



RECEIVED

MAR 31 2017

PUBLIC SERVICE  
COMMISSION

March 29, 2017

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Re: Gas Cost Adjustment  
Effective Date of May 1, 2017  
Public Gas Company

Dear Mr. Derouen:

Kentucky Frontier Gas, LLC, is filing a GCA application for Public Gas Company pursuant to the Commission's order of November 24, 2015 in Case No. 2015-00299. Please see attached Expected Gas Cost for the Public Gas Company.

If you have any questions, please call me at 303-422-3400.

Sincerely,  
KENTUCKY FRONTIER GAS, LLC

A handwritten signature in blue ink that reads "Dennis R. Horner".

Dennis R. Horner  
Enclosures

FOR ENTIRE AREA SERVED  
**PUBLIC GAS COMPANY**

P.S.C. KY. NO. 1

Original        SHEET NO. 1

Public Gas Company  
(Name of Utility)

CANCELING P.S. KY.NO.

                                 SHEET NO.                                 

---

---

**RATES AND CHARGES**

---

---

APPLICABLE: Entire area served

Residential and Small Commercial

Gas Cost

	<u>Base Rate</u>	<u>Rate</u>	<u>Total</u>
CUSTOMER CHARGE	\$ 10.0000		\$ 10.0000
ALL CCF	\$ 0.30914	\$ 0.55098	\$ 0.86012

---

DATE OF ISSUE March 29, 2017  
Month/Date/Year

DATE EFFECTIVE May 1, 2017

ISSUED BY   
(Signature of Officer)

TITLE Member

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

PUBLIC GAS COMPANY 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	\$ 5.6874
+ Refund Adjustment (RA)	\$/Mcf	\$ -
+ Actual Adjustment (AA)	\$/Mcf	\$ (0.1776)
+ Balance Adjustment (BA)	\$/Mcf	\$ -
= Gas Cost Recovery Rate (GCR)		5.5098

GCR to be effective for service rendered from: May 1, 2017

<u>A</u>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	\$ 595,175
/	Sales for the 12 months ended <u>January 31, 2017</u>	Mcf	104,648
=	Expected Gas Cost (EGC)	\$/Mcf	\$ 5.6874

<u>B</u>	<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	\$ -

<u>C</u>	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the <b>Current</b> Reporting Period (Sch. IV)	\$/Mcf	\$ (0.2344)
+	Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ (0.0346)
+	Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0070
+	Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$ 0.0844
=	Actual Adjustment (AA)	\$/Mcf	\$ (0.1776)

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

**Public Gas Company**  
**SCHEDULE II**  
**EXPECTED GAS COST**

MCF Purchases for 12 months ended:

January 31, 2017

Supplier	Dth	Purchases Mcf	Sales Mcf	Rate	Cost
2/29/2016	1.1184	21,562	21,709	\$ 5.6874	\$ 122,632
3/31/2016	1.1184	15,932	13,467	\$ 5.6874	\$ 90,612
4/30/2016	1.1184	8,188	6,944	\$ 5.6874	\$ 46,568
5/31/2016	1.1184	2,755	3,121	\$ 5.6874	\$ 15,669
6/30/2016	1.1184	2,112	1,659	\$ 5.6874	\$ 12,012
7/31/2016	1.1184	2,134	1,321	\$ 5.6874	\$ 12,137
8/31/2016	1.1184	2,119	1,255	\$ 5.6874	\$ 12,052
9/30/2016	1.1184	2,244	1,770	\$ 5.6874	\$ 12,763
10/31/2016	1.1184	3,512	3,872	\$ 5.6874	\$ 19,974
11/30/2016	1.1184	9,464	11,671	\$ 5.6874	\$ 53,826
12/31/2016	1.1184	18,320	19,716	\$ 5.6874	\$ 104,193
1/31/2017	1.1184	20,281	18,143	\$ 5.6874	\$ 115,346
<b>Totals</b>		<b>108,623</b>	<b>104,648</b>	<b>\$ 5.6874</b>	<b>\$ 617,782</b>

Line loss 12 months ended: Oct-16 based on purchases of 108,623 Mcf  
and sales of 104,648 Mcf. 4% L&U

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	\$ 617,782
/ Mcf Purchases (4)	Mcf	108,623
= Average Expected Cost Per Mcf Purchased	\$/Mcf	\$ 5.6874
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)	Mcf	104,648
= Total Expected Gas Cost (to Schedule 1A)	\$	\$ 595,175

Estimated Avg TCo for May, June, July = \$3.3163/Dth (NYMEX Avg + \$-0.231/Dth (TCo Appal Basis) = **\$3.0853/Dth**  
Jefferson contract = \$3.0853/Dth (TCo) + \$2.00/Dth cost factor = **\$5.0853/Dth**

## Public Gas Company

Schedule IV  
Actual AdjustmentFor the 3 month period ending: January 1, 2017

<u>Particulars</u>	<u>Unit</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>
Total Supply Volumes Purchased	Mcf	9,464	18,320	20,281
Total Cost of Volumes Purchased	\$	\$ 53,828	\$ 104,193	\$ 115,346
(divide by) Total Sales (not less than 95% of supply)	Mcf	11,671	19,716	19,267
(equals) Unit Cost of Gas	\$/Mcf	\$ 4.6119	\$ 5.2847	\$ 5.9867
(minus) EGC in effect for month	\$/Mcf	\$ 5.8786	\$ 5.8786	\$ 5.8786
(equals) Difference	\$/Mcf	\$ (1.2667)	\$ (0.5939)	\$ 0.1081
(times) Actual sales during month	Mcf	11,671	19,716	18,143
(equals) Monthly cost difference	\$	\$ (14,784)	\$ (11,709.32)	\$ 1,961.92

	<u>Unit</u>	<u>Amount</u>
Total cost difference	\$	\$ (24,530.99)
(divide by) Sales for 12 Months ended: <u>January 1, 2017</u>	Mcf	104,648
(equals) Actual Adjustment for the Reporting Period	\$	\$ (0.2344)
(plus) Over-recovery component from collections through expired AAs	\$	\$ -
(equals) Total Actual Adjustment for the Reporting Period (to Schedule I C)	\$	\$ (0.2344)