

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF KENTUCKY FRONTIER GAS, LLC)	2024-00394

ORDER

On December 20, 2024, Kentucky Frontier Gas, LLC (Kentucky Frontier) filed a quarterly Gas Cost Recovery (GCR) rate report with a proposed effective date of February 1, 2025. Kentucky Frontier's previous GCR rate was placed into effect in Case No. 2024-00316.¹

LEGAL STANDARD

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

¹ Case No. 2024-00316, *Electronic Purchased Gas Adjustment Filing of Kentucky Frontier Gas, LLC* (Ky. PSC Oct 30, 2024), Order.

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

DISCUSSION

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that Kentucky Frontier's report includes revised rates designed to meet its expected change in wholesale gas costs. Kentucky Frontier's report sets out an Expected Gas Cost (EGC) of \$6.6993 per Mcf, which is an increase of \$0.0501 per Mcf from its previous EGC of \$6.6492 per Mcf. Kentucky Frontier's report sets out no Refund Adjustment. Kentucky Frontier's report sets out a current quarter Actual Adjustment (AA) of (\$0.1441) per Mcf. Kentucky Frontier's total AA is (\$0.6442) per Mcf, which is an increase of \$0.0608 per Mcf from the previous total AA of (\$0.7050) per Mcf. Kentucky Frontier's report sets out a current quarter Balance Adjustment (BA) of \$0.0035 per Mcf. Kentucky Frontier's total BA is \$0.0704 per Mcf, which is a decrease of \$0.0202 per Mcf from the previous total BA of \$0.0906 per Mcf.

Based upon the calculations of the GCR rate discussed above, the Commission finds that Kentucky Frontier's GCR rate is \$0.61255 per 100 cubic feet, or \$6.1255 per Mcf, which is an increase of \$0.0907 per Mcf from the previous GCR of \$6.0348 per Mcf. The Commission further finds that 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 February 1, 2025.

The Commission finds that for the purpose of transparency and to maintain a record of information for future use, Kentucky Frontier shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports. 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 proposed by Kentucky Frontier and set forth in the Appendix to this Order are approved for service rendered on and after February 1, 2025.

2. Kentucky Frontier shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports.


3. 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 shall be documented in its cover letter to the Commission.

4. Within 20 days of the date of service 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.

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

PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:

 
Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2024-00394 DATED JAN 28 2025

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 \$0.61255 per Ccf for service rendered on and after February 1, 2025.

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING
for Kentucky Frontier Gas, LLC

Case No.: 2024-00394
Filing Date: December 20, 2024
Proposed Effective Date: February 1, 2025
Approved Effective Date: February 1, 2025

Wholesale Cost: Increased \$ 0.0501 per Mcf
Retail Rate: Increased \$ 0.0907 per Mcf

Gas Suppliers: AEI-KAARS, Chesapeake, Columbia Gas of Kentucky, Cumberland Valley, EQT, Gray, HI-Energy, HTC, Interstate Natural Gas, Jefferson, Magnum Drilling Inc., Nytis, Plateau, Quality Natural Gas, LLC, Slone Energy, Southern Energy, Spirit, Tackett & Sons Drilling

Gas Cost Recovery Components

	Proposed	Prior
Expected Gas Cost (EGC)	\$6.6993	\$6.6492
Refund Adjustment (RA)	\$0.0000	\$0.0000
Actual Cost Adjustment (ACA)	(\$0.6442)	(\$0.7050)
Balance Adjustment (BA)	\$0.0704	\$0.0906
Gas Cost Recovery (GCR)	\$6.1255	\$6.0348

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