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PUBLIC SERVICE
COMMISSION

December 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 February 1, 2017
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	\$ 0.67057	\$ 0.97971

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

DATE EFFECTIVE February 1, 2017

ISSUED BY 
(Signature of Officer)

TITLE Member

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

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$ 6.5897
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ 0.1160
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		6.7057

GCR to be effective for service rendered from: February 1, 2017

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 637,556
/	Sales for the 12 months ended <u>October 31, 2016</u>	Mcf	96,750
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 6.5897
<u>B</u>	<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	\$ -
<u>C</u>	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Current Reporting Period (Sch. IV)	\$/Mcf	\$ (0.0346)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0070
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0844
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0592
=	Actual Adjustment (AA)	\$/Mcf	\$ 0.1160
<u>D</u>	<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: October 31, 2016

Supplier	Dth	Purchases Mcf	Sales Mcf	Rate	Cost
11/30/2015	1.1183	9,506	7,003	\$ 6.2602	\$ 59,510
12/31/2015	1.1183	12,522	12,847	\$ 6.2602	\$ 78,391
1/31/2016	1.1183	24,917	21,782	\$ 6.2602	\$ 155,986
2/29/2016	1.1183	21,562	21,709	\$ 6.2602	\$ 134,983
3/31/2016	1.1183	15,932	13,467	\$ 6.2602	\$ 99,738
4/30/2016	1.1183	8,188	6,944	\$ 6.2602	\$ 51,259
5/31/2016	1.1183	2,755	3,121	\$ 6.2602	\$ 17,247
6/30/2016	1.1183	2,112	1,659	\$ 6.2602	\$ 13,222
7/31/2016	1.1183	2,134	1,321	\$ 6.2602	\$ 13,359
8/31/2016	1.1183	2,119	1,255	\$ 6.2602	\$ 13,265
9/30/2016	1.1183	2,244	1,770	\$ 6.2602	\$ 14,048
10/31/2016	1.1183	3,512	3,872	\$ 6.2602	\$ 21,986
Totals		107,503	96,750	\$ 6.2602	\$ 672,995

Line loss 12 months ended: Oct-16 based on purchases of 107,503 Mcf
and sales of 96,750 Mcf. 10% L&U

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 672,995
/ Mcf Purchases (4)	Mcf	107,503
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 6.2602
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	101,842
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 637,556

Estimated Avg TCo for Feb, Mar, Apr = \$3.760/Dth (NYMEX Avg + \$-0.162/Dth (TCo Appal Basis) = **\$3.5980/Dth**
Jefferson contract = \$3.5980/Dth (TCo) + \$2.00/Dth cost factor = **\$5.5980/Dth**

