

**NOTICE OF APPLICATION OF KENTUCKY FRONTIER GAS, LLC
TO ADJUST RATES FOR NATURAL GAS SERVICE**

Pursuant to the Kentucky Public Service Commission's regulation 807 KAR 5:076, Kentucky Frontier Gas (KFG), LLC gives notice that an application has been filed on June 30, 2017, with the Kentucky Public Service Commission seeking approval to adjust its rates for natural gas service. This rate adjustment will apply to all KFG's customers. The rates for former Public Gas customers will be consolidated into one rate for all KFG customers. The proposed rates will produce additional annual revenue of approximately \$373,000. The change in rates for KFG and former Public Gas customers differs based on current rate differences, which existed at the time of KFG's acquisition of Public Gas. The increase is to be effective in SIX MONTHS or January 1, 2018, or sooner if approved by the Kentucky Public Service Commission. If KFG's application is approved, monthly natural gas bills will increase as follows:

Customer Class	Total \$ Change	Percentage Change
KFG Customers		
Residential & Commercial	\$165,968	+14%
Large Commercial	-\$2,898	-1%
Former Public Gas Customers		
All Customers	\$209,179	+38%

Customer Class KFG Customers	Existing customer charge	Proposed customer charge	Proposed Increase	% of Proposed Increase
Residential	\$10.00	\$16.00	\$6.00	60%
Commercial	\$10.00	\$16.00	\$6.00	60%
Large Commercial	\$50.00	\$50.00	\$0	0%
Former Public Gas Customers				
Residential	\$10.00	\$16.00	\$6.00	60%
Commercial	\$10.00	\$16.00	\$6.00	60%

Customer Class KFG Customers	Existing Gas Base Rates	Proposed Gas Base Rates	Proposed reduction	% of Proposed change
Residential	\$.42023 /ccf	\$.3843 /ccf	-\$.0359 /ccf	-9%
Commercial	\$.42023 /ccf	\$.3843 /ccf	-\$.0359 /ccf	-9%
Large Commercial	\$.34454 /ccf	\$.3397 /cc	-\$.0048 /ccf	-1%
Former Public Gas Customers			Proposed increase	
Residential	\$.30914ccf	\$.3843 /ccf	+\$.0752 /ccf	+24%
Commercial	\$.30914ccf	\$.3843 /ccf	+\$.0752 /ccf	+24%

Customer Class KFG Customers	2016 average usage per customer	Average customer monthly cost, Current rate*	Average customer monthly cost, Proposed rate	Proposed change in Average Monthly Cost
Residential	445 ccf	\$25.58	\$30.25	+\$4.67
Commercial	1600 ccf	\$66.03	\$67.24	+\$1.21
Large Commercial	120,000 ccf	\$3460.40	\$3412.00	(\$48.40)

Former Public Gas Customers	Average monthly cost current rate	Average monthly cost per customer proposed rate	Average Monthly Cost Increase Proposed	
Residential	445 ccf	\$21.46	\$30.25	+\$8.79

*Base rates only, no Gas Cost Included

KFG proposed to increase its current Pipeline Replacement Program (PRP) fee from \$1.25 to \$2.00 for existing KFG customers.

Special charge	Current KFG fee	Proposed KFG fee	\$ change for KFG	% change for KFG
PRP	\$1.25 /month	\$2.00 /month	\$0.75 /month	60%

KFG also proposes to adopt its existing tariffs for the former Public Gas customers. These changes below are increases or new charges only to former Public Gas customers and will conform Public rates to existing and proposed KFG rates. The rates affected by this change are:

Special Charge	Current Public Charge	Current KFG Charge	Proposed Public Charge	\$ change for Public customers	% change for Public customers
Returned Check fee	\$20.00	\$30.00	\$30.00	\$10.00	50%
Turn on fee	\$40.00	\$50.00	\$50.00	\$10.00	25%
Customer deposit	\$100.00	2/12 annual bill	2/12 annual bill	n/a	n/a
Special Meter read	\$10.00	\$50.00	\$50.00	\$40.00	500%
Late payment	10%	10%	10%	0	0
Relocate meter	0	\$150.00	\$150.00	\$150.00	n/a
Transfer service	0	\$30.00	\$30.00	\$30.00	n/a
Trip charge	0	\$50.00	\$50.00	\$50.00	n/a
Meter test fee	0	\$225.00	\$225.00	\$225.00	n/a
Reconnection fee	\$40.00	\$50.00	\$50.00	\$10.00	25%
PRP	\$1.25 /month	\$1.25 /month	\$2.00 /month	\$0.75 /month	60%
AMR	\$1.00 /month	\$1.00 /month	\$1.00 /month	\$1.00 /month	0

The rates contained in this notice are the rates proposed by KFG however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates that are higher or lower than those proposed by KFG.

A person may submit a timely written request to intervene to the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request and including the status and interest of the party. If the Kentucky Public Service Commission does not receive a request to intervene within thirty (30) days of the initial publication or mailing of this notice, the Kentucky Public Service Commission may take final action on the application. Comments regarding this application may be submitted through the Commission's Web site at <http://psc.kv.gov>: or by mail to P.O. Box 615, Frankfort, Kentucky 40602. Copies of the KFG application may be obtained or viewed from KFG: Kentucky Frontier Gas 2963 Ky Route 321 North, Prestonsburg, KY 41653, 606-886-2431, <http://kyfrontiergas.com/> Monday through Friday from 8:30 a.m. to 4:30 p.m. The application and all documents filed with the Kentucky Public Service Commission may be viewed and downloaded at the Kentucky Public Service Commission's Web site at <http://psc.ky.gov> or a copy can be obtained from the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602 Monday through Friday between the hours of 8:00 a.m. to 4:00 p.m.