

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	\$ 3.9198
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (0.5386)
+ Balance Adjustment (BA)	\$/Mcf	\$ 0.0230
= Gas Cost Recovery Rate (GCR)		\$ 3.4042

GCR to be effective for service rendered from: May 1, 2020

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 1,362,292
/	Sales for the 12 months ended <u>April 30, 2020</u>	Mcf	347,538
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 3.9198

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>(Revised)</u>	<u>Amount</u>
	Actual Adjustment for the Current Reporting Period (Sch. IV)	\$/Mcf	\$ (0.2372)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.2083)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0785)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0146)
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.5386)

D	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Sch. V)	\$/Mcf	\$ 0.0425
+	Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0082)
+	Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0126)
+	Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ 0.0013
=	Balance Adjustment (BA)	\$/Mcf	\$ 0.0230

Kentucky Frontier Gas, LLC - Unified

SCHEDULE II

EXPECTED GAS COST

MCF Purchases for 12 months ended:

April 30, 2020

Supplier	5% LIMITER Dth	Btu Factor	Mcf	Rate	(4) x (5) Cost
Columbia (Goble Roberts, Peoples)		N/A	10,684	\$ 4.1324	\$44,151
Cumberland Valley (Auxier)		1.1000	87,240	\$ 2.1669	\$189,039
Cumberland Valley (Sigma) includes \$1.25/Mcf DLR trans		1.1000	2,639	\$ 3.4169	\$9,017
EQT (181-S Garrett)		1.2480	563	\$ 3.7349	\$2,103
** HI-Energy		1.0031	7,458	\$ 4.0124	\$29,924
** HTC (Sigma) includes \$1.25/Mcf DLR trans		1.0758	5,072	\$ 5.5532	\$28,166
Jefferson (Sigma) rate includes \$1.25/Mcf DLR trans		1.1184	0	\$ 6.5944	\$0
Jefferson (Public and Daysboro)		1.1184	110,706	\$ 5.3444	\$591,652
Magnum Drilling, Inc.		N/A	3,007	\$ 10.5000	\$31,574
Nytis (Auxier)		1.0962	6,871	\$ 1.7361	\$11,928
Nytis (Sigma) includes \$1.25/Mcf DLR trans		1.0962	15,162	\$ 2.6389	\$40,011
Quality (Belfry)		1.2000	40,330	\$ 2.0204	\$81,484
* Slone Energy		0.9920	0	\$ 4.4640	\$0
Southern Energy (EQU,MLG,Price)		1.2746	57,465	\$ 3.4844	\$200,230
Southern Energy (Sigma) includes \$1.25/Mcf DLR trans		1.2746	24,200	\$ 4.7344	\$114,572
** Spirit		1.1178	9,899	\$ 4.4712	\$44,260
** Tacket		1.0745	3,092	\$ 4.2980	\$13,289
Totals			384,388	\$ 3.7238	\$1,431,401

Line loss 12 months ended: Apr-20 based on purchases of 384,388 Mcf
and sales of 347,538 Mcf. 9.6% L&U

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 1,431,401
/ Mcf Purchases (4)	Mcf	384,388
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 3.7238
x Allowable Mcf Purchases (5% Limiter)	Mcf	365,829
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 1,362,292

Estimated Avg TCo for Aug, Sep, Oct = \$1.7807/Dth (NYMEX Avg + \$-0.252/Dth (TCo Appal Basis) = **\$1.5287/Dth**

EQT = \$1.5287/Dth (TCo) + \$0.2140 (14% Fuel) + \$1.05 (Commodity) + \$0.20 (Demand) = **\$2.9927/Dth**

Jefferson contract = \$1.5287/Dth (TCo) + \$3.25/Dth cost factor = **\$4.7787/Dth**

CVR = \$1.5287 (TCo) + \$0.0305/Dth (1.996% Fuel) + \$0.0190/Dth Commodity + \$0.3417/Dth (TCo Demand) + \$0.05/Dth CVR Fee = **\$1.9699/Dth**

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

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

Nytis (Auxier) = **\$1.5287/Dth** (TCo)

Nytis (Sigma) = \$1.5287/Dth (TCo) x .8 = **\$1.2230/Dth**

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

Southern Energy = \$1.5287/Dth (TCo) + \$1.1500/Dth = **\$2.6787/Dth**

Quality (Belfry) = \$1.5287/Dth (TCo) + \$0.10 = **\$1.6287/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 = \$1.5287/Dth x .8 = \$1.2230/Dth < \$4.50/Dth; **\$4.50/Dth**

** Estimated 3 mo. TCo = \$1.5287/Dth x .8 = \$1.2230/Dth < \$4.00/Dth; **\$4.00/Dth**

*** Estimated 3 mo. TCo = \$1.5287/Dth x .8 = \$1.2230/Dth < \$3.00/Dth; **\$3.00/Dth**

KFG UnifiedSchedule IV
Actual Adjustment

For the 3 month period ending:

April 30, 2020

<u>Particulars</u>	<u>Unit</u>	5% LIMITER		
		<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>
Total Supply Volumes Purchased	Mcf	62,353	43,710	31,319
Total Cost of Volumes Purchased	\$	\$ 224,639	\$ 172,513	\$ 100,171
(divide by) Total Sales (5% Limiter)	Mcf	59,235	41,525	29,753
(equals) Unit Cost of Gas	\$/Mcf	\$ 3.7923	\$ 4.1545	\$ 3.3667
(minus) EGC in effect for month	\$/Mcf	\$ 4.4864	\$ 4.4864	\$ 4.4864
(equals) Difference	\$/Mcf	\$ (0.6941)	\$ (0.3319)	\$ (1.1197)
(times) Actual sales during month	Mcf	54,009	42,240	27,623
(equals) Monthly cost difference	\$	\$ (37,487)	\$ (14,020)	\$ (30,928)

	<u>Unit</u>	<u>Amount</u>
Total cost difference for the 12 months ended April 30, 2020	\$	\$ (82,435.10)
(divide by) Sales for 12 months ended April 30, 2020	Mcf	347,538
(equals) Actual Adjustment for the Reporting Period	\$	(0.2372)
(plus) Over-recovery component from collections through expired AAs	\$	-
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)	\$	(0.2372)

SCHEDULE V
BALANCE ADJUSTMENT
For the Effective Date August 1, 2020

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total cost difference used to compute AA of the GCR effective 4 quarters prior to the effective date of the currently effective GCR	\$	\$ 184,338
Less: Dollar amount resulting from the AA of <u>0.4879</u> \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of <u>347,538</u> Mcf during the 12 month period the AA was in effect	\$	<u>\$169,564</u>
Equals: Balance Adjustment of the AA	\$	<u><u>\$14,774</u></u>
Total supplier refund adjustment including interest used to compute RA of the GCR effective 4 quarters prior to the effective date of the currently effective GCR	\$	\$0
Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12 month period the RA was in effect	\$	<u>\$0</u>
Equals: Balance Adjustment of the RA	\$	<u><u>\$0</u></u>
Total balance adjustment used to compute BA of the GCR effective 4 quarters prior to the effective date of the currently effective GCR	\$	
Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12 month period the BA was in effect	\$	<u>\$0</u>
Equals: Balance Adjustment of the BA	\$	<u><u>\$0</u></u>
Total Balance Adjustment Amount (1) + (2) + (3)	\$	\$14,774
Divide: Sales for 12 months ended January, 2020	Mcf	<u>347,538</u>
Equals: Balance Adjustment for the reporting period (to Schedule I, part D)	\$/Mcf	<u><u>\$0.0425</u></u>