

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF KENTUCKY FRONTIER GAS,) CASE NO. 2013-00256
LLC)

ORDER

On April 30, 2013, in Case No. 2011-00443, the Commission approved rates for Kentucky Frontier Gas, LLC ("Frontier") and provided for their further adjustment in accordance with Frontier's Purchased Gas Adjustment ("PGA") clause.¹

On July 1, 2013, Frontier filed its PGA to be effective August 1, 2013, pursuant to the Commission's Order in 2011-00443 requiring Frontier to file its first unified PGA application no later than July 2, 2013 for rates to be effective August 1, 2013, in compliance with the PGA tariff approved in that Order. Frontier supplemented the record in this proceeding with a filing dated July 3, 2013. This application establishes the first Expected Gas Cost ("EGC") for Frontier's combined system.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Frontier's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

¹ Case No. 2011-00443, Application of Kentucky Frontier Gas, LLC for Approval of Consolidation of and Adjustment of Rates, Approval of AMR Equipment and a Certificate of Public Convenience and Necessity for Installation of AMR, Pipeline Replacement Program, Revision of Non-Recurring Fees, and Revision of Tariffs (Ky. PSC Apr. 30, 2013).

2. Frontier's notice sets out an Expected Gas Cost ("EGC") of \$4.9465 per Mcf.

3. Frontier's notice sets out no Refund Adjustment ("RA").

4. Frontier's notice sets out no Actual Adjustment ("AA"). The AA will not be available to Frontier until Frontier's PGA application for rates effective February 1, 2014, at which time the monthly cost differences from August, September, and October 2013 will be calculated and begin to be recovered through its PGA rate.

5. Frontier's notice sets out no Balancing Adjustment ("BA"). The BA will not be available to Frontier until Frontier's PGA application for rates effective May 1, 2015, at which time the Total Cost Difference from the AA effective February 1, 2014 will be reconciled with actual recoveries of gas cost through the AA over the 12 months ended January 31, 2015.

6. Frontier's PGA is \$4.9465 per Mcf, which is a decrease of \$.2786 per Mcf from its \$5.2251 per Mcf system-wide weighted average cost of gas approved in Case No. 2011-00443.

7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered by Frontier on and after August 1, 2013.

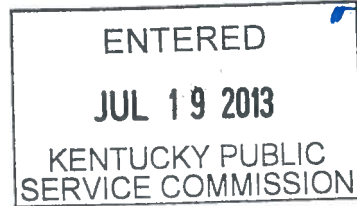
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after August 1, 2013.

2. Within 20 days of the date of this Order, Frontier shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff

sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00256 DATED **JUL 19 2013**

The following rates and charges are prescribed for the customers served by Kentucky Frontier Gas, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Residential and Small Commercial

	<u>Base Rate</u>	<u>Gas Cost Rate</u>	<u>Total</u>
Customer Charge	\$10.00		
All Mcf	\$ 4.2023	\$4.9465	\$ 9.1488

Large Commercial

	<u>Base Rate</u>	<u>Gas Cost Rate</u>	<u>Total</u>
Customer Charge	\$50.00		
All Mcf	\$ 3.4454	\$4.9465	\$ 8.3919

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