

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION FOR REVISED)	
QUARTERLY GAS COST RECOVERY)	CASE NO.
SCHEDULES OF KENTUCKY)	2023-00067
FRONTIER GAS, LLC)	

MOTION FOR DEVIATION

Comes now Kentucky Frontier Gas, LLC (“Kentucky Frontier”) by and through the undersigned counsel and does hereby state as follows for its Motion for Deviation from the requirement to file customer notice pursuant to 807 KAR 5:011, Section 8, should the Commission determine that customer notice is required for any of the proposed revisions to the quarterly Gas Cost Recovery Rate (“GCR”) filings filed by Kentucky Frontier in this matter:

1. Kentucky Frontier filed its Notice of Election to Use Electronic Filing Procedures in this case on February 22, 2023.
2. Kentucky Frontier discovered in June 2022 that it incurred an approximate \$600,000 gas balance loss since November 2020. While the amount of the under recovery has varied with the changing price of gas, it remains a significant amount. Kentucky Frontier has been working to determine how this has occurred and why this loss was not accounted for in the quarterly GCR filings.
3. As part of the effort to address the aforementioned under recovery, Kentucky Frontier has filed an application to revise the schedules it files with its quarterly GCR filings, which essentially proposes that the Balancing Adjustment (“BA”) element of the current gas cost recovery rate formula in Kentucky Frontier’s tariff [GCR = Expected Gas Cost (“EGC”) +

Refund Adjustment (“RA”) + Actual Adjustment (“AA”) + BA or GCR=EGC + RA+AA+BA] will be calculated using the actual balance of the gas balancing account.

4. Further, the BA will be a single adjustment figure and will still add any AA from the last quarter and all previous quarters. This method is simpler and provides more relevant information for the customers, the Commission, and the utility. The proposal is only changing the input to the formula, however it does not change the formula itself and therefore, Kentucky Frontier, does not believe that customer notice pursuant to 807 KAR 5:011, Section 8 is required.

5. The Kentucky Administrative Regulations, 807 KAR 5:011, Section 8 states,
“A utility shall provide notice if a charge, fee, condition of service, or rule regarding the provision of service is changed, revised, or initiated and the change will affect the amount that a customer pays for service or the quality, delivery, or rendering of a customer's service.”

6. Kentucky Frontier does not believe that customer notice is required pursuant to 807 KAR 5:011, Section 8, because the proposed change to its schedules filed with its quarterly GCA filing does not change or revise the provision of service, any charge, fee, condition of service or rule regarding the provision of service any more than the quarterly GCA filing does already. Kentucky Frontier does not believe its current tariff should be revised, as the formula in the tariff is still being utilized and adding the actual balance of the gas balancing account as part of the process to determine the BA to the tariff, is a level of detail that would not provide the average customer with a greater understanding of the GCR in the tariff, however the operation of adding this information to the calculation of the BA will provide the average customer with more information in Kentucky Frontier’s quarterly GCR reports filed in the public record.

7. Additionally, Kentucky Frontier proposes a reasonable adjustment to limit gas losses in its GCR calculation to 7.5 percent of Sales to address the significant under recovery documented in 2022 and to address the inequitable result of applying the 5 percent limit on losses.

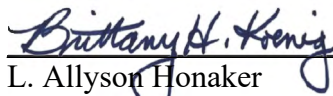
The percentage of limits to gas losses is not contained in Kentucky Frontier's tariff, therefore there is no request to revise its tariff to include the proposed adjustment to 7.5 percent limit on gas losses. Kentucky Frontier does not believe that it should be required to provide customer notice pursuant to 807 KAR 5:011, Section 8 for a change in the percentage of limits to losses because the proposed change does not change or revise the provision of service, any charge, fee, condition of service or rule regarding the provision of service any more than the quarterly GCR filing does already.

8. Should the Commission find that Kentucky Frontier is required to provide notice to its customers pursuant to 807 KAR 5:011, Section 8, Kentucky Frontier requests the Commission grant it a deviation to waive the notice requirement at this time or to provide notice in its upcoming quarterly GCR filing, depending on when the Commission can enter its Order and how much time Kentucky Frontier is granted to provide customer notice and still make its quarterly GCR filing in a timely manner.

WHEREFORE, based on the foregoing, Kentucky Frontier requests the Commission to grant it a deviation from the requirement to provide customer notice pursuant to 807 KAR 5:011, Section 8, regarding its proposed revisions to the schedules it provides with its quarterly GCR filings, and allow Kentucky Frontier to file its quarterly GCR filing on or before March 31, 2023.

Dated this 24th day of February, 2023.

Respectfully submitted,



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CERTIFICATE OF SERVICE

This is to certify that foregoing electronic filing was transmitted to the Commission on February 24, 2023; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, no paper copies of the filing will be made.



Counsel for Kentucky Frontier Gas, LLC