

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

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

SUPPLEMENTAL FILING OF
KENTUCKY FRONTIER GAS, LLC'S HANDOUTS REQUESTED BY COMMISSION
STAFF FROM INFORMAL CONFERENCE DATED DECEMBER 14, 2023

Filed: February 1, 2024

**KENTUCKY FRONTIER GAS, LLC
PSC CASE NO. 2023-00067
RESPONSE TO INFORMAL CONFERENCE REQUEST**

In response to a request made by Commission Staff on February 1, 2024 to file the illustrative handouts used at the informal conference ("IC") held virtually on December 14, 2023, Kentucky Frontier Gas, LLC ("Frontier") submits the following:

Exhibit A: "GBA Mike updates" is a pdf file that is an example of how Frontier must make corrections to volumes and costs, that were never addressed by the "Old Math GCA".

Exhibit B: "Metrics" is a pdf that illustrates the arbitrariness and unreasonableness of holding Frontier to 5% loss when it is such a devastating impact to a gas company of Frontier's small size and customer base, versus the relatively non-existent impact a 5% loss limit has on the large urban systems in Kentucky.

Additionally, two excel spreadsheets will be uploaded separately in the electronic filing system that were provided as illustrative tools for the IC on December 14, 2023.

- 1) "PSC 23-0329 GBA compare Oct23" is an excel spreadsheet that was filed in last regularly scheduled Gas Cost Adjustment or GCA at the time of the IC, using a revised calculation method in the excel spreadsheets that shows the old method compared to the proposed method.
- 2) "Frontier GBA Dec23" was the most updated version with forecast through end of existing rate cycle at the time of the IC, however it was updated for the filing on December 29, 2023.

EXHIBIT A

KFG GAS BALANCING ACCOUNT

Month	System	Purch Mcf	Purch \$	Purch \$/Mcf	Sales Mcf	L&U	Gas Sales	O/U Recov	Cum O/U	Expected	Gas Cost \$/MCF	AA + BA Adjst	Gas Cost Reconci'l'n	GCA Rate \$/Mcf
								Cost	Recovery GBA Balance	Gas Cost				
	PGC	20,145	\$295,862	\$ 14.687	20,016	1%	\$243,545	(\$52,318)						
	Total	65,521	\$641,436	\$ 9.790	65,490	0%		\$155,430	(\$397,272)					
Jan-23	KFG	45,650	\$284,853	\$ 6.240	39,064	14%	\$475,323	\$190,470						
	PGC	16,655	\$189,292	\$ 11.365	16,495	1%	\$200,703	\$11,411						
	Total	62,305	\$474,145	\$ 7.610	55,559	11%		\$201,881	(\$195,391)					
Feb-23	KFG	35,399	\$168,540	\$ 4.761	36,289	-3%	\$441,557	\$273,017		\$ 11.504	\$ 0.664		\$ 12.168	
	PGC	17,270	\$164,703	\$ 9.537	16,600	4%	\$201,987	\$37,284						
	Total	52,669	\$333,243	\$ 6.327	52,889	0%		\$310,301	\$114,910					
Mar-23	KFG	33,734	\$134,469	\$ 3.986	31,900	5%	\$388,148	\$253,679						
	PGC	13,312	\$120,290	\$ 9.036	12,851	3%	\$156,366	\$36,076						
	Total	47,046	\$254,759	\$ 5.415	44,750	5%		\$289,755	\$404,665					
Apr-23	KFG	18,452	\$66,181	\$ 3.587	17,384	6%	\$211,525	\$145,345						
	PGC	7,372	\$63,291	\$ 8.585	6,381	13%	\$77,643	\$14,351						
	Total	25,824	\$129,472	\$ 5.014	23,765	8%		\$159,696	\$564,361					
May-23	KFG	15,731	\$49,090	\$ 3.121	11,914	24%	\$65,416	\$16,326		\$ 5.932	\$ (0.441)		\$ 5.491	
	PGC	2,879	\$24,898	\$ 8.648	3,296	-14%	\$18,097	(\$6,800)						
	Total	18,610	\$73,988	\$ 3.976	15,210	18%		\$9,526	\$573,887					
Jun-23	KFG	8,235	\$24,722	\$ 3.002	7,770	6%	\$42,663	\$17,941						
	PGC	2,296	\$19,166	\$ 8.348	1,954	15%	\$10,729	(\$8,437)						
	Total	10,531	\$43,888	\$ 4.168	9,724	8%		\$9,503	\$583,390					
Jul-23	KFG	6,775	\$22,793	\$ 3.364	5,958	12%	\$32,713	\$9,920						
	PGC	1,838	\$15,484	\$ 8.424	1,459	21%	\$8,009	(\$7,474)						
	Total	8,613	\$38,277	\$ 4.444	7,417	14%		\$2,445	\$585,836					
Aug-23	KFG	7,140	\$21,668	\$ 3.035	6,558	8%	\$23,708	\$2,040		\$ 6.531	\$ (2.916)		\$ 3.615	
	PGC	1,803	\$14,640	\$ 8.120	1,951	-8%	\$7,051	(\$7,589)						
	Total	8,943	\$36,309	\$ 4.060	8,508	5%		(\$5,549)	\$580,286					
Sep-23	KFG	7,798	\$19,487	\$ 2.499	7,092	9%	\$25,639	\$6,152						
	PGC	1,922	\$14,963	\$ 7.785	1,514	21%	\$5,473	(\$9,490)						
	Total	9,720	\$34,450	\$ 3.544	8,606	11%		(\$3,338)	\$576,948					
Oct-23	KFG	14,044	\$39,599	\$ 2.820	12,600	10%	\$45,550	\$5,951						
	PGC	4,784	\$39,031	\$ 8.159	3,886	19%	\$14,048	(\$24,984)						
	Total	18,828	\$78,631	\$ 4.176	16,485	12%		(\$19,033)	\$557,916					
L&U Limit calcs		270,146	\$ 1,361,206	\$ 5.04	252,537	6.5%	\$ 2,656,405	\$ (29,620)		Sales/limtr	Excess L&U			
	PGC	104,393	\$ 1,123,488	\$ 10.76	99,349	4.8%	\$ 1,092,428		\$528,296	273,013	(2,867)			
	Total	374,539	\$ 2,484,694	\$ 6.63	351,886	6.4%	\$ 3,748,833	\$ (29,620)	\$528,296	380,417	(5,878)			
Nov-23	KFG	31,000	\$116,250	\$ 3.750	28,422	8%	\$85,711	(\$30,539)		\$ 6.259	\$ (3.244)		\$ 3.016	
	PGC	12,627	\$112,045	\$ 8.873	13,082	-4%	\$39,452	(\$72,592)						
	Total	43,627	\$228,295	\$ 5.233	41,504	5%		(\$103,132)	\$425,164					

EXHIBIT B

L&U Comparison

Lost & Unaccounted-for Gas per Annual Reports to PSC & DOT

Dec23

Louisville Gas & Electric compared with Kentucky Frontier Gas

	<u>Frontier</u>	<u>LG&E</u>	
Utility Customers	4600 meters	330,000 meters	
Miles of Mains	350 miles	4800 miles	
MCF annual volume	360,000	88 million	
Leaks reported to DOT	57	2412	
<u>Metrics</u>			
Meters per mile	14	70	or 5:1
MCF per mile	1	18	or 18:1
Leaks per mile	1 per 6 miles	1 per 2	or 1:3



A leak like this on the Frontier system has 18x the effect on Frontier L&U as the same exact leak has in Louisville

A 5% limit on Frontier L&U is equivalent to 0.3% to LG&E

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY