



March 31, 2022

Ms. Linda C. Bridwell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Re: Purchased Gas Adjustment
Case No. 2022-00110
Effective Date of May 1, 2022
Kentucky Frontier Gas, LLC

Dear Ms. Bridwell:

Kentucky Frontier Gas, LLC, is filing a unified GCA application pursuant to the Commission's order of December 22, 2017 in Case No. 2017-00263.

Please see attached Purchased Gas Adjustment Application for Case No. 2022-00110.

Sincerely,

KENTUCKY FRONTIER GAS, LLC

Dennis R. Horner
Enclosures

Kentucky Frontier Gas, LLC
P.O Box 408
Prestonsburg, KY 41653
606-886-2431 Fax 606-889-9196

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	\$ 8.0749
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ 0.2562
+ Balance Adjustment (BA)	\$/Mcf	\$ 0.0046
= Gas Cost Recovery Rate (GCR)		\$ 8.3357

GCR to be effective for service rendered from: May 1, 2022

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 3,016,553
	/ Sales for the 12 months ended <u>January 31, 2022</u>	Mcf	373,569
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 8.0749

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>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Current Reporting Period (Sch. IV)	\$/Mcf	\$ (0.1394)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0997
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0394
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.2565
=	Actual Adjustment (AA)	\$/Mcf	\$ 0.2562

D	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Sch. V)	\$/Mcf	\$ 0.0415
+	Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ (0.0626)
+	Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ 0.0178
+	Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$ 0.0079
=	Balance Adjustment (BA)	\$/Mcf	\$ 0.0046

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Kentucky Frontier Gas, LLC - Unified

SCHEDULE II

EXPECTED GAS COST

MCF Purchases for 12 months ended:

January 31, 2022

Supplier	5% LIMITER Dth	Btu Factor	Mcf	Rate	(4) x (5) Cost
Columbia (Goble Roberts, Peoples)		N/A	10,776	\$ 7.8157	\$84,222
Cumberland Valley (Auxier)		1.1000	96,413	\$ 6.0178	\$580,192
Cumberland Valley (Sigma) includes \$1.25/Mcf DLR trans		1.1000	1,337	\$ 7.2678	\$9,717
Diversified Energy (39-E, 181-S)		1.0000	32	\$ 6.9055	\$221
* HI-Energy		1.0031	9,831	\$ 4.2632	\$41,913
** HTC (Sigma) includes \$1.25/Mcf DLR trans		1.0758	8,391	\$ 5.5532	\$46,597
Jefferson (Sigma) rate includes \$1.25/Mcf DLR trans		1.1184	0	\$ 13.2289	\$0
Jefferson (Public and Daysboro)		1.1184	118,358	\$ 11.9789	\$1,417,794
Magnum Drilling, Inc.		N/A	3,948	\$ 10.5000	\$41,454
Nytis (Auxier)		1.0962	7,199	\$ 5.4382	\$39,147
Nytis (Sigma) includes \$1.25/Mcf DLR trans		1.0962	4,257	\$ 5.6006	\$23,841
Quality (Belfry)		1.1999	38,396	\$ 6.0727	\$233,165
** Slone Energy		1.0714	3,105	\$ 4.2856	\$13,307
Southern Energy (EQU, MLG, Price)		1.2066	59,080	\$ 5.2218	\$308,504
Southern Energy (Sigma) includes \$1.25/Mcf DLR trans		1.2066	45,364	\$ 6.4718	\$293,587
** Spirit		1.1178	4,338	\$ 4.4712	\$19,398
** Tacket		1.0745	456	\$ 4.2980	\$1,960
Totals			411,281	\$ 7.6712	\$3,155,020

Line loss 12 months ended:	<u>Jan-22</u>	based on purchases of	<u>411,281</u>	Mcf
and sales of	<u>373,569</u>	Mcf.	<u>9.2%</u>	L&U
			<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)			\$	\$ 3,155,020
/ Mcf Purchases (4)			Mcf	411,281
= Average Expected Cost Per Mcf Purchased			\$/Mcf	\$ 7.6712
x Allowable Mcf Purchases (5% Limiter)			Mcf	393,231
= Total Expected Gas Cost (to Schedule 1A)			\$	\$ 3,016,553

Estimated Avg TCo for May, June, July = \$5.5733/Dth (NYMEX Avg + \$-0.6123/Dth (TCo Appal Basis) = **\$4.9610/Dth**

Columbia of KY (Case No. 2020-00026) = **\$7.8157**

Diversified = \$4.9610/Dth (TCo) + \$0.6945 (14% Fuel) + \$1.05 (Commodity) + \$0.20 (Demand) = **\$6.9055/Dth**

Jefferson contract = \$4.9610/Dth (TCo) + \$5.75/Dth cost factor = **\$10.7110/Dth**

CVR = \$4.9610 (TCo) + \$0.00990/Dth (1.996% Fuel) + \$0.0190/Dth Commodity + \$0.3417/Dth (TCo Demand) +

\$0.05/Dth CVR Fee = **\$5.4707/Dth** 3/31/2022

* HI-Energy contract = **\$4.25/Dth** or 80% of TCo, whichever is greater

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

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

Nytis (Auxier) = **\$4.9610/Dth** (TCo)

Nytis (Sigma) = \$4.9610/Dth (TCo) x .8 = **\$3.9688/Dth**

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

Southern Energy = \$4.9610/Dth (TCo) + \$1.1500/Dth = **\$6.1110/Dth**

Quality (Belfry) = \$4.9610/Dth (TCo) + \$0.10 = **\$5.0610/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 = \$4.9610/Dth x .8 = \$3.9688/Dth < \$4.25/Dth; **\$4.25/Dth**

** Estimated 3 mo. TCo = \$4.9610/Dth x .8 = \$3.9688/Dth < \$4.00/Dth; **\$4.00/Dth**

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KFG UnifiedSchedule IV
Actual Adjustment

For the 3 month period ending:

January 31, 2022

5% LIMITER

<u>Particulars</u>	<u>Unit</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>
Total Supply Volumes Purchased	Mcf	51,211	50,547	82,294
Total Cost of Volumes Purchased	\$	\$ 488,741	\$ 457,975	\$ 503,643
(divide by) Total Sales (5% Limiter)	Mcf	48,650	53,008	78,179
(equals) Unit Cost of Gas	\$/Mcf	\$ 10.0460	\$ 8.6398	\$ 6.4422
(minus) EGC in effect for month	\$/Mcf	\$ 8.3379	\$ 8.3379	\$ 8.3379
(equals) Difference	\$/Mcf	\$ 1.7081	\$ 0.3019	\$ (1.8957)
(times) Actual sales during month	Mcf	39,355	53,008	71,381
(equals) Monthly cost difference	\$	\$ 67,223	\$ 16,002	\$ (135,318)

	<u>Unit</u>	<u>Amount</u>
Total cost difference for the 12 months ended January 31, 2022	\$	\$ (52,092.94)
(divide by) Sales for 12 months ended January 31, 2022	Mcf	373,569
(equals) Actual Adjustment for the Reporting Period	\$	(0.1394)
(plus) Over-recovery component from collections through expired AAs	\$	-
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)	\$	(0.1394)

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SCHEDULE V
BALANCE ADJUSTMENT
For the Effective Date May 1, 2022

<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	\$	\$ (14,934)
Less: Dollar amount resulting from the AA of _____ (0.0416) \$/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 _____ 373,569 Mcf during the 12 month period the AA was in effect	\$	_____ (\$15,540)
Equals: Balance Adjustment of the AA	\$	_____ \$606
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	\$	_____ \$0
Equals: Balance Adjustment of the RA	\$	_____ \$0
Total balance adjustment used to compute BA of the GCR effective 4 quarters prior to the effective date of the currently effective GCR	\$	_____ \$14,774
Less: Dollar amount resulting from the BA of _____ (0.0003) \$/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 _____ 373,569 Mcf during the 12 month period the BA was in effect	\$	_____ (\$112)
Equals: Balance Adjustment of the BA	\$	_____ \$14,886
Total Balance Adjustment Amount (1) + (2) + (3)	3/31/2022 \$	\$15,493
Divide: Sales for 12 months ended October, 2021	Mcf	_____ 373,569
Equals: Balance Adjustment for the reporting period (to Schedule I, part D)	\$/Mcf	_____ \$0.0415