



RECEIVED

JUL 01 2016

PUBLIC SERVICE  
COMMISSION

June 30, 2016

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

Re: Gas Cost Adjustment  
Effective Date of August 1, 2016  
Public Gas Company

Dear Mr. Derouen:

Kentucky Frontier Gas, LLC, is filing a GCA application for Public Gas Company pursuant to the Commission's order of November 24, 2015 in Case No. 2015-00299. Please see attached Expected Gas Cost for the Public Gas Company.

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

Sincerely,  
KENTUCKY FRONTIER GAS, LLC

A handwritten signature in blue ink that reads "Dennis R. Horner".

Dennis R. Horner  
Enclosures

FOR ENTIRE AREA SERVED  
PUBLIC GAS COMPANY

P.S.C. KY. NO. 1

Original          SHEET NO. 1

Public Gas Company  
(Name of Utility)

CANCELING P.S. KY.NO.  
                                  
SHEET NO.                 

---

RATES AND CHARGES

---

APPLICABLE: Entire area served

Residential and Small Commercial

	Gas Cost		
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>
CUSTOMER CHARGE	\$ 10.0000		\$ 10.0000
ALL CCF	\$ 0.30914	\$ 0.58476	\$ 0.89390

---

DATE OF ISSUE June 29, 2016  
Month/Date/Year

DATE EFFECTIVE August 1, 2016

ISSUED BY *Thomas R. Horner*  
(Signature of Officer)

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO.                                  DATED

PUBLIC GAS COMPANY GAS COST RECOVERY RATE

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$ 5.7019
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ 0.1457
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		5.8476

GCR to be effective for service rendered from: August 1, 2016

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 550,629
/	Sales for the 12 months ended <u>April 30, 2016</u>	Mcf	96,569
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 5.7019

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 <b>Current</b> Reporting Period (Sch. IV)	\$/Mcf	\$ 0.0844
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0592
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0090
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0069)
=	Actual Adjustment (AA)	\$/Mcf	\$ 0.1457

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	\$ -

**Public Gas Company**  
**SCHEDULE II**  
**EXPECTED GAS COST**

MCF Purchases for 12 months ended: April 30, 2016

Supplier	Dth	Purchases Mcf	Sales Mcf	Rate	Cost
5/31/2015	1.118	4,069	4,245	\$ 4.3669	\$ 17,769
6/30/2015	1.118	2,434	1,737	\$ 4.3669	\$ 10,629
7/31/2015	1.118	2,030	1,651	\$ 4.3669	\$ 8,865
8/31/2015	1.118	2,115	1,335	\$ 4.3669	\$ 9,236
9/30/2015	1.118	2,183	1,424	\$ 4.3669	\$ 9,533
10/31/2015	1.118	4,266	2,425	\$ 4.3669	\$ 18,629
11/30/2015	1.118	9,506	7,003	\$ 4.3669	\$ 41,512
12/31/2015	1.118	12,522	12,847	\$ 4.3669	\$ 54,682
1/31/2016	1.118	24,917	21,782	\$ 4.3669	\$ 108,810
2/1/2016	1.1184	21,562	21,709	\$ 5.3288	\$ 114,900
3/1/2016	1.1184	15,932	13,467	\$ 5.3288	\$ 84,899
4/1/2016	1.1184	8,188	6,944	\$ 5.3288	\$ 43,633
<b>Totals</b>		<b>109,724</b>	<b>96,569</b>	<b>\$ 4.7674</b>	<b>\$ 523,098</b>

Line loss 12 months ended: Apr-16 based on purchases of 109,724 Mcf  
and sales of 96,569 Mcf. 12% L&U

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 523,098
/ Mcf Purchases (4)	Mcf	96,569
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.4168
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	101,652
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 550,629

Estimated Avg TCo for Aug, Jul, Sep = \$2.8797/Dth (NYMEX Avg + \$-0.115/Dth (TCo Appal Basis) = \$2.7647/Dth  
Jefferson contract = \$2.7647/Dth (TCo) + \$2.00/Dth cost factor = \$4.7647/Dth

## Public Gas Company

Schedule IV  
Actual AdjustmentFor the 3 month period ending: April 30, 2016

<u>Particulars</u>	<u>Unit</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>
Total Supply Volumes Purchased	Mcf	21,562	15,932	8,188
Total Cost of Volumes Purchased	\$	\$ 97,263	\$ 63,966	\$ 34,958
(divide by) Total Sales (not less than 95% of supply)	Mcf	21,709	15,135	7,779
(equals) Unit Cost of Gas	\$/Mcf	\$ 4.4803	\$ 4.2263	\$ 4.4941
(minus) EGC in effect for month	\$/Mcf	\$ 4.2079	\$ 4.2079	\$ 4.2079
(equals) Difference	\$/Mcf	\$ 0.2724	\$ 0.0184	\$ 0.2862
(times) Actual sales during month	Mcf	21,709	13,467	6,944
(equals) Monthly cost difference	\$	\$ 5,914	\$ 247.13	\$ 1,987.55

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ 8,148.38
(divide by) Sales for 12 Months ended: <u>April 30, 2016</u>	Mcf	96,569
(equals) Actual Adjustment for the Reporting Period		\$ 0.0844
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ 0.0844