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PUBLIC SERVICE
COMMISSION

September 29, 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 November 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 cursive script 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	\$ 0.60382	\$ 0.91296

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

DATE EFFECTIVE November 1, 2016

ISSUED BY

 (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	\$ 5.8786
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ 0.1596
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		6.0382

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

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 558,687
/	Sales for the 12 months ended July 31, 2016	Mcf	95,037
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 5.8786

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 Current Reporting Period (Sch. IV)	\$/Mcf	\$ 0.0070
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0844
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0592
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0090
=	Actual Adjustment (AA)	\$/Mcf	\$ 0.1596

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: July 31, 2016

Supplier	Dth	Purchases Mcf	Sales Mcf	Rate	Cost
8/31/2015	1.1179	2,115	1,335	\$ 5.5847	\$ 11,812
9/30/2015	1.1179	2,183	1,424	\$ 5.5847	\$ 12,191
10/31/2015	1.1179	4,266	2,425	\$ 5.5847	\$ 23,824
11/30/2015	1.1179	9,506	7,003	\$ 5.5847	\$ 53,088
12/31/2015	1.1179	12,522	12,847	\$ 5.5847	\$ 69,932
1/31/2016	1.1179	24,917	21,782	\$ 5.5847	\$ 139,154
2/29/2016	1.1179	21,562	21,709	\$ 5.5847	\$ 120,417
3/31/2016	1.1179	15,932	13,467	\$ 5.5847	\$ 88,975
4/30/2016	1.1179	8,188	6,944	\$ 5.5847	\$ 45,727
5/31/2016	1.1179	2,755	3,121	\$ 5.5847	\$ 15,386
6/30/2016	1.1179	2,112	1,659	\$ 5.5847	\$ 11,795
7/31/2016	1.1179	2,134	1,321	\$ 5.5847	\$ 11,918
Totals		108,192	95,037	\$ 5.5847	\$ 604,219

Line loss 12 months ended: Jul-16 based on purchases of 108,192 Mcf
and sales of 95,037 Mcf. 12% L&U

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 604,219
/ Mcf Purchases (4)	Mcf	108,192
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.5847
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	100,039
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 558,687

Estimated Avg TCo for Nov, Dec, Jan = \$3.1587/Dth (NYMEX Avg + \$-0.163/Dth (TCo Appal Basis) = \$2.9957/Dth
Jefferson contract = \$2.9957/Dth (TCo) + \$2.00/Dth cost factor = \$4.9957/Dth

Public Gas Company

Schedule IV
Actual Adjustment

For the 3 month period ending:

July 31, 2016

<u>Particulars</u>	<u>Unit</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>
Total Supply Volumes Purchased	Mcf	2,755	2,112	2,134
Total Cost of Volumes Purchased	\$	\$ 11,927	\$ 9,487	\$ 11,411
(divide by) Total Sales (not less than 95% of supply)	Mcf	3,121	2,006	2,027
(equals) Unit Cost of Gas	\$/Mcf	\$ 3.8215	\$ 4.7284	\$ 5.6287
(minus) EGC in effect for month	\$/Mcf	\$ 4.3510	\$ 4.3510	\$ 4.3510
(equals) Difference	\$/Mcf	\$ (0.5295)	\$ 0.3774	\$ 1.2777
(times) Actual sales during month	Mcf	3,121	1,659	1,321
(equals) Monthly cost difference	\$	\$ (1,652)	\$ 626.06	\$ 1,687.80

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ 661.38
(divide by) Sales for 12 Months ended: <u>July 31, 2016</u>	Mcf	95,037
(equals) Actual Adjustment for the Reporting Period	\$	0.0070
(plus) Over-recovery component from collections through expired AAs	\$	-
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)	\$	0.0070