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APR 01 2019

PUBLIC SERVICE
COMMISSION



March 29, 2019

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

Re: Purchased Gas Adjustment
Effective Date of May 1, 2019
Kentucky Frontier Gas, LLC

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC, we are filing a unified GCA application pursuant to the Commission's order of December 22, 2017 in Case No. 2017-00263. Please see attached Expected Gas Cost for the combined Frontier and Public Gas systems.

The attached PGA was calculated using a 5 percent allowable L&U. A \$0.0285 per Mcf factor will be added to Frontier's customer PGA and a factor of (\$0.2334) per Mcf will be applied to Public's customer PGA to adjust for premerger unexpired AA's and BA's.

Sincerely,

KENTUCKY FRONTIER GAS, LLC

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

Dennis R. Horner
Enclosures

FOR ENTIRE AREA SERVED
KENTUCKY FRONTIER GAS, LLC

P.S.C. KY. NO. 1

Original SHEET NO. 1

Kentucky Frontier Gas, LLC
(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	\$ 13.0000		\$ 13.0000
ALL CCF Sales for the 12 month	\$ 0.42200	\$ 0.53576	\$ 0.95776

Large Commercial

	Gas Cost		
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>
CUSTOMER CHARGE	\$ 50.0000		\$ 50.0000
ALL CCF	\$ 0.34454	\$ 0.53576	\$ 0.88030

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PUBLIC SERVICE
COMMISSION

DATE OF ISSUE March 28, 2019

Month/Date/Year

DATE EFFECTIVE May 1, 2019

ISSUED BY 

(Signature of Officer)

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

KFG UNIFIED 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	\$	5.0693
+ Refund Adjustment (RA)	\$/Mcf	\$	-
+ Actual Adjustment (AA)	\$/Mcf	\$	0.2883
+ Balance Adjustment (BA)	\$/Mcf	\$	-
= Gas Cost Recovery Rate (GCR)		\$	5.3576

N/A unitl 11/1/19

GCR to be effective for service rendered from: May 1, 2019

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 1,915,068
/	Sales for the 12 months ended <u>January 31, 2019</u>	Mcf	377,781
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 5.0693

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	\$ 0.4879
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0889)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.1915)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0808
=	Actual Adjustment (AA)	\$/Mcf	\$ 0.2883

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	\$ -

Kentucky Frontier Gas, LLC - Unified

SCHEDULE II
EXPECTED GAS COST

APPENDIX B

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MCF Purchases for 12 months ended:

January 31, 2019

Supplier	5% LIMITER Dth	Btu Factor	Mcf	Rate	(4) x (5) Cost
Columbia (Goble Roberts, Peoples)		N/A	10,403	\$ 5.4206	\$56,391
Cumberland Valley (Auxier)		1.2190	91,957	\$ 3.6860	\$338,955
Cumberland Valley (Sigma) includes \$1.25/Mcf DLR trans		1.2190	3,707	\$ 4.9360	\$18,298
EQT (EQU, Price)		1.2480	37	\$ 5.2048	\$193
** HI-Energy		1.0031	4,682	\$ 4.0124	\$18,786
** HTC (Sigma) includes \$1.25/Mcf DLR trans		1.0758	3,486	\$ 5.5532	\$19,358
Jefferson (Sigma) rate includes \$1.25/Mcf DLR trans		1.1184	0	\$ 7.7497	\$0
Jefferson (Public)		1.1184	110,389	\$ 6.4997	\$717,500
Magnum Drilling, Inc.		N/A	3,181	\$ 10.5000	\$33,401
Nytis (Auxier)		1.0962	7,961	\$ 2.8082	\$22,356
Nytis (Sigma) includes \$1.25/Mcf DLR trans		1.0962	7,677	\$ 3.4966	\$26,843
Quality (Belfry)		1.2000	47,496	\$ 2.6662	\$126,632
* Slone Energy		0.9920	4,751	\$ 4.4640	\$21,208
Southern Energy (EQU, MLG, Price)		1.2753	62,844	\$ 4.7337	\$297,482
Southern Energy (Sigma) includes \$1.25/Mcf DLR trans		1.2753	30,557	\$ 5.9837	\$182,843
** Spirit		1.1178	18,240	\$ 4.4712	\$81,555
Totals			407,368	\$ 4.8158	\$1,961,800

Line loss 12 months ended: Jan-19 based on purchases of 407,368 Mcf
and sales of 377,781 Mcf. 7.3% L&U

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 1,961,800
/ Mcf Purchases (4)	Mcf	407,368
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 4.8158
x Allowable Mcf Purchases (5% Limiter)	Mcf	397,664
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 1,915,068

Estimated Avg TCo for May, June, July = \$2.7668/Dth (NYMEX Avg + \$-0.2050/Dth (TCo Appal Basis) = **\$2.5618/Dth**

EQT = \$2.5618/Dth (TCo) + \$0.4388 (14% Fuel) + \$1.05 (Commodity) + \$0.20 (Demand) = **\$4.1705/Dth**

Jefferson contract = \$2.5618/Dth (TCo) + \$3.25/Dth cost factor = **\$5.8118/Dth**

CVR = \$2.5618 (TCo) + \$0.0513/Dth (1.996% Fuel), \$0.0190/Dth Commodity + \$0.3417/Dth (TCo Demand) + \$0.05/Dth CVR Fee = **\$3.0238/Dth**

HI-Energy, HTC, Spirit contract = \$4.00/Dth or 80% of TCo, whichever is greater

Magnum Drilling contract = **\$10.50/Mcf**

Nytis (Auxier) = **\$2.5618/Dth** (TCo)

Nytis (Sigma) = \$2.5618/Dth (TCo) x .8 = **\$2.0494/Dth**

Slone contract = **\$4.50/Dth**

Southern Energy = \$2.5618/Dth (TCo) + \$1.1500/Dth = **\$3.7118/Dth**

Quality (Belfry) = \$2.5618/Dth (TCo) + \$0.10 = **\$2.6618/Dth**

DLR Trans for Cow Creek (Sigma) = \$1.25/Mcf on volumes from CVR, EQT, HTC, ING, Jefferson, Nytis, Plateau, Southern Energy

* Estimated 3 mo. TCo = \$2.5618/Dth x .8 = \$2.0494/Dth < \$4.50/Dth; **\$4.50/Dth**

** Estimated 3 mo. TCo = \$2.5618/Dth x .8 = \$2.0494/Dth < \$4.00/Dth; **\$4.00/Dth**

*** Estimated 3 mo. TCo = \$2.5618/Dth x .8 = \$2.0494/Dth < \$3.00/Dth; **\$3.00/Dth**

KFG UnifiedSchedule IV
Actual Adjustment

For the 3 month period ending:

January 31, 2019

<u>Particulars</u>	<u>Unit</u>	5% LIMITER		
		<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>
Total Supply Volumes Purchased	Mcf	52,976	63,011	70,951
Total Cost of Volumes Purchased	\$	\$ 265,775	\$ 447,399	\$ 464,009
(divide by) Total Sales (5% Limiter)	Mcf	50,327	59,860	67,403
(equals) Unit Cost of Gas	\$/Mcf	\$ 5.2809	\$ 7.4740	\$ 6.8841
(minus) EGC in effect for month	\$/Mcf	\$ 5.6339	\$ 5.6339	\$ 5.6339
(equals) Difference	\$/Mcf	\$ (0.3530)	\$ 1.8401	\$ 1.2502
(times) Actual sales during month	Mcf	49,238	64,566	66,317
(equals) Monthly cost difference	\$	\$ (17,379)	118,810	82,906

	<u>Unit</u>	<u>Amount</u>
Total cost difference for the 12 months ended January 31, 2019	\$	\$ 184,337.55
(divide by) Sales for 12 Months ended: January 31, 2019	Mcf	377,781
(equals) Actual Adjustment for the Reporting Period		\$ 0.4879
(plus) Over-recovery component from collections through expired AAs		\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$ 0.4879