

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF)	CASE NO.
KENTUCKY FRONTIER GAS)	2014-00158

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 May 1, 2014, due to unexpected spikes in natural gas prices, Frontier filed an interim PGA, as authorized by its PGA clause, to be effective June 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 \$6.9978 per Mcf, an increase of \$.3610 per Mcf from the previous EGC of \$6.6368 per Mcf.
3. Frontier's notice sets out no Refund Adjustment ("RA").
4. Frontier's notice sets out an interim Actual Adjustment ("AA") of \$.4388 per Mcf to reflect under-recovered gas cost for the month of February 2014. Frontier's

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).

total AA is \$.8067 per Mcf, which is an increase of \$.4388 per Mcf from its previous total AA of \$.3679 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 \$7.8045 per Mcf, which is an increase of \$.7998 per Mcf from its previous rate of \$7.0047 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 June 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 June 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 
MAY 09 2014
KENTUCKY PUBLIC
SERVICE COMMISSION

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00158 DATED **MAY 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	\$7.8045	\$ 12.0068

Large Commercial

	<u>Base Rate</u>	<u>Gas Cost Rate</u>	<u>Total</u>
Customer Charge	\$50.00		
All Mcf	\$ 3.4454	\$7.8045	\$ 11.2499

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

Auxier Road:	(\$0.2666)
Belfry:	\$0.3115
Cow Creek/Sigma:	(\$0.1377)
BTU:	(\$1.0690)
East Kentucky:	\$0.2348
Mike Little:	\$0.0661
Peoples:	\$0.0762

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