

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

**RESPONSES TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION TO
KENTUCKY FRONTIER GAS, LLC DATED JULY 19, 2023**

Filed: August 2, 2023

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

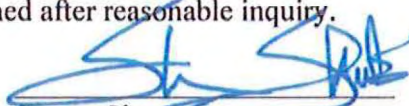
IN THE MATTER OF:

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

VERIFICATION OF STEVEN SHUTE

COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF FLOYD)

Steven Shute, Sole Member of Kentucky Frontier Gas, LLC, being duly sworn, states that he has supervised the preparation of the Responses to Staff's First Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.


 Steven Shute

The foregoing Verification was signed, acknowledged and sworn to before me this 27th day of July, 2023, by Steven Shute.



Notary Commission No. KYNP27914

Commission expiration: 5-28-2025

KENTUCKY FRONTIER GAS, LLC
PSC CASE NO. 2023-00067
RESPONSE TO REQUEST FOR INFORMATION

PSC'S FIRST REQUEST FOR INFORMATION – 07/19/23
REQUEST 1

RESPONSIBLE PARTY: Steve Shute

Request 1. Refer to the Direct Testimony of Steven Shute (Shute Testimony), page 6.

a. Explain in detail why Kentucky Frontier is proposing to change its calendar quarters in the Gas Cost Recovery (GCR) rate report and the benefits of changing the calendar quarters.

b. Explain whether the proposed change in the calendar quarters is necessary due to the proposed changes to the GCR rate calculation or if the change is administrative.

Response 1a. Frontier proposes “to realign the months to a more standard format of calendar quarters ending March, June, September and December”. Changing the calendar quarters to the standard calendar quarters will make the changes each quarter easier to track for billing personnel.

Response 1b. This is simply an administrative change and is unrelated to the change in Gas Balancing Account tracking. Frontier is requesting the change to make it align with traditional calendar quarters, but Frontier will continue to use the quarters it currently does if the Commission so orders.

KENTUCKY FRONTIER GAS, LLC
PSC CASE NO. 2023-00067
RESPONSE TO REQUEST FOR INFORMATION

PSC'S FIRST REQUEST FOR INFORMATION – 07/19/23
REQUEST 2

RESPONSIBLE PARTY: Steve Shute

Request 2. Refer to the Shute Testimony, page 8, regarding the Pipeline Replacement Program (PRP) surcharge, that was increased beginning January 2018.

- a. Provide the surcharge rate as mentioned in the testimony.
- b. Explain whether Kentucky Frontier is still charging that PRP surcharge rate to its customers. If not, provide the most recent PRP surcharge billed to customers and provide the case number in which the Commission approved the PRP surcharge.
- c. Explain why the PRP surcharge rate is not listed in Kentucky Frontier's tariff.

Response 2a. Please see Frontier's tariff on file with Commission, specifically page 5, which is attached to this response. The PRP surcharge is \$5.00 per month for all active meters.

Response 2b. Frontier first established a PRP in Case No. 2011-00443, and it was later extended to include the former Public Gas customers in Case No. 2016-00132. Frontier expanded the program in its last general rate Case No. 2017-00263, which consolidated rates with former Public Gas customers and increased the PRP from \$1.25 to \$5.00 per meter per month. Frontier has charged \$5.00 for PRP since January 2018.

Response 2c. The PRP surcharge is listed in Frontier's current tariff on file with the Commission, specifically page 5.

Kentucky Frontier Gas LLC

For Entire Service Area
PSC No. 3 **1st revised sheet No. 5**
Canceling **PSC No. 3**
Original sheet No. 5

RATES & CHARGES

C. OTHER CHARGES

Turn On Fee	\$50.00 to initiate service at a location for seasonal/temporary turn on.
Reconnection Fee	\$96.00 to restore service within 12 months of disconnection/termination for non-payment; (I)
Relocate Meter	\$150.00, move meter at customer request.
Transfer Service Fee	\$30.00 to change tenants (change to new customer).
Returned Check Charge	\$30.00 for a check returned for insufficient funds
Late Payment Charge	10% of the current monthly charges.
Service (Trip) Charge	\$50.00 for any special trip made to collect delinquent bills/terminate service.
Special Meter Reading Chg	\$50.00 for reread
Meter Test fee	\$225.00 for customer requested immediate test if the test shows the meter is within the limits of 807 KAR 5:022(8)(3)(a)
Pipeline Replacement Pgm	\$5.00 per meter per distribution customer per month (I)
AMR surcharge	\$1.00 per meter per customer (distribution and farm tap) per month

D. DEPOSITS

Residential Customer A deposit equal to two-twelfths of the estimated annual bill is required of all new customers unless waived as specified in Section II E. The deposit shall be refunded after the first 12 months of service if the customer has no more than two late payments within that period and no delinquency resulting in the issuance of a written Notification of Discontinuance of Service.

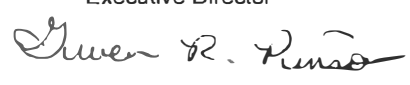
Commercial Customer A deposit of two twelfths annual estimated bill.

Seasonal Customer Any customer requesting seasonal service, that is service for only a portion of a calendar year, shall be charged a deposit equal to two twelfths of the estimated annual bill of a similar full time residential or commercial customer.

DATE OF ISSUE **December 22, 2017**
DATE EFFECTIVE **January 1, 2018**
ISSUED BY **Robert Oxford, Member-Manager**



**Issued by Authority of an Order of the
 Public Service Commission of KY order dated
 December 22, 2017 in Case No. 2017-00263**

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director 
EFFECTIVE 1/1/2018 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY FRONTIER GAS, LLC
PSC CASE NO. 2023-00067
RESPONSE TO REQUEST FOR INFORMATION

PSC'S FIRST REQUEST FOR INFORMATION – 07/19/23
REQUEST 3

RESPONSIBLE PARTY: Steve Shute

Request 3. Explain in detail of Kentucky Frontier's actions in the recent five-year period to reduce the amount of line loss on its gas system and provide documentation to support the narrative.

Response 3. Frontier files detailed annual PRP status reports with the Commission, with quantities of mains and services replaced, other improvements such as GIS mapping and better equipment to detect leaks and find unlocatable pipe. Frontier has made great strides in locating and fixing leaks, focused on the segments that are most at risk. The most recent PRP report is attached to this response.

Through the AMR program, which is similar to the PRP, Frontier has replaced or tested all of its customer meters, and implemented a radio-read remote metering system. This AMR improvement, coupled with a new billing system, allows Frontier to monitor Lost & Unaccounted for ("L&U") gas, more quickly and individually, on each of its dozens of segregated gas systems. As discussed in the Testimony of Steve Shute which was filed with the Application, Frontier is at an extreme disadvantage in controlling L&U, compared to larger urban utilities in Kentucky. Frontier has 4900 customers spread over 13 counties and 360 miles of pipe. If Frontier operated that much pipe in the Louisville area, Frontier would have more like 25,000 customers,

instead of 5,000. In addition, it would have dozens of schools and large commercial and industrial customers, which Frontier doesn't have in its current territory.

With the same miles of pipe extended in Louisville, Frontier could move 6,600,000 MCF not 400,000 MCF. The same exact old rusted, leaking section of pipe could generate 7 percent losses on the Frontier system, but less than ½ percent volumetric loss on a large urban system in Kentucky, with much larger sales volume per mile.

Further, leaks on remote rural pipelines just don't get reported. Someone in Lexington will call in a parts-per-million leak they sniffed in their driveway, that might not leak an MCF in a year.

That is not the case for Frontier. For instance, last month Frontier detected an apparent anomaly on its Sigma system. That segment is fed from 10 local producers and a pipeline delivery on Auxier Road that feeds Sigma. We suspected a leak and looked for days; but it wasn't large or obvious, didn't show on any purchase meter, and was nearly impossible to isolate.

When the leak was found, an old inactive 1-inch service line that wasn't in Frontier's records, had been severed by an excavator on private property, then buried, intentionally. The smell and hiss of gas were detectible above ground, after we found it with a sensitive ppm-capable leak detector about 20 ft away. The line break was too far from the highway for anybody passing by to smell. The line break was never called in at the time of the break to Frontier. Now, Frontier has been unable to find anybody that knows anything about the line break. When covered up and not reported by the landowner / excavator, and not on the maps or records we received when purchasing the system, this leak could go undetected for a while. Frontier believes it lost about 3400 MCF that cost \$11,000. This single leak is about 1% L&U of annual volume *for the entire conglomeration* of Frontier systems.

In Owensboro or Covington or other urban areas, a similar leak would have been detected, called in and resolved in a few hours or days. A shorter, smaller 500 MCF leak wouldn't flick the needle on L&U in those city systems.

Frontier operates very rural, remote pipelines with very low density of customers with small gas loads. Gas losses, practically and statistically, can't be controlled, detected or reduced to the minimal percentages encountered by the dense urban utilities in Kentucky.

December 31, 2022

Linda Bridwell, Executive Director
Kentucky Public Service Commission
PO Box 615
Frankfort, KY 40602

Re: Status of Pipeline Replacement Project (PRP)

Kentucky Frontier Gas first established a PRP in Case 2011-00443, then extended it to the former Public Gas in Case 2016-00132. Frontier expanded the program with a higher surcharge in Case 2017-00263. In that Order, the Commission requires that Frontier submit an end of year status report, with plans for the following year.

These PRP segments were completed in 2022 (former system name, specific area):

Belfry Gas: Pecco Hollow, Doyle Mt, and Reedy Rd.: replaced corroding steel sections with 1320 ft of 2-inch, and 1735 ft of smaller mains and 8 PE service lines at 543 ft. This completes replacement in Pecco Hollow; and Reedy Rd and Doyle Mt. in the Jerry Bottom area. Belfry is now at 5% L&U or less, after starting at 30-50% with Frontier purchase in 2008;

Public Gas system in Jackson: Armory Dr, Brewer Dr. off Hwy 15: replaced corroding steel on Armory Dr. off of Town Hill Rd with about 3055 ft, and 500 ft off Brewer Dr. with 2-inch PE mains. Also replaced 9 service lines with 1-inch PE at 426 ft on Broadway St. and Court St.

Phelps (Peoples Gas System): replaced corroding steel section along KY RT 194 with 470 ft of 1-inch PE main with no services.

Mike Little Gas System: Weeksbury, Osborne School, Upper Burton, and Hen Pen: replaced corroding steel pipe with 2730 ft of 2-inch main and 4 service with 1-inch PE pipe.

Pipeline Replacement Projects for 2022 totaled 10720 ft of new PE mains and 22 service lines, at aprx cost of \$263,790. All of these projects retired & abandoned a similar footage of old steel mains & services. A detailed summary will be filed in 1Q23.

PRP surcharges for 2022 were billed at \$260,842 but collections were slightly lower. The 2023 projects will be similar in scope.

PRP 2023

Most of the remaining PRP segments are in densely populated areas like Jackson and Forest Hills (Belfry), where progress is slow and expensive, through city streets and paving and small yards, or in narrow rural roads along a creek. Much of this work requires directional drilling.

PRP costs significantly exceeded PRP revenues in 2018-20, so the 2021-22 PRP was kept closer to actual PRP collections, and 2023 will be similar. Priority is given to sections identified in recent leakage surveys, mostly in systems with chronically bad leak history. Nearly all PRPs to date are replacing corroding bare steel systems. Jackson still has a section of low-pressure system to convert.

The following PRP segments are currently planned for 2023:

Belfry Gas, Forest Hills: 3200 ft of 2-inch PE mains with associated PE service lines; this is the toughest segment in Belfry, with a narrow roadway adjacent the creek and no working room around water lines and other utilities;

Peoples Gas, Phelps: continue work along the main road with 900 ft of main and associated PE service lines;

Public Gas, Jackson system, Main-Lincoln-Highland project: continue work on the *low-pressure* sections; replace steel with PE as needed; pressure test good sections then increase working pressure to 20 psi; install house regulators and convert customers from low pressure;

Frontier's PRP has produced tangible results in retiring old leaky pipe and significantly improving the overall L&U. We will continue this effort as long as it shows positive cost-benefit.



Steven Shute, PE
Managing Member

From Order:

*“The Commission agrees with the AG’s conclusion in his brief regarding the need for higher scrutiny of the PRP, and finds that Frontier should be required to submit detailed reports for each upcoming year summarizing the projects it expects to replace in that year. At a minimum, the reports should show plant additions, **retirements, and removals** for each year, separately identified, and including their locations, length and size of mains and services lines, and associated Coast. Frontier should submit these reports for Commission review by Dec. 31 each year.”*

KENTUCKY FRONTIER GAS, LLC
PSC CASE NO. 2023-00067
RESPONSE TO REQUEST FOR INFORMATION

PSC'S FIRST REQUEST FOR INFORMATION – 07/19/23
REQUEST 4

RESPONSIBLE PARTY: Steve Shute

Request 4. Provide a completed sample version of Kentucky Frontier's proposed GCR rate report as if the proposed changes to the GCR rate calculation was approved using gas cost data beginning with the period of February 2022. The sample should be filed in both a PDF version and Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response 4. Please see attached for the PDF version of the proposed rate report. The Excel version of the proposed GCR rate report is being uploaded separately into the Commission's electronic filing system. In addition, for detailed notes on the calculation, please see the Excel spreadsheet, Exhibit C, of the Application filed in this proceeding on February 24, 2023.

FOR ENTIRE AREA SERVED
KENTUCKY FRONTIER GAS, LLC

Kentucky Frontier Gas, LLC
 (Name of Utility)

PSC KY TARIFF NO.3
 29th revised sheet No. 4
Canceling 28th revised sheet No. 4

RATES AND CHARGES

APPLICABLE: *Entire area served*

Frontier Residential and Small Commercial

	Gas Cost			
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>	
Monthly Customer Charge	\$ 13.00		\$ 13.00	
Gas Usage, All CCF	\$ 0.4220	\$ 0.4707	\$ 0.8927	(R)

Frontier Large Commercial

	Gas Cost			
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>	
Monthly Customer Charge	\$ 50.00		\$ 50.00	
Gas Usage, All CCF	\$ 0.3445	\$ 0.4707	\$ 0.8153	(R)

Daysboro Residential

	Gas Cost			
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>	
Monthly Customer Charge	\$ 10.71		\$ 10.71	
Gas Usage, All CCF	\$ 0.4500	\$ 0.4707	\$ 0.9207	(R)

Daysboro Commercial

	Gas Cost			
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>	
Monthly Customer Charge	\$ 12.75		\$ 12.75	
Gas Usage, All CCF	\$ 0.8570	\$ 0.4707	\$ 1.3277	(R)

DATE OF ISSUE June 29, 2023

DATE EFFECTIVE August 1, 2023

ISSUED BY
 TITLE Agent

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. _____ DATED _____

SCHEDULE I
Kentucky Frontier Gas, LLC - unified utility
RATE DETERMINATION

GAS SALES VOLUMES, last 12 months **375,000** MCF

EXPECTED GAS COST *from Schedule II*

GAS SALES VOLUMES, next period: 30,500 MCF *(calculated on pg. 2)*

GAS PURCHASE COSTS, next period: \$ 190,625 *(calculated on pg. 2)*

EXPECTED GAS COST of sales **\$ 6.25** *per MCF of sales, next period*

BALANCING ADJUSTMENT *from Schedule III*

CUMULATIVE OVER/(UNDER) RECOVERY **\$ 578,481** *Gas Bal Acct, at July 31, 2023*

UNDER-Recovered Gas Cost to amortize **\$ 578,481** *Balance to amortize 12 mos*

GAS COST RECOVERY RATES:

EXPECTED GAS COST per MCF of sales **\$ 6.2500** *EGC*
 PLUS (Under) / MINUS (Over) -Recovery Bal Adjustmt **\$ (1.5426)** *Balance Adjmt*

TOTAL Gas Cost Recovery RATE **\$ 4.7074** *per MCF of sales, next period*

SCHEDULE I
Kentucky Frontier Gas, LLC - unified utility
RATE DETERMINATION

<u>DETERMINATION OF RATES by Class of Customer:</u>		<i>Gross sales components, \$ per MCF</i>			
		Non Gas	Gas	Adjustment	Total
Residential & Commercial					
	proposed	4.22	6.25	(1.54)	\$ 8.9274 <i>per MCF</i>
	current	4.22	5.93	(0.44)	\$ 9.7110
	change	-	0.32	(1.10)	\$ (0.7836)
Large Commercial					
	proposed	3.45	6.25	(1.54)	\$ 8.1528 <i>per MCF</i>
	current	3.45	5.93	(0.44)	\$ 8.9364
	change	-	0.32	(1.10)	\$ (0.7836)

EXPECTED GAS COSTS:

PROJECTED NEXT QUARTER *Based on historical data and current contracts*

Month	Gas Sales MCF	Sched II EGC \$ / MCF	Purchased Gas Cost
Aug-23	6,500	\$6.25	\$ 40,625
Sep-23	8,000	\$6.25	\$ 50,000
Oct-23	16,000	\$6.25	\$ 100,000
TOTALS	<u>30,500</u>		<u>\$ 190,625</u>

EGC Expected Gas Cost **\$6.25** *per MCF of Sales*
Monthly MCF volumes are based on average Sales for last 5 years.

SCHEDULE I
Kentucky Frontier Gas, LLC - unified utility
RATE DETERMINATION

EFFECT OF RATE CHANGE on Average Residential customer:

Annualized Effect	Gas Use MCF	Gas Use % of Yr	Gas Charge	New Rate Total Bill	Old Rate Total Bill	Change \$	Change %
Jan	10.7	21.4%	\$ 95.52	\$ 110.52	\$ 118.91	\$ (8.38)	-7.1%
Feb	9.5	18.9%	84.36	99.36	106.77	(7.41)	-6.9%
Mar	6.9	13.8%	61.60	76.60	82.01	(5.41)	-6.6%
Apr	3.5	6.9%	30.80	45.80	48.50	(2.70)	-5.6%
May	1.6	3.1%	13.84	28.84	30.05	(1.21)	-4.0%
Jun	0.7	1.4%	6.25	21.25	21.80	(0.55)	-2.5%
Jul	0.6	1.1%	4.91	19.91	20.34	(0.43)	-2.1%
Aug	0.6	1.1%	4.91	19.91	20.34	(0.43)	-2.1%
Sep	0.6	1.2%	5.36	20.36	20.83	(0.47)	-2.3%
Oct	2.1	4.1%	18.30	33.30	34.91	(1.61)	-4.6%
Nov	5.8	11.5%	51.33	66.33	70.84	(4.51)	-6.4%
Dec	7.8	15.5%	69.19	84.19	90.26	(6.07)	-6.7%
Totals	50.0	100.0%	\$ 446.37	\$ 626.37	\$ 665.55	\$ (39.18)	-5.9%

\$ 8.93 rate per MCF \$ 9.71 rate per MCF
 \$ (0.78) change

^Average Residential profile

SCHEDULE II

Kentucky Frontier Gas, LLC - unified utility

EXPECTED GAS COST - EGC

Allocation of gas costs by supplier

MCF Purchases for 12 months ended:

April 30, 2023

Supplier	Dth	Btu Factor	April 30, 2023		(4) x (5)
			(4)	(5)	
Supplier	Dth	Btu Factor	Mcf	Rate	Cost
Columbia (Goble Roberts, Peoples)		N/A	8,608	\$ 8.56	\$ 73,646
Cumberland Valley (Auxier)		1.1750	93,088	\$ 3.43	\$ 319,407
Cumberland Valley (Sigma) incl \$1.25 DLR transpt		1.1750	3,644	\$ 4.68	\$ 17,058
Diversified Energy (39-E,181-S)		1.0000	67	\$ 4.05	\$ 272
* HI-Energy		1.1340	8,762	\$ 4.82	\$ 42,228
** HTC (Sigma) includes \$1.25/Mcf DLR trans		1.0622	5,897	\$ 5.50	\$ 32,426
EKM (Sigma) rate incl \$1.25/Mcf DLR transpt		1.1184	170	\$ 10.84	\$ 1,844
Magnum Drilling, Inc.		N/A	2,304	\$ 10.50	\$ 24,192
Nytis (Auxier)		1.2000	3,580	\$ 2.95	\$ 10,568
Nytis (Sigma) incl \$1.25/Mcf DLR transpt		1.2000	10,569	\$ 3.61	\$ 38,171
Quality (Belfry)		1.1999	33,069	\$ 3.07	\$ 101,580
** Slone Energy		1.0762	3,961	\$ 2.12	\$ 8,389
Southern Energy (EKU-MLG-Price)		1.2632	55,290	\$ 4.56	\$ 252,131
Southern Energy (Sigma) incl \$1.25/Mcf DLR trans		1.2632	38,055	\$ 5.81	\$ 221,105
** Spirit		1.1619	4,269	\$ 4.65	\$ 19,841
** Tackett		N/A	972	\$ 3.50	\$ 3,402
<i>Total Frontier less Public Gas</i>	<i>72%</i>		<i>272,305</i>		<i>\$ 1,166,260</i>
<i>former Public Gas</i>					
Jefferson-EKM (incl Daysboro)	<i>28%</i>	1.1184	105,167	\$ 9.59	\$1,009,024
Totals			377,472	\$ 5.76	\$ 2,175,284
<hr/>					
Line loss 12 months ended:		Jan-23	based on purchase of		377,472 MCF
and sales of		348,061	MCF	7.8%	L&U
					<u>Amount</u>
Total Expected Cost of Purchases (6)					\$ 2,175,284
/ Mcf Purchases (4)					Mcf 377,472
= Average Expected Cost per MCF Purchased					\$/Mcf \$ 5.76
EGC per MCF Sold					\$/Mcf \$ 6.25

<i>Adjusted cost basis by Supplier</i>	<i>per DTh</i>	
NYMEx	\$ 2.8300	<i>wtd ave futures price for next quarter</i>
TCO Appal Basis FofMo	\$ (0.3700)	<i>5 year average differential of TCO vs NYMEx</i>
forecast TCO FOM	\$ 2.4600	<i>per ave basis off NYMEx</i>
Columbia of KY	\$ 8.5555	<i>tariffed utility rate</i>
Diversified	\$ 4.0544	<i>TCO + 14% K WV L&U-fuel; PL comm-demand</i>
Jefferson EKM (Public)	\$ 8.5790	<i>TCO + \$5.75 +15% L&U</i>
CVR Cumberland Valley (Auxier)	\$ 2.9202	<i>NYMEx + TCoPL fuel-demand-comm, marktq</i>
Hi Energy contract	\$ 4.2500	<i>greater of 80% TCO or \$4.25 /Dth</i>
HTC, Spirit/Tackett contract	\$ 4.0000	<i>greater of 80% TCO or \$4.00 /Dth</i>
Magnum Drilling contract	\$ 10.5000	<i>fixed contract for Blaine</i>
Nytis (Auxier)	\$ 2.4600	<i>TCO</i>
Nytis (Sigma)	\$ 1.9680	<i>80% TCO</i>
Slone Egy contract	\$ 1.9680	<i>greater of 80% TCO or \$4.00 /Dth</i>
Southern Energy	\$ 3.6100	<i>TCO + \$1.15 marketing</i>
Quality (Belfry)	\$ 2.5600	<i>TCO + \$0.10</i>
Tackett contract	\$ 3.5000	
DLR (Sigma)	\$ 1.2500	<i>transpt frm 8 suppliers to Auxr-BTU-Sigma</i>

Kentucky Frontier Gas

SCHEDULE III

GAS BALANCING ACCOUNT

Month	System	Purch Mcf	Purch	Purch \$/Mcf	Sales Mcf	L&U	Gas Sales	O/U Recov Cost	Cum O/U Recov GBA Balance	Expected Gas Cost \$/MCF	AA + BA Adjst	Gas Cost Reconcil'n	GCA Rate \$/Mcf	
					<i>GBA calculations starting Feb22</i>									
					<i>previous balance</i>					(\$411,076)				
Jan-22														
Feb-22	KFG	50,129	\$403,246	\$ 8.044	47,902	4%	\$336,004	(\$67,242)		\$ 6.713	\$ 0.302		\$ 7.014	
	PGC	16,910	\$241,973	\$ 14.309	21,543	-27%	\$151,111	(\$90,862)						
	Total	67,039	\$645,219	\$ 9.624	69,445	-4%		(\$158,104)	(\$569,180)					
Mar-22	KFG	35,838	\$182,376	\$ 5.089	32,920	8%	\$230,914	\$48,538						
	PGC	12,923	\$161,126	\$ 12.468	15,106	-17%	\$105,960	(\$55,166)						
	Total	48,761	\$343,502	\$ 7.045	48,026	2%		(\$6,628)	(\$575,808)					
Apr-22	KFG	24,399	\$119,075	\$ 4.880	21,173	13%	\$148,516	\$29,441						
	PGC	8,382	\$102,511	\$ 12.230	8,472	-1%	\$59,426	(\$43,085)						
	Total	32,781	\$221,586	\$ 6.760	29,645	10%		(\$13,644)	(\$589,452)					
May-22	KFG	10,852	\$95,047	\$ 8.758	9,515	12%	\$79,314	(\$15,732)		\$ 8.075	\$ 0.261		\$ 8.336	
	PGC	2,573	\$37,756	\$ 14.674	2,427	6%	\$20,231	(\$17,525)						
	Total	13,425	\$132,803	\$ 9.892	11,942	11%		(\$33,258)	(\$622,710)					
Jun-22	KFG	7,311	\$63,736	\$ 8.717	6,459	12%	\$53,840	(\$9,896)						
	PGC	2,117	\$35,203	\$ 16.629	1,673	21%	\$13,946	(\$21,257)						
	Total	9,428	\$98,939	\$ 10.494	8,132	14%		(\$31,153)	(\$653,863)					
Jul-22	KFG	6,836	\$49,484	\$ 7.239	4,801	30%	\$40,020	(\$9,464)						
	PGC	1,549	\$21,055	\$ 13.593	1,376	11%	\$11,470	(\$9,585)						
	Total	8,385	\$70,539	\$ 8.413	6,177	26%		(\$19,049)	(\$672,912)					
Aug-22	KFG	7,136	\$66,417	\$ 9.307	5,528	23%	\$56,051	(\$10,366)		\$ 9.596	\$ 0.544		\$ 10.140	
	PGC	1,415	\$23,042	\$ 16.284	1,344	5%	\$13,627	(\$9,415)						
	Total	8,551	\$89,459	\$ 10.461	6,872	20%		(\$19,780)	(\$692,692)					
Sep-22	KFG	7,885	\$95,522	\$ 12.114	6,132	22%	\$62,175	(\$33,347)						
	PGC	1,833	\$30,224	\$ 16.489	1,520	17%	\$15,412	(\$14,812)						
	Total	9,718	\$125,746	\$ 12.940	7,652	21%		(\$48,159)	(\$740,851)					
Oct-22	KFG	19,438	\$123,468	\$ 6.352	16,518	15%	\$167,484	\$44,016						
	PGC	6,809	\$85,493	\$ 12.556	6,003	12%	\$60,867	(\$24,626)						
	Total	26,247	\$208,961	\$ 7.961	22,521	14%		\$19,391	(\$721,460)	Sales/limtr	Excess L&U			
L&U Limit calcs		301,817	\$ 2,045,009	\$ 6.78	264,444	12.4%	\$ 2,145,890	\$ 21,718	Excess L&U	285,885	15,932			
	PGC	105,880	\$ 1,391,070	\$ 13.14	109,711	-3.6%	\$ 882,184			118,606	(12,726)			
	Total	407,697	\$ 3,436,079	\$ 8.43	374,155	8.2%	\$ 3,028,074	\$ 21,718	(\$699,742)	404,492	3,205			

Kentucky Frontier Gas

SCHEDULE III

GAS BALANCING ACCOUNT

Month	System	Purch Mcf	Purch \$	Purch \$/Mcf	Sales Mcf	L&U	Gas Sales	O/U Recov Cost	Cum O/U Recov GBA Balance	Expected	AA + BA	Gas Cost	GCA Rate
										Gas Cost \$/MCF	Adjst	Reconcil'n	\$/Mcf
Nov-22	KFG	31,812	\$184,231	\$ 5.791	30,535	4%	\$350,841	\$166,611					\$ 11.490
	PGC	14,117	\$161,867	\$ 11.466	12,948	8%	\$148,777	(\$13,090)					
	Total	45,929	\$346,097	\$ 7.535	43,483	5%		\$153,521	(\$546,220)				
Dec-22	KFG	45,376	\$345,573	\$ 7.616	45,474	0%	\$553,321	\$207,748		\$ 11.504	\$ 0.664		\$ 12.168
	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	(\$390,790)				
Jan-23	KFG	45,650	\$284,853	\$ 6.240	39,077	14%	\$475,481	\$190,628					
	PGC	16,655	\$189,292	#REF!	16,495	1%	\$200,703	\$11,411					
	Total	62,305	\$474,145	\$ 7.610	55,572	11%		\$202,039	(\$188,751)				
Feb-23	KFG	36,722	\$174,631	#REF!	36,301	1%	\$441,697	\$267,066		\$ 11.504	\$ 0.664		\$ 12.168
	PGC	17,270	\$164,703	\$ 9.537	16,600	4%	\$201,987	\$37,284					
	Total	53,992	\$339,334	\$ 6.285	52,901	2%		\$304,350	\$115,599				
Mar-23	KFG	34,705	\$138,433	\$ 1.800	31,900	8%	\$388,148	\$249,715					
	PGC	13,312	\$120,290	\$ 9.036	12,851	3%	\$156,366	\$36,076					
	Total	48,017	\$258,723	\$ 5.388	44,750	7%		\$285,792	\$401,391				
Apr-23	KFG	18,452	\$66,181	\$ 1.800	17,396	6%	\$211,676	\$145,495					
	PGC	8,245	\$63,291	\$ 7.676	6,383	23%	\$77,672	\$14,381					
	Total	26,697	\$129,472	\$ 4.850	23,780	11%		\$159,876	\$561,267				
May-23	KFG	15,677	\$48,977	\$ 3.570	11,913	24%	\$65,409	\$16,432		\$ 5.932	\$ (0.441)		\$ 5.491
	PGC	2,879	\$24,898	\$ 8.648	3,293	-14%	\$18,083	(\$6,815)					
	Total	18,556	\$73,874	\$ 3.981	15,206	18%		\$9,618	\$570,885				
Jun-23	KFG	8,800	\$29,304	\$ 3.330	7,948	10%	\$43,640	\$14,336					
	PGC	2,296	\$19,166	\$ 9.780	1,956	15%	\$10,739	(\$8,427)					
	Total	11,096	\$48,470	\$ 4.368	9,904	11%		\$5,909	\$576,794				
Jul-23	KFG	6,000	\$20,340	\$ 3.390	5,300	12%	\$29,101	\$8,761					
	PGC	1,500	\$14,760	\$ 9.840	1,400	7%	\$7,687	(\$7,073)					
	Total	7,500	\$35,100	\$ 4.680	6,700	11%		\$1,688	\$578,481				

estimated
forecast Gas Balancing Acct to end of current rates

ending balance ^^ to Sched I

ATTACHMENT
IS AN EXCEL
SPREADSHEET
AND UPLOADED
SEPARATELY

KENTUCKY FRONTIER GAS, LLC
PSC CASE NO. 2023-00067
RESPONSE TO REQUEST FOR INFORMATION

PSC'S FIRST REQUEST FOR INFORMATION – 07/19/23
REQUEST 5

RESPONSIBLE PARTY: Steve Shute

Request 5. If the Commission were to approve the change to its GCR as proposed by Kentucky Frontier, explain how Kentucky Frontier would implement the change and roll in any under or over recoveries from prior GCR rate reports.

Response 5. The Gas Balancing Account is like everybody's bank account, with deposits and checks/debits. Starting in January 2018, with new rates in effect from the general rate case, Case No. 2017-00263, Frontier has gone back to track all the gas costs (checks/debits) and customer gas cost recoveries (deposits). Frontier can give a monthly balance on the GBA account, which wasn't possible with the GCR now in use. Irrespective of past AA-BA-RA surcharges and prior GCR reports, the GBA simply tracks the running "bank balance" with much more clarity and transparency.

KENTUCKY FRONTIER GAS, LLC
PSC CASE NO. 2023-00067
RESPONSE TO REQUEST FOR INFORMATION

PSC'S FIRST REQUEST FOR INFORMATION – 07/19/23
REQUEST 6

RESPONSIBLE PARTY: **Steve Shute**

Request 6. Explain how Kentucky Frontier would track recovery of its gas costs through the proposed GCR rate calculation to ensure that Kentucky Frontier is not under or over recovering from its customers.

Response 6. Please see Response 5 above.