



December 27, 2012

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

Re: Gas Cost Adjustment  
Kentucky Frontier Gas, LLC  
dba People's Gas, Inc.

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC dba, People's Gas, Inc., we are filing for Gas Cost Adjustment for the period commencing February 1, 2012. EGC is based on Columbia Gas IUS rate approved in Case No. 2012-00477.

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

Sincerely,

KENTUCKY FRONTIER GAS, LLC  
dba PEOPLE'S GAS, INC.

Dennis R. Horner  
Kentucky Frontier Gas, LLC

Enclosures

RECEIVED

DEC 28 2012

PUBLIC SERVICE  
COMMISSION



Company Name

Peoples Gas, Inc.

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date filed: December 27, 2012

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Date Rates to be Effective: February 1, 2013

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Reporting Period Ending: October 31, 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	\$	5.2754
+	Refund Adjustment (RA)	\$/Mcf	\$	-
+	Actual Adjustment (AA)	\$/Mcf	\$	(0.8603)
+	Balance Adjustment (BA)	\$/Mcf	\$	-
=	Gas Cost Recovery Rate (GCRR)		\$	4.4151

GCR to be effective for service rendered from: 2/1/13 to 4/30/13

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>		<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$	38,257
/	Sales for the 12 months ended October 31, 2012	Mcf		7,252
=	Expected Gas Cost (EGC)	\$/Mcf	\$	5.2754
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	\$	(0.0044)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	0.0003
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	(0.9826)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$	0.1264
=	Actual Adjustment (AA)	\$/Mcf	\$	(0.8603)
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	\$	-

**Peoples Gas, Inc. - GAS COST RECOVERY RATE**

SCHEDULE II

EXPECTED GAS COST

Actual *MCF Purchases for 12 months ended: <u>October 31, 2012</u>					
(1)	(2)	(3)	(4)	(5)**	(6)
Supplier	Dth	BTU Factor	Mcf	Rate	(4) x (5) Cost
Columbia Gas of KY			8,028	\$5.0116	\$40,233.12
Totals			8,028		\$40,233.12
Line loss 12 months ended and sales of	<u>October 31, 2012</u> <u>7,252</u>	on purchases of	<u>8,028</u>	=	<u>10%</u>

Total Expected Cost of Purchases (6)	<u>Unit</u> \$	<u>Amount</u> \$40,233
/ Mcf Purchases (4)	Mcf	8,028
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$5.0116
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	7,634
= Total Expected Gas Cost (to Schedule 1A)	\$	\$38,257

\*  
\*\* Columbia Gas IUS rate effective November 28, 2012 Case No. 2012-00477

**Peoples Gas, Inc.**

Schedule IV  
Actual Adjustment

For the 3 month period ending: October 31, 2012

Particulars	Unit	Month 1	Month 2	Month 3
		Aug-12	Sep-12	Oct-12
Total Supply Volumes Purchased*	Mcf	361	361	361
Total Cost of Volumes Purchased	\$	\$2,001	\$2,042	\$1,937
(divide by) Total Sales (not less than 95% of supply)	Mcf	343	343	520
(equals) Unit Cost of Gas	\$/Mcf	\$5.8347	\$5.9542	\$3.7250
(minus) EGC in effect for month	\$/Mcf	\$4.7347	\$4.7347	\$4.7347
(equals) Difference	\$/Mcf	\$1.1000	\$1.2195	(\$1.0097)
(times) Actual sales during month	Mcf	147	272	520
(equals) Monthly cost difference	\$	\$161.70	\$331.71	-\$525.04

	Unit	Amount
Total cost difference	\$	(\$31.64)
(divide by) Sales for 12 Months ended: <u>October 31, 2012</u>	Mcf	7,252
(equals) Actual Adjustment for the Reporting Period		(\$0.0044)
(plus) Over-recovery component from collections through expired AAs		\$0.0000
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		(\$0.0044)

**\* Columbia's contract meter reader doesn't read the meter monthly. KFG has made numerous request to Columbia to have the meter read in a timely manner. No action has been taken by Columbia to rectify this problem.**