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PUBLIC SERVICE  
COMMISSION

July 8, 2016

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

Re: Case No. 2016-00226  
Supplemental Data  
Public Gas Company

Dear Mr. Derouen:

The attached GCR Schedule I and Schedule II are revised and are provided for supplementing the record in Case No. 2016-00226.

If you have 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  
Kentucky Frontier Gas, LLC

Enclosures

## PUBLIC GAS COMPANY GAS COST RECOVERY RATE

APPENDIX B

Page 2

## SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$ 5.6093
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ 0.1457
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		5.7550

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)	\$	\$ 541,685
/	Sales for the 12 months ended <u>April 30, 2016</u>	Mcf	96,569
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 5.6093

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	\$ -

Revised 02-26-04

**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	1.1184	4,069	4,245	\$ 5.3288	\$ 21,683
6/30/2015	1.1184	2,434	1,737	\$ 5.3288	\$ 12,970
7/31/2015	1.1184	2,030	1,651	\$ 5.3288	\$ 10,818
8/31/2015	1.1184	2,115	1,335	\$ 5.3288	\$ 11,270
9/30/2015	1.1184	2,183	1,424	\$ 5.3288	\$ 11,633
10/31/2015	1.1184	4,266	2,425	\$ 5.3288	\$ 22,733
11/30/2015	1.1184	9,506	7,003	\$ 5.3288	\$ 50,656
12/31/2015	1.1184	12,522	12,847	\$ 5.3288	\$ 66,728
1/31/2016	1.1184	24,917	21,782	\$ 5.3288	\$ 132,779
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>\$ 5.3288</b>	<b>\$ 584,702</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)	\$	\$ 584,702
/ Mcf Purchases (4)	Mcf	109,724
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.3288
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	101,652
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 541,685

Estimated Avg TCo for Aug, Sep, Oct = \$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