



RECEIVED

JUN 28 2019

PUBLIC SERVICE
COMMISSION

June 27, 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.

Sincerely,

KENTUCKY FRONTIER GAS, LLC

A handwritten signature in black 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 months	\$ 0.42200	\$ 0.49179	\$ 0.91379

Large Commercial

		Gas Cost		
		<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>
CUSTOMER CHARGE		\$ 50.0000		\$ 50.0000
ALL CCF		\$ 0.34454	\$ 0.49179	\$ 0.83633

DATE OF ISSUE June 28, 2019
 Month/Date/Year

DATE EFFECTIVE August 1, 2019

ISSUED BY Robert J. Dyford
 (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	\$ 5.0596	
+ Refund Adjustment (RA)	\$/Mcf	\$ -	
+ Actual Adjustment (AA)	\$/Mcf	\$ (0.1417)	
+ Balance Adjustment (BA)	\$/Mcf	\$ -	N/A unit! 11/1/19
= Gas Cost Recovery Rate (GCR)		\$ 4.9179	

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

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 1,273,195
/	Sales for the 12 months ended <u>April 30, 2019</u>	Mcf	251,638
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 5.0596

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	\$ (0.3492)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.4879
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0889)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.1915)
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.1417)

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

MCF Purchases for 12 months ended:

April 30, 2019

Supplier	5% LIMITER Dth	Btu Factor	Mcf	Rate	(4) x (5) Cost
Columbia (Goble Roberts, Peoples)		N/A	6,700	\$ 5.2170	\$34,954
Cumberland Valley (Auxier)		1.2190	62,997	\$ 3.7454	\$235,948
Cumberland Valley (Sigma) includes \$1.25/Mcf DLR trans		1.2190	2,775	\$ 4.9954	\$13,862
EQT (EKU, Price)		1.2480	8	\$ 5.2729	\$42
** HI-Energy		1.0031	3,489	\$ 4.0124	\$13,999
** HTC (Sigma) includes \$1.25/Mcf DLR trans		1.0758	2,833	\$ 5.5532	\$15,732
Jefferson (Sigma) rate includes \$1.25/Mcf DLR trans		1.1184	0	\$ 7.8033	\$0
Jefferson (Public)		1.1184	71,438	\$ 6.5869	\$470,552
Magnum Drilling, Inc.		N/A	1,884	\$ 10.5000	\$19,782
Nytis (Auxier)		1.0962	6,223	\$ 2.8608	\$17,802
Nytis (Sigma) includes \$1.25/Mcf DLR trans		1.0962	6,413	\$ 3.5386	\$22,693
Quality (Belfry)		1.2000	31,258	\$ 3.2516	\$101,640
* Slone Energy		0.9920	776	\$ 4.4640	\$3,464
Southern Energy (EKU, MLG, Price)		1.2753	40,464	\$ 4.7947	\$194,015
Southern Energy (Sigma) includes \$1.25/Mcf DLR trans		1.2753	11,918	\$ 6.0447	\$72,041
** Spirit		1.1178	12,674	\$ 4.4712	\$56,668
Totals			261,850	\$ 4.8623	\$1,273,195

Line loss 12 months ended: Apr-19 based on purchases of 261,850 Mcf
and sales of 251,638 Mcf. 3.9% L&U

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 1,273,195
/ Mcf Purchases (4)	Mcf	261,850
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 4.8623
x Allowable Mcf Purchases (5% Limiter)	Mcf	261,850
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 1,273,195

Estimated Avg TCo for Aug, Sep, Oct = \$2.9227/Dth (NYMEX Avg + \$-0.3130/Dth (TCo Appal Basis) = **\$2.6097/Dth**

EQT = \$2.6097/Dth (TCo) + \$0.3654 (14% Fuel) + \$1.05 (Commodity) + \$0.20 (Demand) = **\$4.2251/Dth**

Jefferson contract = \$2.6097/Dth (TCo) + \$3.25/Dth cost factor = **\$5.8597/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 = **\$3.0725/Dth**

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

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

Nytis (Auxier) = **\$2.6097/Dth (TCo)**

Nytis (Sigma) = \$2.6097/Dth (TCo) x .8 = **\$2.0878/Dth**

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

Southern Energy = \$2.6097/Dth (TCo) + \$1.1500/Dth = **\$3.7597/Dth**

Quality (Belfry) = \$2.6097/Dth (TCo) + \$0.10 = **\$2.7097/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 = \$2.6097/Dth x .8 = \$2.0878/Dth < \$4.50/Dth; **\$4.50/Dth**

** Estimated 3 mo. TCo = \$2.6097/Dth x .8 = \$2.0878/Dth < \$4.00/Dth; **\$4.00/Dth**

*** Estimated 3 mo. TCo = \$2.6097/Dth x .8 = \$2.0878/Dth < \$3.00/Dth; **\$3.00/Dth**

KFG Unified

Schedule IV
Actual Adjustment

For the 3 month period ending:

April 30, 2019

Particulars	Unit	5% LIMITER		
		Feb-19	Mar-19	Apr-19
Total Supply Volumes Purchased	Mcf	57,133	56,556	24,525
Total Cost of Volumes Purchased	\$	\$ 288,438	\$ 285,476	\$ 106,916
(divide by) Total Sales (5% Limiter)	Mcf	54,276	53,728	23,299
(equals) Unit Cost of Gas	\$/Mcf	\$ 5.3142	\$ 5.3133	\$ 4.5889
(minus) EGC in effect for month	\$/Mcf	\$ 5.8245	\$ 5.8245	\$ 5.8245
(equals) Difference	\$/Mcf	\$ (0.5103)	\$ (0.5112)	\$ (1.2356)
(times) Actual sales during month	Mcf	56,469	54,297	25,343
(equals) Monthly cost difference	\$	\$ (28,813)	\$ (27,755)	\$ (31,313)

	Unit	Amount
Total cost difference for the 12 months ended April 30, 2019	\$	\$ (87,881.47)
(divide by) Sales for 12 Months ended: April 30, 2019	Mcf	251,638
(equals) Actual Adjustment for the Reporting Period	\$	(0.3492)
(plus) Over-recovery component from collections through expired AAs	\$	-
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)	\$	(0.3492)