

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                               |   |            |
|-------------------------------|---|------------|
| ELECTRONIC PURCHASED GAS      | ) | CASE NO.   |
| ADJUSTMENT FILING OF KENTUCKY | ) | 2020-00411 |
| FRONTIER GAS, LLC             | ) |            |

ORDER

On December 23, 2020, Kentucky Frontier Gas, LLC (Kentucky Frontier) filed its Gas Cost Recovery (GCR) rate report for rates effective February 1, 2021. Kentucky Frontier's previous GCR rate was approved in Case No. 2020-00324.<sup>1</sup>

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Kentucky Frontier's revised report includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Kentucky Frontier's revised report sets out an Expected Gas Cost (EGC) of \$5.3089 per Mcf, which is a decrease of \$.1334 per Mcf from its previous EGC of \$5.4423 per Mcf.
3. Kentucky Frontier's revised report sets out no Refund Adjustment.
4. Kentucky Frontier's revised report sets out a current quarter Actual Adjustment (AA) of (\$.0416) per Mcf. In calculating its total AA, Kentucky Frontier erroneously included an incorrect amount for the Previous Quarter AA and Third Previous Quarter AA of (\$.0477) and (\$.2083), respectively. The correct Previous Quarter AA is

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<sup>1</sup> Case No. 2020-00324, *Electronic Purchased Gas Adjustment Filing of Kentucky Frontier Gas, LLC* (Ky. PSC Oct. 29, 2020).

(\$.0550) per Mcf as approved in Case No. 2020-00324,<sup>2</sup> and the correct Third Previous Quarter is (\$.2010) per Mcf as approved in Case No. 2020-00115.<sup>3</sup> Correcting this produces a corrected total AA of (\$.5347) per Mcf, which is an increase of \$.0370 per Mcf from the previous total AA of (\$.5717) per Mcf.

5. Kentucky Frontier's revised report sets out a current quarter Balance Adjustment (BA) of (\$.0004) per Mcf. Kentucky Frontier failed to reconcile the expired \$.0013 per Mcf BA previously approved in Case No. 2019-00367<sup>4</sup> for the calculation of its current quarter BA. Now that Kentucky Frontier's previously approved BAs are beginning to expire since implementation, Kentucky Frontier shall include in future calculations of its current quarter BA the expiring quarterly BA for that period. Correcting this produces a current quarter BA of (\$.0003) per Mcf, and a total BA of \$.1386 per Mcf, which is an increase of \$.0123 per Mcf from its previous total BA of \$.1263 per Mcf.

6. Kentucky Frontier's corrected GCR rate is \$.49128 per Ccf or \$4.9128 per Mcf, which is a decrease of \$.0841 per Mcf from its previous rate of \$4.9969 per Mcf.

7. The rates set forth in the Appendix to this Order are fair, just and reasonable, and should be approved for service rendered by Kentucky Frontier on and after February 1, 2021.

8. Should Kentucky Frontier purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount must be documented in its cover letter to the Commission.

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<sup>2</sup> *Id.*

<sup>3</sup> Case No. 2020-00115, *Purchased Gas Adjustment Filing of Kentucky Frontier Gas, LLC* (Ky. PSC Apr. 30, 2020).

<sup>4</sup> Case No. 2019-00367, *Purchased Gas Adjustment Filing of Kentucky Frontier Gas, LLC* (Ky. PSC Oct. 24, 2019).

IT IS THEREFORE ORDERED that:

1. The rates proposed by Kentucky Frontier are denied.
2. The rates set forth in the Appendix to this Order are approved for final meter readings by Kentucky Frontier on and after February 1, 2021.
3. Within 20 days of the date of entry of this Order, Kentucky Frontier shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.
4. This case is closed and removed from the Commission's docket.

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By the Commission



ATTEST:

A handwritten signature in blue ink that reads "Linda C. Lindwell". The signature is written in a cursive style.

Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2020-00411 DATED JAN 25 2021

The following rates and charges are prescribed for the customers in the area served by Kentucky Frontier Gas, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

#### Gas Cost Recovery rate

The Gas Cost Recovery rate shall be \$.49128 per Ccf for service rendered on and after February 1, 2021.

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