

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF KENTUCKY FRONTIER GAS, LLC	)	2026-00177

ORDER

On July 1, 2026, Kentucky Frontier Gas, LLC (Kentucky Frontier) filed a quarterly Gas Cost Recovery (GCR) rate report with a proposed effective date of August 1, 2026. Kentucky Frontier's previous GCR rate was placed into effect in Case No. 2026-00074.¹

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. 2026-00074, *Electronic Purchased Gas Adjustment Filing of Kentucky Frontier Gas, LLC* (Ky. PSC Apr. 30, 2026).

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 \$6.5666 per Mcf, which is a decrease of \$0.4315 per Mcf from its previous EGC of \$6.9981 per Mcf. Kentucky Frontier's report sets out no Refund Adjustment. Kentucky Frontier's report sets out a current quarter Actual Adjustment (AA) of \$0.7447 per Mcf. In calculating its current quarter AA, Kentucky Frontier erroneously used the EGC of \$6.7833 per Mcf it proposed in Case No. 2025-00403,³ rather than the Commission's revised EGC of \$6.7981 per Mcf.⁴ Fixing this error results in a current quarter AA of \$0.7397 per Mcf. Kentucky Frontier's corrected total AA is \$1.1975 per Mcf, which is an increase of \$0.7492 per Mcf from its previous total AA of \$0.4483 per Mcf. Kentucky Frontier's report sets out a current quarter Balance Adjustment (BA) of (\$0.0009) per Mcf. Kentucky Frontier's total BA is \$0.0041 per Mcf, which is a decrease of \$0.0014 per Mcf from the previous total BA of \$0.0055 per Mcf.

Based upon the corrected calculations of the AA discussed above, the Commission finds that Kentucky Frontier's corrected GCR rate is \$0.77682 per 100 cubic feet, or \$7.7682 per Mcf, which is an increase of \$0.3163 per Mcf from the previous GCR of \$7.4519 per Mcf. The Commission finds that the inputs, resulting components and calculation of Kentucky Frontier's corrected GCR rate of \$7.7682 per Mcf are reasonable. The Commission further finds that the rates set forth in the Appendix to this Order are

³ Case No. 2025-00403, *Electronic Purchased Gas Adjustment Filing of Kentucky Frontier Gas, LLC* (filed Dec. 29, 2026) Kentucky Frontier's Application at 2.

⁴ Case No. 2025-00403, Jan. 26, 2026 Order at 2.

fair, just and reasonable and are approved for service rendered by Kentucky Frontier on and after August 1, 2026.

The Commission finds that for the purpose of transparency and to maintain a record of information for future use, Kentucky Frontier should 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 are denied.
2. The rates set forth in the Appendix to this Order are approved for service rendered on and after August 1, 2026.
3. 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.
4. 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.
5. 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.
6. This case is closed and removed from the Commission's docket.

Entered on this 29th day of July, 2026.

PUBLIC SERVICE COMMISSION



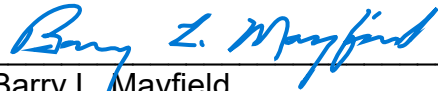
Angie Hatton
Chair



Mary Pat Regan
Vice Chair



Andrew W. Wood
Commissioner



Barry L. Mayfield
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00177 DATED JUL 29 2026

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 \$0.77682 per Ccf for service rendered on and after August 1, 2026.

Service List for Case 2026-00177

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