

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF KENTUCKY FRONTIER GAS, LLC)	2022-00110

ORDER

On March 31, 2022, Kentucky Frontier Gas, LLC (Kentucky Frontier) filed its Gas Cost Recovery (GCR) rate report for rates effective May 1, 2022. Kentucky Frontier's previous GCR rate was approved in Case No. 2021-00479.¹

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.²

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

¹ Case No. 2021-00479, *Electronic Purchased Gas Adjustment Filing Of Kentucky Frontier Gas, LLC* (Ky. PSC Jan. 28, 2022).

² KRS 278.274(2); KRS 278.274(3)(c); and KRS 278.274(3)(d).

1. Kentucky Frontier's report includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

2. Kentucky Frontier's report sets out an Expected Gas Cost (EGC) of \$8.0749 per Mcf, which is an increase of \$1.3620 per Mcf from its previous EGC of \$6.7129 per Mcf.

3. Kentucky Frontier's report sets out no Refund Adjustment.

4. Kentucky Frontier's report sets out a current quarter Actual Adjustment (AA) of (\$0.1394) per Mcf and a total AA of \$0.2562 per Mcf, which is a decrease of \$0.0855 per Mcf from the previous total AA of \$0.3417 per Mcf.

5. Kentucky Frontier's report sets out a current quarter Balance Adjustment (BA) of \$0.0415 per Mcf and a total BA of \$0.0046 per Mcf, which is an increase of \$0.2050 per Mcf from the previous total BA of (\$0.2004) per Mcf.

6. Kentucky Frontier's report sets out a GCR rate of \$0.83357 per Ccf or \$8.3357 per Mcf, which is an increase of \$1.3213 per Mcf from its previous rate of \$7.0144 per Mcf.

7. The rates set forth in the Appendix to this Order are fair, just and reasonable, and are approved for service rendered by Kentucky Frontier on and after May 1, 2022.

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.

IT IS THEREFORE ORDERED that:

1. The rates set forth in the Appendix to this Order are approved for final meter readings by Kentucky Frontier on and after May 1, 2022.

2. 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.

3. This case is closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman

Commissioner



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2022-00110 DATED APR 29 2022

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 \$.83357 per Ccf for service rendered on and after May 1, 2022.

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