



April 1, 2024

Ms. Linda C. Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: *Electronic Purchased Gas Adjustment Filing of Kentucky Frontier Gas, LLC - Case No. 2024-00081*

Dear Ms. Bridwell:

Enclosed, please find for filing, Kentucky Frontier Gas, LLC's Purchased Gas Adjustment Application, and supporting documents in the above referenced matter. Please note that this is being filed pursuant to the Commission's March 28, 2024 Order in Case No. 2023-00067, *Electronic Application for Revised Quarterly Gas Cost Recovery Schedules for Kentucky Frontier Gas, LLC*, stating

Therefore, the Commission finds that Kentucky Frontier should be granted an interim increase to its line loss limiter from 5 percent to 7.5 percent for a period of up to two years. The deviation should be included in the next GCR rate report filed by Kentucky Frontier with a proposed effective date of May 1, 2024, and should remain in effect up to and including the GCR rate report with the 12-month reporting period ended April 30, 2026.

This is to certify that the electronic filing has been transmitted to the Commission on April 1, 2024 and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085 no paper copies of this filing will be made.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

KENTUCKY FRONTIER GAS, LLC

Dennis R. Horner
Enclosures

Kentucky Frontier Gas, LLC
2963 Ky Rt. 321, P.O. Box 408, Prestonsburg, KY 41653
(606) 886-2431

FOR ENTIRE AREA SERVED
KENTUCKY FRONTIER GAS, LLC

P.S.C. KY. NO. 1

Original SHEET NO. 1

Kentucky Frontier Gas, LLC
(Name of Utility)

CANCELING P.S. KY.NO.

SHEET NO.

RATES AND CHARGES

APPLICABLE: Entire area served

Frontier Residential and Small Commercial

	Gas Cost		
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>
CUSTOMER CHARGE	\$ 13.0000		\$ 13.0000
ALL CCF	\$ 0.42200	\$ 0.38286	\$ 0.80486

Frontier Large Commercial

	Gas Cost		
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>
CUSTOMER CHARGE	\$ 50.0000		\$ 50.0000
ALL CCF	\$ 0.34454	\$ 0.38286	\$ 0.72740

Daysboro Residential

	Gas Cost		
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>
CUSTOMER CHARGE	\$ 10.7100		\$ 10.7100
ALL CCF	\$ 0.45000	\$ 0.38286	\$ 0.83286

Daysboro Commercial

	Gas Cost		
	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>
CUSTOMER CHARGE	\$ 12.7500		\$ 12.7500
ALL CCF	\$ 0.85700	\$ 0.38286	\$ 1.23986

DATE OF ISSUE March 29, 2024

Month/Date/Year

DATE EFFECTIVE May 1, 2024

ISSUED BY *Renius L. Jones*

TITLE Agent

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2024-00081 DATED March 26, 2024

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 \$	6.0698
+ Refund Adjustment (RA)	\$/Mcf \$	-
+ Actual Adjustment (AA)	\$/Mcf \$	(2.2519)
+ Balance Adjustment (BA)	\$/Mcf \$	0.0107
= Gas Cost Recovery Rate (GCR)	\$	3.8286

GCR to be effective for service rendered from: November 1, 2023

A	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 2,250,404
	/ Sales for the 12 months ended <u>January 31, 2024</u>	Mcf	370,756
=	Expected Gas Cost (EGC)	\$/Mcf \$	6.0698

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 \$	0.0474
+	Previous Quarter Reported Actual Adjustment	\$/Mcf \$	(0.2049)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf \$	(0.1456)
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf \$	(1.9488)
=	Actual Adjustment (AA)	\$/Mcf \$	(2.2519)

D	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Sch. V)	\$/Mcf \$	(0.0224)
+	Previous Quarter Reported Balance Adjustment	\$/Mcf \$	0.0237
+	Second Previous Quarter Reported Balance Adjustment	\$/Mcf \$	0.0184
+	Third Previous Quarter Reported Balance Adjustment	\$/Mcf \$	(0.0090)
=	Balance Adjustment (BA)	\$/Mcf \$	0.0107

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Kentucky Frontier Gas, LLC - Unified

SCHEDULE II
EXPECTED GAS COST

MCF Purchases for 12 months ended:

January 31, 2024

Supplier	Dth	Btu Factor	Mcf	Rate	(4) x (5) Cost
Columbia (Goble Roberts,Peoples)		N/A	8,290	\$ 6.2856	\$52,108
Cumberland Valley (Auxier)		1.1750	105,998	\$ 3.2470	\$344,176
Cumberland Valley (Sigma) includes \$1.25/Mcf DLR trans		1.1750	1,577	\$ 4.4970	\$7,092
Diversified Energy (39-E,181-S)		1.0000	66	\$ 3.8796	\$256
* HI-Energy		1.1340	8,720	\$ 4.8195	\$42,026
** HTC (Sigma) includes \$1.25/Mcf DLR trans		1.0622	5,339	\$ 5.4988	\$29,358
EKM (Sigma) rate includes \$1.25/Mcf DLR trans		1.1184	222	\$ 11.4323	\$2,538
EKM (Public and Daysboro)		1.1184	109,533	\$ 10.1823	\$1,115,295
Magnum Drilling, Inc.		N/A	1,907	\$ 10.5000	\$20,024
Nytis (Auxier)		1.2000	226	\$ 2.7680	\$626
Nytis (Sigma) includes \$1.25/Mcf DLR trans		1.2000	10,322	\$ 3.4644	\$35,760
Quality (Belfry)		1.1999	33,588	\$ 2.8878	\$96,994
** Slone Energy		1.0762	4,012	\$ 4.3048	\$17,271
Southern Energy (EKU,MLG,Price)		1.2632	53,551	\$ 4.3665	\$233,828
Southern Energy (Sigma) includes \$1.25/Mcf DLR trans		1.2632	41,734	\$ 5.6165	\$234,397
** Spirit		1.1619	3,926	\$ 4.6476	\$18,246
** Tacket		N/A	117	\$ 3.5000	\$410
Totals			389,128	\$ 5.7832	\$2,250,404

Line loss 12 months ended: Jan-24 based on purchases of 389,128 Mcf
and sales of 370,756 Mcf 4.7% L&U

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 2,250,404
/ Mcf Purchases (4)	Mcf	389,128
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.7832
x Allowable Mcf Purchases (7.5% Limiter)	Mcf	389,128
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 2,250,404

Est Avg NYMEX May, Jun, Jul = \$2.1647/Dth;Est TCo = \$2.1647-\$0.0686/Dth (TCo Appal Basis)	\$2.3067 Dth
Columbia of KY (Case No. 2023-00350)	\$6.2856 Mcf
Diversified = TCo Appal + 14% Fuel + \$1.05 Commodity + \$0.20 Demand	\$3.8796 Dth
EKM (Jefferson) = TCo Appal + \$5.75 cost factor + \$0.4479 L&U + \$0.60 FT/Mkt	\$9.1046 Dth
CVR = TCo Appal + 1.996% Fuel + \$0.0190 Commodity + \$0.3417 Demand + \$0.05 CVR Fee	\$2.7634 Dth
* HI-Energy contract	\$4.2500 Dth
** HTC, Spirit contract	\$4.0000 Dth
Magnum Drilling contract	\$10.5000 Mcf
Nytis (Auxier) = TCo Appal	\$2.3067 Dth
Nytis (Sigma) = TCo Appal. x .8	\$1.8453 Dth
** Slone contract	\$4.0000 Dth
Southern Energy = TCo Appal + \$1.1500/Dth	\$3.4567 Dth
Quality (Belfry) = TCo Appal+ \$0.10	\$2.4067 Dth
* Est 3 mo. TCo Appal x .8 = \$1.7074 < \$4.25/Dth; \$4.2500/Dth	\$4.2500 Dth
** Est 3 mo. TCo Appal x .8 = \$1.7074 < \$4.00/Dth; \$4.0000/Dth	\$4.0000 Dth
Tacket contract	\$3.5000 Mcf
DLR Trans Cow Creek (Sigma) \$1.25/Mcf on Mcf from CVR,EQT,HTC,ING,EKM,Nytis,Plateau,So. Energy	

KFG Unified

Schedule IV
Actual Adjustment

For the 3 month period ending:

January 31, 2024

7.5% LIMITER

<u>Particulars</u>	<u>Unit</u>	<u>Nov-23</u>	<u>Dec-23</u>	<u>Jan-24</u>
Total Supply Volumes Purchased	Mcf	44,241	60,253	84,050
Total Cost of Volumes Purchased	\$	\$213,652	\$288,569	\$ 564,250
(divide by) Total Sales (7.5% Limiter)	Mcf	44,016	60,253	84,050
(equals) Unit Cost of Gas	\$/Mcf	\$4.8539	\$4.7893	\$6.7133
(minus) EGC in effect for month	\$/Mcf	\$5.5960	\$5.5960	\$5.5960
(equals) Difference	\$/Mcf	(\$0.7421)	(\$0.8067)	\$1.1173
(times) Actual sales during month	Mcf	40,715	58,026	84,663
(equals) Monthly cost difference	\$	(\$30,213)	(\$46,810)	\$94,591

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$17,568
(divide by) Sales for 12 months ended January 31, 2024	Mcf	370,756
(equals) Actual Adjustment for the Reporting Period		\$0.0474
(plus) Over-recovery component from collections through expired AAs		\$0.0000
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)		\$0.0474

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SCHEDULE V
BALANCE ADJUSTMENT
For the Effective Date May 1, 2024

<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	\$	\$8,301
Less: Dollar amount resulting from the AA of _____ 0.0219 \$/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 _____ 370,756 Mcf during the 12 month period the AA was in effect	\$	<u>\$8,120</u>
Equals: Balance Adjustment of the AA	\$	<u>\$181</u>
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	\$	<u>\$0</u>
Equals: Balance Adjustment of the RA	\$	<u>\$0</u>
Total balance adjustment used to compute BA of the GCR effective 4 quarters prior to the effective date of the currently effective GCR	\$	(\$8,115)
Less: Dollar amount resulting from the BA of _____ (0.0214) \$/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 _____ 370,756 Mcf during the 12 month period the BA was in effect	\$	<u>\$354</u>
Equals: Balance Adjustment of the BA	\$	<u>(\$8,469)</u>
Total Balance Adjustment Amount (1) + (2) + (3)	\$	(\$8,288)
Divide: Sales for 12 months ended July, 2023	Mcf	<u>370,756</u>
Equals: Balance Adjustment for the reporting period	\$/Mcf	(\$0.0224)