

KENTUCKY FRONTIER GAS, LLC
NOTICE TO PUBLIC GAS COMPANY CUSTOMERS OF
GAS RATE SURCHARGE ADJUSTMENT AND
TARIFF CHANGES

Pursuant to the regulations of the Public Service Commission (KPSC), Kentucky Frontier Gas, LLC (Frontier) gives notice that it intends to implement a monthly surcharge on customers of the former Public Gas Company, which was acquired by Frontier, to recover the cost of a Pipeline Replacement Program (PRP) surcharge and mechanism and an Automated Meter Reading recovery (AMR) surcharge. No change in the rates to other existing Frontier customers is proposed. The application will be filed on or near May 27, 2016 with a proposed effective date of July 1, 2016 pursuant to Kentucky Revised Statute 278.180 and the Rules of the Public Service Commission of Kentucky.

Frontier proposes to modify its existing tariffs to include the customers of the former Public Gas Company in the existing AMR and PRP surcharge tariffs. The average change in the monthly bill and the percentage change in the monthly bill are listed in the rate schedule below.

CURRENT RATES FOR FORMER PUBLIC GAS COMPANY CUSTOMERS:

<u>Current rate:</u>	<u>Proposed Surcharges:</u> New
\$10.00 per month	AMR: \$1.00 per month
\$0.710 per ccf	PRP: \$1.25 per month

<u>Customer Class</u>	<u>Average Monthly Usage</u>	<u>Average Monthly Bill (Present Rates)</u>	<u>Average Monthly Bill (Proposed Surcharges)</u>	<u>Increase in Average Monthly Bill (\$)</u>	<u>Increase in Average Monthly Bill (%)</u>
<u>Residential</u>	50 ccf	\$45.52	\$47.77	\$2.25	4.9%
<u>Commercial</u>	166.7 ccf	\$128.41	\$130.66	\$2.25	1.8%
<u>Industrial/transportation</u>	N/A				

All other charges not specifically mentioned shall remain the same as those presently in effect. The proposed surcharges will result in an overall approximate monthly increase in the amount of \$2.25 or 4.9% for residential consumers, and \$2.25 or 1.8% for commercial consumers.

The impact on each customer's average bill will vary according to individual consumption. However, this impact can be determined by each customer by applying the proposed rates listed above to their respective average consumption.

The surcharges contained in this notice are those proposed by Frontier, however, the KPSC may order surcharges that differ from the proposed rates contained in this notice. Such action may result in rates for customers higher or lower than the rates included in this notice.

Frontier's application for rate adjustment is available for examination at its offices listed below. Any person may obtain a copy of the application, testimony or other documents or examine the rate application and any related filings at the offices of Frontier listed below or at its website <http://kyfrontiergas.com> or the Commission office or its website listed below.

A person may also examine the application at the Public Service Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's Web site at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of initial publication of this Notice, it may take final action on Frontier's application.

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