachian Index Basis

\*\*\* Conducting leak survey: finding and repairing numerous leaking valves

**Belfry Gas Company, Inc.**

Schedule IV  
Actual Adjustment

For the 3 month period ending: September 30, 2012

<u>Particulars</u>	<u>Unit</u>	<u>July-12</u>	<u>August-12</u>	<u>September-12</u>
Total Supply Volumes Purchased	Mcf	4,449	2,527	3,124
Total Cost of Volumes Purchased	\$	\$ 16,450	\$ 9,707	\$ 10,765
(divide by) Total Sales (not less than 95% of supply)	Mcf	4,227	2,401	2,968
(equals) Unit Cost of Gas	\$/Mcf	\$ 3.8921	\$ 4.0435	\$ 3.6273
(minus) EGC in effect for month	\$/Mcf	\$ 3.3979	\$ 3.3979	\$ 3.3979
(equals) Difference	\$/Mcf	\$ 0.4942	\$ 0.6456	\$ 0.2294
(times) Actual sales during month	Mcf	979	844	646
(equals) Monthly cost difference	\$	\$ 483.79	\$ 544.88	\$ 148.17

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ 1,176.83
(divide by) Sales for 12 Months ended: September 30, 2012	Mcf	32,540
(equals) Actual Adjustment for the Reporting Period		\$ 0.0362
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ 0.0362