



October 10, 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. 2022-00327
Effective Date of November 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.

Kentucky Frontier has been unable to recover the dollar-for-dollar cost of purchased gas for the past eighteen months. As a result, from November 2020 to July 2022, Frontier had more than \$600,000 of unrecovered purchased gas costs. It is unclear why the current GCA mechanism has not accounted for the total purchased gas costs.

Frontier's current tariff on file with the Commission allows for the EGC component of the GCA to be calculated using items such as fixed price, forward price and indexed price purchases. In calculating the EGC, pursuant to its tariff, Frontier can consider published futures prices as well as price trends and price expectations. Due to the flexibility contained in Frontier's tariff regarding the EGC calculation, Frontier believes that the methodology used in this filing is in compliance with its current tariff on file with the Commission. Therefore, Frontier does not believe that a tariff change is necessary at this time. Frontier and Commission Staff will continue to review the GCA mechanism to determine if a change in the GCA mechanism is required to ensure future GCA filings account for the dollar-for-dollar cost of purchased gas. Once a suitable GCA mechanism is determined, Frontier will file for a change to its GCA tariff, if a tariff change is deemed necessary.

Please see attachments:

KFG_GCA_2022-00327; Gas Purchase Invoices for: AEI; Columbia Goble Roberts; Columbia Peoples; Cumberland Valley; Diversified Energy; HI-Energy Gas; HTC Gas; Jefferson-EKM; Magnum; Quality NG; Slone Energy; Sonny Hall; Southern Energy; Spirit; Tackett & Sons; Kentucky Frontier Sales

Sincerely,

KENTUCKY FRONTIER GAS, LLC

Dennis R. Horner

Kentucky Frontier Gas, LLC
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