

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF KENTUCKY FRONTIER GAS,)
LLC) CASE NO. 2014-00216

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 June 30, 2014, Frontier filed its PGA to be effective August 1, 2014.

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.
2. Frontier's notice sets out an Expected Gas Cost ("EGC") of \$6.7845 per Mcf, a decrease of \$.2133 per Mcf from the previous EGC of \$6.9978 per Mcf.
3. Frontier's notice sets out no Refund Adjustment ("RA").

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).

4. Frontier's notice sets out a current quarter Actual Adjustment ("AA") of \$.2354 per Mcf. Frontier's total AA is \$1.0421 per Mcf, which is an increase of \$.2354 per Mcf from its previous total AA of \$.8067 per Mcf.

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 February 1, 2015, at which time the Total Cost Difference from the AA effective November 1, 2013, will be reconciled with actual recoveries of gas cost through the AA over the 12 months ended October 31, 2014.

6. Frontier's PGA rate is \$7.8266 per Mcf, which is an increase of \$.0221 per Mcf from its previous rate of \$7.8045 per Mcf. Due to a spread sheet error, Frontier's notice set out a PGA rate of \$7.8265 per Mcf.

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, 2014.

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, 2014.

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

ENTERED
JUL 09 2014
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00216 DATED **JUL 09 2014**

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	\$7.8266	\$ 12.0289

Large Commercial

	<u>Base Rate</u>	<u>Gas Cost Rate</u>	<u>Total</u>
Customer Charge	\$50.00		
All Mcf	\$ 3.4454	\$7.8266	\$ 11.2720

For customers in the indicated Frontier service areas the following volumetric charges shall be added through October 31, 2014:

Auxier Road:	(\$.2666)
Belfry:	\$.3115
Cow Creek/Sigma:	(\$.1377)
BTU:	(\$ 1.0690)
East Kentucky:	\$.2348
Mike Little:	\$.0661
Peoples:	\$.0762

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