



September 29, 2020

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Re: Purchased Gas Adjustment
Effective Date of November 1, 2020
Kentucky Frontier Gas, LLC

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC, we are filing a unified GCA application pursuant to the Commission's order of December 22, 2017 in Case No. 2017-00263. Please see attached Expected Gas Cost for the combined Frontier, Public Gas and Daysboro systems. The attached PGA was calculated using a 5 percent allowable L&U.

Please find attached responses to the requests for information set forth in Appendix B of the Order in Case No. 2020-00216.

Sincerely,

KENTUCKY FRONTIER GAS, LLC

A handwritten signature in blue ink that reads "Dennis R. Horner".

Dennis R. Horner
Enclosures

FOR ENTIRE AREA SERVED
KENTUCKY FRONTIER GAS, LLC

P.S.C. KY. NO. 1

Original SHEET NO. 1

Kentucky Frontier Gas, LLC
(Name of Utility)

CANCELING P.S. KY.NO.
SHEET NO.

RATES AND CHARGES

APPLICABLE: Entire area served

Frontier Residential and Small Commercial

	Gas Cost		
	Base Rate	Rate	Total
CUSTOMER CHARGE	\$ 13.0000		\$ 13.0000
ALL CCF	\$ 0.42200	\$ 0.41685	\$ 0.83885

Frontier Large Commercial

	Gas Cost		
	Base Rate	Rate	Total
CUSTOMER CHARGE	\$ 50.0000		\$ 50.0000
ALL CCF	\$ 0.34454	\$ 0.41685	\$ 0.76139

Daysboro Residential

	Gas Cost		
	Base Rate	Rate	Total
CUSTOMER CHARGE	\$ 10.7100		\$ 10.7100
ALL CCF	\$ 0.45000	\$ 0.41685	\$ 0.86685

Daysboro Commercial

	Gas Cost		
	Base Rate	Rate	Total
CUSTOMER CHARGE	\$ 12.7500		\$ 12.7500
ALL CCF	\$ 0.85700	\$ 0.41685	\$ 1.27385

DATE OF ISSUE September 29, 2020
Month/Date/Year

DATE EFFECTIVE November 1, 2020

ISSUED BY Penius R. Horner

TITLE Consultant

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMINSSION
IN CASE NO. _____ DATED _____

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	\$ 4.5797
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (0.5376)
+ Balance Adjustment (BA)	\$/Mcf	\$ 0.1263
= Gas Cost Recovery Rate (GCR)		\$ 4.1685

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

A EXPECTED GAS COST CALCULATION Unit Amount

Total Expected Gas Cost (Schedule II)	\$	\$ 1,645,730
/ Sales for the 12 months ended July 31, 2020	Mcf	359,351
= Expected Gas Cost (EGC)	\$/Mcf	\$ 4.5797

B REFUND ADJUSTMENT CALCULATION Unit Amount

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 ACTUAL ADJUSTMENT CALCULATION (Revised Amount

Actual Adjustment for the Current Reporting Period (Sch. IV)	\$/Mcf	\$ (0.0136)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.2372)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.2083)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0785)
= Actual Adjustment (AA)	\$/Mcf	\$ (0.5376)

D BALANCE ADJUSTMENT CALCULATION Unit Amount

Balance Adjustment for the Reporting Period (Sch. V)	\$/Mcf	\$ 0.1046
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ 0.0425
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0082)
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0126)
= Balance Adjustment (BA)	\$/Mcf	\$ 0.1263

Kentucky Frontier Gas, LLC - Unified

SCHEDULE II

EXPECTED GAS COST

MCF Purchases for 12 months ended:

July 31, 2020

Supplier	5% LIMITER Dth	Btu Factor	Mcf	Rate	(4) x (5) Cost
Columbia (Goble Roberts, Peoples)		N/A	10,037	\$ 4.0810	\$40,959
Cumberland Valley (Auxier)		1.1000	87,877	\$ 2.8573	\$251,087
Cumberland Valley (Sigma) includes \$1.25/Mcf DLR trans		1.1000	3,151	\$ 4.1073	\$12,942
Diversified Energy (39-E, 181-S)		1.2917	250	\$ 3.6942	\$924
** HI-Energy		1.0031	7,659	\$ 4.0124	\$30,729
** HTC (Sigma) includes \$1.25/Mcf DLR trans		1.0758	4,711	\$ 5.5532	\$26,161
Jefferson (Sigma) rate includes \$1.25/Mcf DLR trans		1.1184	0	\$ 7.2825	\$0
Jefferson (Public and Daysboro)		1.1184	115,580	\$ 6.0325	\$697,235
Magnum Drilling, Inc.		N/A	2,998	\$ 10.5000	\$31,475
Nytis (Auxier)		1.0962	7,295	\$ 2.3503	\$17,145
Nytis (Sigma) includes \$1.25/Mcf DLR trans		1.0962	15,316	\$ 3.1302	\$47,942
Quality (Belfry)		1.2004	41,224	\$ 2.6937	\$111,044
** Slone Energy		0.9920	0	\$ 3.9680	\$0
Southern Energy (EKU, MLG, Price)		1.2776	59,180	\$ 4.2084	\$249,053
Southern Energy (Sigma) includes \$1.25/Mcf DLR trans		1.2776	25,248	\$ 5.4584	\$137,814
** Spirit		1.1178	10,291	\$ 4.4712	\$46,014
** Tacket		1.0745	3,540	\$ 4.2980	\$15,215
Totals			394,355	\$ 4.3507	\$1,715,739

Line loss 12 months ended: Jul-20 based on purchases of 394,355 Mcf
and sales of 359,351 Mcf. 8.9% L&U

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 1,715,739
/ Mcf Purchases (4)	Mcf	394,355
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 4.3507
x Allowable Mcf Purchases (5% Limiter)	Mcf	378,264
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 1,645,730

Estimated Avg TCo for Nov, Dec, Jan = \$3.023/Dth (NYMEX Avg + \$-0.879/Dth (TCo Appal Basis) = **\$2.1440/Dth**

Diversified = \$2.1440/Dth (TCo) + \$0.3002 (14% Fuel) + \$1.05 (Commodity) + \$0.20 (Demand) = **\$3.6942/Dth**

Jefferson contract = \$2.1440/Dth (TCo) + \$3.25/Dth cost factor = **\$5.3940/Dth**

CVR = \$2.1440 (TCo) + \$0.0428/Dth (1.996% Fuel) + \$0.0190/Dth Commodity + \$0.3417/Dth (TCo Demand) + \$0.05/Dth CVR Fee = **\$2.5975/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) = **\$2.1440/Dth** (TCo)

Nytis (Sigma) = \$2.1440/Dth (TCo) x .8 = **\$1.7152/Dth**

Slone contract = **\$4.00/Dth**

Southern Energy = \$2.1440/Dth (TCo) + \$1.1500/Dth = **\$3.2940/Dth**

Quality (Belfry) = \$2.1440/Dth (TCo) + \$0.10 = **\$2.2440/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 = \$2.1440/Dth x .8 = \$1.7152/Dth < \$4.50/Dth; **\$4.50/Dth**

** Estimated 3 mo. TCo = \$2.1440/Dth x .8 = \$1.7152/Dth < \$4.00/Dth; **\$4.00/Dth**

*** Estimated 3 mo. TCo = \$2.1440/Dth x .8 = \$1.7152/Dth < \$3.00/Dth; **\$3.00/Dth**

KFG UnifiedSchedule IV
Actual Adjustment

For the 3 month period ending:

July 31, 2020

<u>Particulars</u>	<u>Unit</u>	5% LIMITER		
		<u>May-20</u>	<u>Jun-20</u>	<u>Jul-20</u>
Total Supply Volumes Purchased	Mcf	20,519	9,500	9,434
Total Cost of Volumes Purchased	\$	\$ 70,094	\$ 41,731	\$ 32,868
(divide by) Total Sales (5% Limiter)	Mcf	19,493	9,025	8,962
(equals) Unit Cost of Gas	\$/Mcf	\$ 3.5958	\$ 4.6239	\$ 3.6674
(minus) EGC in effect for month	\$/Mcf	\$ 3.9988	\$ 3.9988	\$ 3.9988
(equals) Difference	\$/Mcf	\$ (0.4030)	\$ 0.6251	\$ (0.3314)
(times) Actual sales during month	Mcf	19,986	8,812	7,031
(equals) Monthly cost difference	\$	\$ (8,053)	\$ 5,509	\$ (2,330)

	<u>Unit</u>	<u>Amount</u>
Total cost difference for the 12 months ended July 31, 2020	\$	\$ (4,875.11)
(divide by) Sales for 12 months ended July 31, 2020	Mcf	359,351
(equals) Actual Adjustment for the Reporting Period	\$	(0.0136)
(plus) Over-recovery component from collections through expired AAs	\$	-
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)	\$	(0.0136)

SCHEDULE V
BALANCE ADJUSTMENT
For the Effective Date November 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	\$	\$ (87,881)
Less: Dollar amount resulting from the AA of _____ (0.3492) \$/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 _____ 359,351 Mcf during the 12 month period the AA was in effect	\$	<u>(\$125,485)</u>
Equals: Balance Adjustment of the AA	\$	<u><u>\$37,604</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)	\$	\$37,604
Divide: Sales for 12 months ended January, 2020	Mcf	<u>359,351</u>
Equals: Balance Adjustment for the reporting period (to Schedule I, part D)	\$/Mcf	<u><u>\$0.1046</u></u>

Report Criteria:

Customer, Customer number [REDACTED]

Account Summary:

Period	Gas Usq VMC	Gas Base Other	Auto Read NSF Fee	Main Replc Penalty	Billings	Billing Adjustments	Payments	Other	Balance
04/30/2020									56.59
05/31/2020	30.59	13.00	1.00	5.00	49.59	-	56.59 -	-	49.59
06/30/2020	4.37	13.00	1.00	5.00	23.37	-	49.59 -	-	23.37
07/31/2020	3.78	13.00	1.00	5.00	22.78	-	23.37 -	-	22.78
Totals:	38.74	39.00	3.00	15.00	95.74	-	129.55 -	-	

Metered Services:

Gas Usq Current Rate: 121 Gas Usage (KFG)

Period Date	Read Date	Meter ID	Begin Read	End Read	Usage	Multiplier	Amount	Status
05/31/2020	05/26/2020	2346	7,507	7,542	35	1.0000	30.59	
06/30/2020	06/24/2020	2346	7,542	7,547	5	1.0000	4.37	
07/31/2020	07/27/2020	2346	7,547	7,552	5	1.0000	3.78	
Totals:					45		38.74	

Report Criteria:

Customer: Customer number: [REDACTED]

Account Summary:

Period	Gas Usq Util Tax	Gas Base Other	Auto Read NSF Fee	Main Replc Penalty	Billings	Billing Adjustments	Payments	Other	Balance
04/30/2020									70.16
05/31/2020	35.89	10.71	1.00	5.00	54.18	-	70.16 -	-	54.18
	1.58								
06/30/2020	11.64	10.71	1.00	5.00	29.20	-	54.18 -	-	29.20
	.85								
07/31/2020	10.19	10.71	1.00	5.00	27.71	-	29.20 -	-	27.71
	.81								
Totals:	57.72	32.13	3.00	15.00	111.00	-	153.54 -	-	
	3.24								

Metered Services:

Gas Usq Current Rate: 122 Gas Usage (Daysboro Residential)

Period Date	Read Date	Meter ID	Begin Read	End Read	Usage	Multiplier	Amount	Status
05/31/2020	05/28/2020	2939	1,837	1,874	37	1.0000	35.89	
06/30/2020	06/26/2020	2939	1,874	1,886	12	1.0000	11.64	
07/31/2020	07/30/2020	2939	1,886	1,899	13	1.0000	10.19	
Totals:					62		57.72	

3.

Report Criteria:

Customer: Customer number [REDACTED]

Account Summary:

Period	Gas Usq Other	Gas Base NSF Fee	Auto Read Penalty	Main Replc	Billings	Billing Adjustments	Payments	Other	Balance
04/30/2020									4,212.71
05/31/2020	3,148.20	50.00	1.00	5.00	3,204.20	-	4,212.71 -	-	3,204.20
06/30/2020	2,835.93	50.00	1.00	5.00	2,891.93	-	3,204.20 -	-	2,891.93
07/31/2020	1,485.13	50.00	1.00	5.00	1,541.13	-	2,891.93 -	-	1,541.13
Totals:	7,469.26	150.00	3.00	15.00	7,637.26	-	10,300.04 -	-	

Metered Services:

Gas Usq Current Rate: 125 Large Volume Usage (KFG)

Period Date	Read Date	Meter ID	Begin Read	End Read	Usage	Multiplier	Amount	Status
05/31/2020	05/26/2020	33534	206,059	210,011	3,952	1.0000	3,148.20	
06/30/2020	06/30/2020	33534	210,811	214,371	3,560	1.0000	2,835.93	
07/31/2020	07/26/2020	33534	214,371	216,501	2,190	1.0000	1,485.13	
Totals:					9,702		7,469.26	

4.

Report Criteria:

Customer.Customer number = [REDACTED]

Account Summary:

Period	Gas Usq Sales Tax Penalty	Gas Base Util Tax	Auto Read Other	Main Replc NSF Fee	Billings	Billing Adjustments	Payments	Other	Balance
04/30/2020									1,446.32
05/31/2020	523.26 32.52	12.75 16.26	1.00	5.00	590.79	-	1,446.32 -	-	590.79
06/30/2020	- 1.13	12.75 .56	1.00	5.00	20.44	-	-	-	611.23
07/31/2020	- 1.13	12.75 .56	1.00	5.00	20.44	-	611.23 -	-	20.44
Totals:	523.26 34.78	38.25 17.36	3.00	15.00	631.67	-	2,057.55 -	-	

Metered Services:

Gas Usq Current Rate: 123 Gas Usage (Large Commercial)DBORO

Period Date	Read Date	Meter ID	Begin Read	End Read	Usage	Multiplier	Amount	Status
05/31/2020	05/28/2020	34874	227,370	227,750	380	1.0000	523.26	
06/30/2020	06/30/2020	34874	227,750	227,750	0	1.0000		
07/31/2020	07/31/2020	34874	227,750	227,750	0	1.0000		
Totals:					380		523.26	

KFG - DAYSBORO BILLING HISTORY

<u>KFG Residential Gas Sales</u>		<u>Daysboro Residential Gas Sales</u>	
<u>Month</u>	<u>MCF</u>	<u>Month</u>	<u>MCF</u>
May	10,187	May	79
June	2,867	June	11
July	2,002	July	10

<u>KFG Lge Commerical Gas Sales</u>		<u>Daysboro Commercial Gas Sales</u>	
<u>Month</u>	<u>MCF</u>	<u>Month</u>	<u>MCF</u>
May	4,257	May	38
June	3,289	June	0
July	2,668	July	0