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JUN 29 2017

PUBLIC SERVICE
COMMISSION

June 23, 2017

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, 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

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	\$ 0.50403	\$ 0.81317

DATE OF ISSUE June 23, 2017
Month/Date/Year

DATE EFFECTIVE August 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	\$ 5.6105
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (0.5702)
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		5.0403

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

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 525,130
/	Sales for the 12 months ended <u>April 30, 2017</u>	Mcf	93,598
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 5.6105
<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	\$ (0.3082)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.2344)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0346)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0070
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.5702)
<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: April 30, 2017

Supplier	Dth	Purchases Mcf	Sales Mcf	Rate	Cost
5/31/2016	1.1184	2,755	3,121	\$ 5.3300	\$ 14,684
6/30/2016	1.1184	2,112	1,659	\$ 5.3300	\$ 11,257
7/31/2016	1.1184	2,134	1,321	\$ 5.3300	\$ 11,374
8/31/2016	1.1184	2,119	1,255	\$ 5.3300	\$ 11,294
9/30/2016	1.1184	2,244	1,770	\$ 5.3300	\$ 11,960
10/31/2016	1.1184	3,512	3,872	\$ 5.3300	\$ 18,719
11/30/2016	1.1184	9,464	11,671	\$ 5.3300	\$ 50,443
12/31/2016	1.1184	18,320	19,716	\$ 5.3300	\$ 97,645
1/31/2017	1.1184	20,281	18,143	\$ 5.3300	\$ 108,097
2/28/2017	1.1184	15,420	13,608	\$ 5.3300	\$ 82,188
3/31/2017	1.1184	14,388	13,004	\$ 5.3300	\$ 76,687
4/30/2017	1.1184	7,551	4,458	\$ 5.3300	\$ 40,247
Totals		100,300	93,598	\$ 5.3300	\$ 534,595

Line loss 12 months ended: Apr-17 based on purchases of 100,300 Mcf
and sales of 93,598 Mcf. 7% L&U

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 534,595
/ Mcf Purchases (4)	Mcf	100,300
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.3300
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	98,524
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 525,130

Estimated Avg TCo for Aug, Sep, Oct = \$2.9377/Dth (NYMEX Avg + \$-0.172/Dth (TCo Appal Basis) = **\$2.7657/Dth**
Jefferson contract = \$2.7657/Dth (TCo) + \$2.00/Dth cost factor = **\$4.7657/Dth**

Public Gas Company

Schedule IV
Actual AdjustmentFor the 3 month period ending: April 1, 2017

<u>Particulars</u>	<u>Unit</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>
Total Supply Volumes Purchased	Mcf	15,420	14,388	7,551
Total Cost of Volumes Purchased	\$	\$ 88,984	\$ 70,478	\$ 42,137
(divide by) Total Sales (not less than 95% of supply)	Mcf	14,649	13,669	7,173
(equals) Unit Cost of Gas	\$/Mcf	\$ 6.0744	\$ 5.1562	\$ 5.8740
(minus) EGC in effect for month	\$/Mcf	\$ 6.5897	\$ 6.5897	\$ 6.5897
(equals) Difference	\$/Mcf	\$ (0.5153)	\$ (1.4335)	\$ (0.7157)
(times) Actual sales during month	Mcf	13,608	13,004	4,458
(equals) Monthly cost difference	\$	\$ (7,012)	\$ (18,641.27)	\$ (3,190.49)

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ (28,843.86)
(divide by) Sales for 12 Months ended: <u>April 1, 2017</u>	Mcf	93,598
(equals) Actual Adjustment for the Reporting Period	\$	\$ (0.3082)
(plus) Over-recovery component from collections through expired AAs	\$	\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)	\$	\$ (0.3082)