

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS	)	CASE NO.
ADJUSTMENT FILING OF KENTUCKY	)	2020-00324
FRONTIER GAS, LLC	)	

ORDER

On October 1, 2020, Kentucky Frontier Gas, LLC (Kentucky Frontier) filed its Gas Cost Recovery (GCR) rate report for rates effective November 1, 2020. On October 13, 2020, Kentucky Frontier provided revised GCR rate report sheets. In the cover letter filed along with the revised GCR rate report, Kentucky Frontier states that it was notified by one of its suppliers, Jefferson Gas, that effective November 1, 2020, the rate for the gas supplied to Kentucky Frontier will be increased from \$3.25 per Dth to \$5.75 per Dth. Kentucky Frontier filed its revised GCR rate report to reflect this change in supplier rates. Kentucky Frontier's previous GCR rate was approved in Case No. 2020-00216.<sup>1</sup>

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Kentucky Frontier's revised report includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Kentucky Frontier's revised report sets out an Expected Gas Cost (EGC) of \$5.4423 per Mcf, which is an increase of \$1.5225 per Mcf from its previous EGC of \$3.9198 per Mcf.

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<sup>1</sup> Case No. 2020-00216, *Electronic Purchased Gas Adjustment Filing of Kentucky Frontier Gas, LLC* (Ky. PSC July 24, 2020).

3. Kentucky Frontier's revised report sets out no Refund Adjustment.

4. Kentucky Frontier's revised report sets out a current quarter Actual Adjustment (AA) of (\$.0136) per Mcf. In its prior GCR rate report filed in Case No. 2020-00216, Kentucky Frontier states that an incorrect GCR rate of \$5.2000 per Mcf was billed to Daysboro Residential and Commercial customers and \$4.5207 per Mcf for Residential, Commercial, and Large Commercial customers for the May and June 2020 billing cycle.<sup>2</sup> Due to the AA for this GCR rate report including the true-up for the months of May, June, and July 2020. After reviewing Kentucky Frontier's responses to Commission Staff's Request for Information included in the final Order for Case No. 2020-00216, the Commission finds that the amounts of \$238.59 for Daysboro customers<sup>3</sup> and \$24,404.82<sup>4</sup> for non-Daysboro customers over collected for the months of May and June 2020 should be included as a refund in the current quarter AA. This produces a current quarter AA of (\$.0550) per Mcf and a total AA of (\$.5717) per Mcf, which is a decrease of \$.0331 per Mcf from the previous total AA of (\$.5386) per Mcf.

5. Kentucky Frontier's revised report sets out a current quarter Balance Adjustment (BA) of \$.1046 per Mcf and a total BA of \$.1263 per Mcf, which is an increase of \$.1033 per Mcf from its previous total BA of \$.0230 per Mcf.

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<sup>2</sup> Case No. 2020-00216, *Electronic Purchased Gas Adjustment Filing of Kentucky Frontier Gas, LLC* (filed July 2, 2020 Cover Letter).

<sup>3</sup> The total Mcf sold to Daysboro residential and commercial customers for the months of May and June 2020 was found to be 128 Mcf. The \$238.59 over collection is the difference between the 128 Mcf charged at the Commission approved rate of \$3.3360 per Mcf, which is \$460.37, and the 128 Mcf charged at the incorrect rate of \$5.20 per Mcf, which is \$698.96.

<sup>4</sup> The total Mcf sold to the non-Daysboro residential, commercial, and large commercial customers for the months of May and June 2020 was found to be 20,600 Mcf. The \$24,404.82 over collection is the difference between the 20,600 Mcf charged at the Commission approved rate of \$3.3360 per Mcf, which is \$84,300.72, and the 20,600 Mcf charged at the incorrect rate of \$4.5207 per Mcf, which is \$108,705.54.

6. Kentucky Frontier's corrected GCR rate is \$.49969 per Ccf or \$4.9969 per Mcf, which is an increase of \$1.5927 per Mcf from its previous rate of \$3.4042 per Mcf.

7. The rates set forth in Appendix A to this Order are fair, just, and reasonable, and should be approved for service rendered by Kentucky Frontier on and after November 1, 2020.

8. Should Kentucky Frontier purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount must be documented in its cover letter to the Commission.

9. The Commission finds that Kentucky Frontier should file responses to the requests for information set forth in Appendix B to this Order when it files its next GCR report for rates effective for the February 2021 billing cycle.

a. The Commission directs Kentucky Frontier to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085<sup>5</sup> regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

b. Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be

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<sup>5</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Kentucky Frontier shall make timely amendment to any prior response if it obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which Kentucky Frontier fails or refuses to furnish all or part of the requested information, Kentucky Frontier shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

f. When filing a paper containing personal information Kentucky Frontier shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that the personal information cannot be read.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Kentucky Frontier are denied.
2. The rates set forth in Appendix A to this Order are approved for final meter readings by Kentucky Frontier on and after November 1, 2020.

3. Within 20 days of the date of entry of this Order, Kentucky Frontier shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

4. Kentucky Frontier shall file responses to the requests for information set forth in Appendix B to this Order when it files its next GCR report for rates effective for the February 2021 billing cycle.

5. This case is closed and removed from the Commission's docket.

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By the Commission

ENTERED  
OCT 29 2020  
KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST:

  
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Deputy Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2020-00324 DATED OCT 29 2020

The following rates and charges are prescribed for the customers in the area served by Kentucky Frontier Gas, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

#### Gas Cost Recovery rate

The Gas Cost Recovery rate shall be \$.49969 per Ccf for service rendered on and after November 1, 2020.<sup>6</sup>

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<sup>6</sup> On April 21, 2020, Kentucky Frontier filed TFS2020-00201, Tariff Filing of Kentucky Frontier Gas, that separated the cost of gas from the base rates for its Daysboro customers. The GCR rate determined in this case include the purchases and sales for Daysboro. The GCR rate approved in this case is also applied to the GCRR Gas Cost component of Daysboro.

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2020-00324 DATED OCT 29 2020

1. Provide a customer billing history report for a random Kentucky Frontier residential customer for each month in the 12-month reporting period ended October 2020. Redact any personal information from the report, such as customer name, customer address, and any additional identifiable information. The report should be sure to include the monthly usage, the rates billed, and the meter reading dates. Be sure to include the GCR rates billed on the report.



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