



March 31, 2021

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 May 1, 2021
Kentucky Frontier Gas, LLC

Dear Mr. Derouen:

On behalf of Kentucky Frontier Gas, LLC, we are filing a unified PGA application pursuant to the Commission's order of December 22, 2017 in Case No. 2017-00263.

Please see attached Purchased Gas Adjustment Application (Case No. 2021-00147).

Sincerely,

KENTUCKY FRONTIER GAS, LLC

A handwritten signature in cursive script that reads "Dennis R. Horner".

Dennis R. Horner
(303) 594-6307
Enclosure

KFG UNIFIED GAS COST RECOVERY RATE

APPENDIX B

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SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$ 5.6539
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (0.3877)
+ Balance Adjustment (BA)	\$/Mcf	\$ 0.1435
= Gas Cost Recovery Rate (GCR)		\$ 5.4098

GCR to be effective for service rendered from: May 1, 2021

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 2,039,832
/	Sales for the 12 months ended <u>January 31, 2021</u>	Mcf	360,785
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 5.6539

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	\$ (0.0539)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0416)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0550)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.2372)
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.3877)

D	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Sch. V)	\$/Mcf	\$ (0.0033)
+	Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0003)
+	Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ 0.1046
+	Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ 0.0425
=	Balance Adjustment (BA)	\$/Mcf	\$ 0.1435

Kentucky Frontier Gas, LLC - Unified

SCHEDULE II

EXPECTED GAS COST

MCF Purchases for 12 months ended:

January 31, 2021

Supplier	5% LIMITER Dth	Btu Factor	Mcf	Rate	(4) x (5) Cost
Columbia (Goble Roberts, Peoples)		N/A	10,235	\$ 5.5672	\$56,980
Cumberland Valley (Auxier)		1.1000	90,927	\$ 3.0971	\$281,605
Cumberland Valley (Sigma) includes \$1.25/Mcf DLR trans		1.1000	2,612	\$ 4.3471	\$11,354
Diversified Energy (39-E, 181-S)		1.0000	51	\$ 3.9378	\$201
** HI-Energy		1.0031	7,567	\$ 4.0124	\$30,362
** HTC (Sigma) includes \$1.25/Mcf DLR trans		1.0758	4,799	\$ 5.5532	\$26,650
Jefferson (Sigma) rate includes \$1.25/Mcf DLR trans		1.1184	0	\$ 10.3174	\$0
Jefferson (Public and Daysboro)		1.1184	113,926	\$ 9.0674	\$1,033,014
Magnum Drilling, Inc.		N/A	3,090	\$ 10.5000	\$32,445
Nytis (Auxier)		1.0962	8,821	\$ 2.5845	\$22,798
Nytis (Sigma) includes \$1.25/Mcf DLR trans		1.0962	10,288	\$ 3.8345	\$39,449
Quality (Belfry)		1.1999	41,906	\$ 2.9490	\$123,581
** Slone Energy		1.0714	3,148	\$ 4.2856	\$13,491
Southern Energy (EQU, MLG, Price)		1.2066	59,840	\$ 4.2324	\$253,266
Southern Energy (Sigma) includes \$1.25/Mcf DLR trans		1.2066	34,655	\$ 5.4824	\$189,992
** Spirit		1.1178	6,702	\$ 4.4712	\$29,966
** Tacket		1.0745	4,082	\$ 4.2980	\$17,544
Totals			402,649	\$ 5.3712	\$2,162,699

Line loss 12 months ended: and sales of	<u>Jan-21</u> <u>360,785</u>	based on purchases of Mcf.	<u>402,649</u> <u>10.4%</u>	Mcf L&U	Unit	Amount
Total Expected Cost of Purchases (6)					\$	\$ 2,162,699
/ Mcf Purchases (4)					Mcf	402,649
= Average Expected Cost Per Mcf Purchased					\$/Mcf	\$ 5.3712
x Allowable Mcf Purchases (5% Limiter)					Mcf	379,774
= Total Expected Gas Cost (to Schedule 1A)					\$	\$ 2,039,832

Estimated Avg TCo for May, Jun, Jul = \$2.7017/Dth (NYMEX Avg + \$-0.3440/Dth (TCo Appal Basis) = **\$2.3577/Dth**

Columbia of KY (Case No. 2021-00027) = **\$5.5672**

Diversified = \$2.3577/Dth (TCo) + \$0.3301 (14% Fuel) + \$1.05 (Commodity) + \$0.20 (Demand) = **\$3.9378/Dth**

Jefferson contract = \$2.3577/Dth (TCo) + \$5.75/Dth cost factor = **\$8.1077/Dth**

CVR = \$2.3577 (TCo) + \$0.0471/Dth (1.996% Fuel) + \$0.0190/Dth Commodity + \$0.3417/Dth (TCo Demand) +

\$0.05/Dth CVR Fee = **\$2.8155/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) = **\$2.3577/Dth** (TCo)

Nytis (Sigma) = \$2.3577/Dth (TCo) x .8 = **\$1.8862/Dth**

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

Southern Energy = \$2.3577/Dth (TCo) + \$1.1500/Dth = **\$3.5077/Dth**

Quality (Belfry) = \$2.3577/Dth (TCo) + \$0.10 = **\$2.4577/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 = \$1.9813/Dth x .8 = \$1.5850/Dth < \$4.50/Dth; **\$4.50/Dth**

** Estimated 3 mo. TCo = \$1.9813/Dth x .8 = \$1.5850/Dth < \$4.00/Dth; **\$4.00/Dth**

*** 2021-00147

3/26/2021

KFG UnifiedSchedule IV
Actual Adjustment

For the 3 month period ending:

January 31, 2021

<u>Particulars</u>	<u>Unit</u>	<u>5% LIMITER</u>		
		<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>
Total Supply Volumes Purchased	Mcf	39,329	70,511	74,948
Total Cost of Volumes Purchased	\$	\$ 191,842	\$ 366,942	\$ 374,766
(divide by) Total Sales (5% Limiter)	Mcf	37,363	66,985	71,201
(equals) Unit Cost of Gas	\$/Mcf	\$ 5.1346	\$ 5.4779	\$ 5.2635
(minus) EGC in effect for month	\$/Mcf	\$ 5.4423	\$ 5.4423	\$ 5.4423
(equals) Difference	\$/Mcf	\$ (0.3077)	\$ 0.0356	\$ (0.1788)
(times) Actual sales during month	Mcf	29,099	67,225	71,994
(equals) Monthly cost difference	\$	\$ (8,954)	\$ 2,396	\$ (12,871)

	<u>Unit</u>	<u>Amount</u>
Total cost difference for the 12 months ended January 31, 2021	\$	\$ (19,428.81)
(divide by) Sales for 12 months ended January 31, 2021	Mcf	360,785
(equals) Actual Adjustment for the Reporting Period	\$	(0.0539)
(plus) Over-recovery component from collections through expired AAs	\$	-
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)	\$	(0.0539)

SCHEDULE V
BALANCE ADJUSTMENT
For the Effective Date May 1, 2021

<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	\$	\$ (29,328)
Less: Dollar amount resulting from the AA of _____ (0.0785) \$/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 _____ 360,785 Mcf during the 12 month period the AA was in effect	\$	<u>(\$28,322)</u>
Equals: Balance Adjustment of the AA	\$	<u>(\$1,006)</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>\$0</u>
Total balance adjustment used to compute BA of the GCR effective 4 quarters prior to the effective date of the currently effective GCR	\$	<u>(\$4,716)</u>
Less: Dollar amount resulting from the BA of _____ (0.0126) \$/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 _____ 360,785 Mcf during the 12 month period the BA was in effect	\$	<u>(\$4,546)</u>
Equals: Balance Adjustment of the BA	\$	<u>(\$170)</u>
Total Balance Adjustment Amount (1) + (2) + (3)	\$	(\$1,176)
Divide: Sales for 12 months ended January, 2021	Mcf	<u>360,785</u>
Equals: Balance Adjustment for the reporting period (to Schedule I, part D)	\$/Mcf	<u>(\$0.0033)</u>