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PUBLIC SERVICE
COMMISSION

September 29, 2017

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

Case No. 2017-00400

Re: Gas Cost Adjustment
Effective Date of November 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

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	\$ 7.1601
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (0.4952)
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		6.6649

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

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 663,442
/	Sales for the 12 months ended July 31, 2017	Mcf	92,658
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 7.1601

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	\$ 0.0820
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.3082)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.2344)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0346)
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.4952)

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, 2017

Supplier	Dth	Purchases Mcf	Sales Mcf	Rate	Cost
8/31/2016	1.1184	2,119	1,255	\$ 6.8021	\$ 14,414
9/30/2016	1.1184	2,244	1,770	\$ 6.8021	\$ 15,264
10/31/2016	1.1184	3,512	3,872	\$ 6.8021	\$ 23,889
11/30/2016	1.1184	9,464	11,671	\$ 6.8021	\$ 64,375
12/31/2016	1.1184	18,320	19,716	\$ 6.8021	\$ 124,615
1/31/2017	1.1184	20,281	18,143	\$ 6.8021	\$ 137,954
2/28/2017	1.1184	15,420	13,608	\$ 6.8021	\$ 104,889
3/31/2017	1.1184	14,388	13,004	\$ 6.8021	\$ 97,869
4/30/2017	1.1184	7,551	4,458	\$ 6.8021	\$ 51,363
5/31/2017	1.1184	3,226	2,381	\$ 6.8021	\$ 21,944
6/30/2017	1.1184	2,403	1,621	\$ 6.8021	\$ 16,345
7/31/2017	1.1184	2,158	1,159	\$ 6.8021	\$ 14,679
Totals		101,086	92,658	\$ 6.8021	687,598

Line loss 12 months ended: Jul-17 based on purchases of 101,086 Mcf
and sales of 92,658 Mcf. 8% L&U

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 687,598
/ Mcf Purchases (4)	Mcf	101,086
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 6.8021
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	97,535
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 663,442

Estimated Avg TCo for Nov, Dec, Jan = \$3.021/Dth (NYMEX Avg + \$-0.189/Dth (TCo Appal Basis) = **\$2.8320/Dth**
Jefferson contract = \$2.8320/Dth (TCo) + \$3.25/Dth cost factor = **\$6.0820/Dth**

