

KINKEAD & STILZ, PLLC

ATTORNEYS AT LAW
PNC BANK TOWER
301 EAST MAIN STREET, SUITE 800
LEXINGTON, KENTUCKY 40507

ADRIAN M. MENDIONDO

Attorney At Law

DIRECT DIAL: (859) 226-7562
EMAIL: AMENDIONDO@KSATTORNEYS.COM

TELEPHONE (859) 296-2300

FACSIMILE (859) 296-2566

www.ksattorneys.com

June 13, 2012

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, KY 40602-3940

RECEIVED

JUN 14 2012

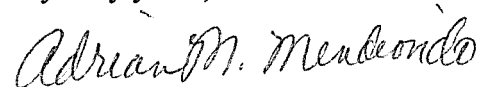
PUBLIC SERVICE
COMMISSION

Re: Application of Kentucky Frontier Gas Company, LLC as Bankruptcy Operator of
B.T.U. Gas Company v. Harry Thompson, Thompson Energy, et al. and Other
Unknown Entities
Case No. 2012-00028

Dear Mr. Derouen:

Enclosed is an original and 10 copies of Response to Requests for Information filed on behalf of Harry Thompson, Wilson Gathering Systems, Inc. and Chattaco, Inc. Please accept these as filed with the Public Service Commission upon receipt. If I need to direct this to any other person, or if you have any questions regarding the foregoing, please let me know.

Very truly yours,



Adrian M. Mendiondo

AMM:gcm
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 14 2012

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY FRONTIER GAS)	
COMPANY, LLC AND BANKRUPTCY)	
OPERATOR OF B.T.U. GAS COMPANY)	CASE NO.
)	2012-00028
V.)	
)	
HARRY THOMPSON, THOMPSON ENERGY)	
ET AL. AND OTHER UNKNOWN ENTITIES)	

RESPONSE TO REQUESTS FOR INFORMATION

Come the Respondents, Harry Thompson, Chattaco, Inc., and Wilon Gathering Systems, Inc., and for their responses to the Commissions Requests for Information, state as follows:

General Objections

The Respondents generally object to these Requests for Information on the basis that they are not authorized by any Kentucky Statute or Regulation. The Respondents further object on the basis that the initial deadline given for the responses was unreasonably short, and that although the Respondents requested additional time and were allowed such time, the Respondents were not notified that their request was granted until one business day prior to the new deadline for their responses, a time period which is again unreasonably short.

Responses

1. Thompson does not "individually" perform business in Kentucky as stated in Request No. 1. Thompson has performed business in Kentucky through numerous entities, with

the earliest such business being the drilling of 42 oil wells and 5 gas wells in Magoffin County, Kentucky, in 1983, by the entity Tricor, Inc.

2. Thompson does not have a principal place of business in Kentucky.

3. Thompson objects to this Request on the grounds that it overbroad, irrelevant, and not reasonably calculated to lead to the discovery of any relevant information. Notwithstanding the foregoing, Thompson's principal place of residence is Chattanooga, TN.

4. Thompson objects to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to lead to the discovery of any relevant information. Notwithstanding the foregoing, the distance is 325 miles.

5. Thompson objects to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to lead to the discovery of any relevant information. Notwithstanding the foregoing, rarely.

6.

a. WGSJ was formed in 2004 as a Tennessee for-profit corporation. It remains in good standing today, although its name has been changed to AXG, Inc.

b. WGSJ objects to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to lead to the discovery of any relevant information. There are no allegations known to WGSJ concerning its ownership. Harry Thompson is the 100% owner of WGSJ, but that information has nothing to do with this proceeding. FYI, Richard and Pam Williams have no connection whatsoever with WGSJ. They are not owners, officers, directors, shareholders, or employees of WGSJ.

c. WGSi objects to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to discovery any relevant information whatsoever. Harry Thompson is the sole officer of WGSi.

d. WGSi objects to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to lead to the discovery of any relevant information.

Notwithstanding the foregoing, to the extent that this request asks whether WGSi has obtained a certificate of authority from the Kentucky Secretary of State pursuant to KRS 271B.15-010 (1), it has not. WGSi states that the business it conducts in Kentucky does not require such a certificate pursuant to KRS 271B.15-010(2). To the extent that WGSi is required to have such a certificate of authority, this fact is immaterial in that WGSi has not maintained a proceeding in any court in this state, and the lack of certificate authority does not impair the validity of WGSi's corporate acts.

e. In 2006 WGSi bought a gas tap from Columbia Gas in Martin, KY.

f. WGSi objects to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to lead to the discovery any relevant information.

Notwithstanding the foregoing, WGSi's only business operation in Magoffin County is its ownership of the Wilon Pipelines as such term is defined in the Answer filed with the Commission. Any records relating to the Wilon Pipelines are either in the possession of the Commission or on file with the Magoffin County clerk.

- a. Chattaco was formed in 2010 as a Tennessee for-profit corporation. It remains in good standing today.
- b. Chattaco objects to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to lead to the discovery of any relevant information. There are no allegations known to Chattaco concerning its ownership. Harry Thompson is the 100% owner of Chattaco, but that information has nothing to do with this proceeding. FYI, Richard and Pam Williams have no connection whatsoever with Chattaco. They are not owners, officers, directors, shareholders, or employees of Chattaco.
- c. Chattaco objects to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to discovery any relevant information whatsoever. Harry Thompson, Eric Thompson, and Amy Norton are the officers of WGS1.
- d. Chattaco objects to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to lead to the discovery of any relevant information. Notwithstanding the foregoing, to the extent that this request asks whether Chattaco has obtained a certificate of authority from the Kentucky Secretary of State pursuant to KRS 271B.15-010 (1), it has not. Chattaco states that the business it conducts does not require such a certificate pursuant to KRS 271B.15-010(2). To the extent that Chattaco is required to have such a certificate of authority, this fact is immaterial in that Chattaco has not maintained a proceeding in any court in this state, and the lack of certificate authority does not impair the validity of Chattaco's corporate acts.
- e. In 2010 Chattaco began leasing natural gas wells in Magoffin County, KY.

f. Chattaco objects to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to discover any relevant information whatsoever.

Notwithstanding the foregoing, Chattaco has leased a number of natural gas wells in Magoffin County, Kentucky. To Chattaco's knowledge, none of those wells have anything to do with Frontier's baseless complaint.

8. AXG is the current name of WGS.

9. The Respondent's only activities with respect to the Wilon Pipelines are those described in their Answer, the entirety of which is hereby incorporated. The Respondents further restate paragraph 5 of their response which states:

"Wilon Gathering Systems, Inc. paid BTU to construct two pipelines in 2006. These pipelines were transferred by BTU to Wilon Gathering Systems, Inc. in 2006, with BTU reserving the rights to transport gas along those pipelines to its customers. BTU was required to account for all such gas transported and to pay a transport fee. The two pipelines, hereafter referred to as the "Wilon Pipelines," are more particularly described in Exhibit 1 to Frontier's Complaint."

The Respondents did not have any prior activities in "the vicinity" of the Wilon Pipelines.

10. To be clear, the Respondents do not "do business" with the Williamses or BTU as has been alleged by Frontier. The Respondents, or another entity owned by Thompson, have in the past contracted with Richard Williams or entities thought to be owned by him. In 2001 Wilon Resources, Inc., a Tennessee corporation owned by Thompson, contracted with P&J Resources (believed to have been owned by Richard Williams) to drill wells in West Virginia. This is the first contract that can be recalled at this time. The Respondents have never entered into any business partnership of any type with the Williamses, and all contracts have been arms length transactions.

11.

- a. The Respondents cannot testify as to what may sometimes be identified as the “Oakley system”. The pipeline referred to in the document is the one described in the document. If the Commission is unsure as to where this pipeline is located, the Commission is welcome to join the Respondents in Magoffin County at the Commission’s convenience for a tour. The pipeline is buried, but portions can be dug up if its existence or exact location is in question.
- b. The Respondents cannot know the total cost of constructing the pipeline, only the amount that was paid to BTU. And even that amount is unknown at this time because the transaction was six years ago and the records are not readily accessible within the unreasonably short response deadline set by the Commission. Nevertheless, the Respondents are working to obtain such information and will provide it when obtained.
- c. WGSJ cannot respond in full at this time because the transaction was six years ago and the payment records are not readily accessible within the unreasonably short response deadline set by the Commission. Payment is believed to have been made in 2006 by check. Proof is in the documents possessed by the Commission. The Respondents are working to obtain additional information and will provide it when obtained.

12.

- a. The document was signed at 3875 Hixon Pike, Chattanooga, TN 37415.
- b. If the Commission has any evidence whatsoever that any document that has been provided to it is forged or fraudulent, it ought to come forward with such

evidence. The unsubstantiated accusations implied by these requests are inappropriate.

- i. Yes
- ii. Harry Thompson has maintained physical possession.
- iii. The Respondents object to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to lead to the discovery of any relevant information. Recording a document does not create title, it merely creates a record of that title to protect against subsequent fraudulent transfers. Unless there is an allegation that BTU transferred the Wilon Pipelines to another entity after the transfer to WGSJ, then the recording is meaningless. Regardless, WGSJ believes the document to have been recorded in Magoffin County, KY, in 2011.

13.

- a. The Respondents cannot testify as to what may sometimes be identified as the “Hendricks segment”. The pipeline referred to in the document is the one described in the document. If the Commission is unsure as to where this pipeline is located, the Commission is welcome to join the Respondents in Magoffin County at the Commission’s convenience for a tour. The pipeline is buried, but portions can be dug up if its existence or exact location is in question.
- b. The Respondents cannot know the total cost of constructing the pipeline, only the amount that was paid to BTU. And even that amount is unknown at this time because the transaction was six years ago and the records are not readily accessible within the unreasonably short response deadline set by the

Commission. Nevertheless, the Respondents are working to obtain such information and will provide it when obtained.

- c. WGSF cannot respond in full at this time because the transaction was six years ago and the payment records are not readily accessible within the unreasonably short response deadline set by the Commission. Payment is believed to have been made in 2006 by check. Proof is in the documents possessed by the Commission. The Respondents are working to obtain additional information and will provide it when obtained.
- d. In 2006, at 3875 Hixson Pike, Chattanooga, TN 37415.

14.

- a. The Respondents dispute the Commission's characterization of this document. It is noted, however, that Thompson's signature need not be notarized for the document to be legally binding.
- b. Yes.
- c. 3875 Hixson Pike, Chattanooga, TN 37415.
- d. Harry Thompson has maintained physical possession.
- e. It is impossible to state where a document was located at all times during a five year period. Harry Thompson maintained physical possession, most likely in a file at 3875 Hixson Pike, Chattanooga, TN 37415. The document may have moved if the file moved, or it may have been taken somewhere if the file was taken.

15. The Respondents object to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to the discovery of any relevant information.

Notwithstanding the foregoing, there is no smudged mark on the document. The document was recorded as it states on the document. It is believed that both were recorded, but as previously noted, recording is not necessary.

16. The Respondents object to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to the discovery of any relevant information. WGSII had the pipeline put in place because it wanted to own a pipeline. Unless it is the Commission's position that WGSII is free to use another company's pipeline as if it were WGSII's pipeline, then the Commission should understand the importance of WGSII owning its own pipeline. The Respondents have not endeavored to discover other people's ownership of other people's pipelines. The Respondents are aware of the Wilon Pipelines, which WGSII (now AXG) owns.

17. The Respondents object to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to the discovery of any relevant information. Notwithstanding the foregoing, the Respondents do not transport gas to Hendricks Middle Fork School, and they do not have any knowledge as to how gas has been transported there in the past, if it has.

18. This request for information is premised on false facts. Paragraph 10 of the Answer states:

With respect to the Order issued by the Commission, the Answering Respondents deny that they are now or ever have been operating as a utility, and they deny that they have conducted any unlawful activity. The Answering Respondents own the Wilon Pipelines and certain wells that transport gas into the Wilon Pipelines and also to B.T.U. B.T.U. has always been responsible for providing any gas to its customers, and to the extent that B.T.U. did so through the Wilon Pipelines it had the contractual right to do so. To the extent that customers attached to the Wilon Pipelines received free gas because they were not metered or otherwise accounted for, that is the responsibility of B.T.U. The Answering Respondents have allowed their gas to flow through the Wilon

Pipelines without charge to B.T.U. as an attempted accommodation and only because the Answering Respondents do not desire to see any person's gas supply disconnected. The Answering Respondents cannot and do not make any representation as to the legality of B.T.U.'s conduct, the manner in which gas is transported to B.T.U. customers, or any agreements between B.T.U. and its customers. If the Commission desires that the Answering Respondents cut off any gas that they are placing into the Wilon Pipelines, then the Answering Respondents will do so. The Answering Respondents have not diverted or taken any gas supplies or gas facilities from anyone.

The Respondents make no representations whatsoever as to what BTU has or has not done with its right to use the Wilon Pipelines or Respondent's gas. However, the Respondents reiterate that if the Commission wants the Respondents to shut of the flow of their gas into the Wilon Pipelines, they will do so.

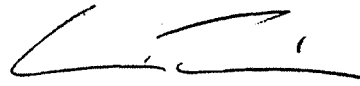
19.
 - a. Unknown
 - b. Unknown
 - c. WGSi has not received any accounting. WGSi was not even aware of its right to an accounting and payment until this manner began. WGSi appreciates the Commission pointing out its entitlement to an accounting and payment, and requests such accounting and payment immediately from B.T.U. WGSi respectfully requests that the Commission pursue this claim.
 - d. WGSi has never done an independent verification because it did not realize that it had a right to payment. Now that it knows, it would appreciate such payment from B.T.U. or its owner, Frontier.
20. None to date. B.T.U. is currently in breach of the contract.
21. The Respondents are not aware of the "costs" to which this request refers.
22. None.

23. No.

24. The Respondents do not know what B.T.U. did to provide gas prior to the construction of the Wilon Pipelines or after the construction of the Wilon Pipelines.

25. The Respondents object to this request on the grounds that it overbroad, irrelevant, and not reasonably calculated to the discovery of any relevant information. The Wilon Pipelines are not utility facilities. WGSi hired B.T.U. to dig a pipeline, B.T.U. dug the pipeline and immediately transferred legal title to WGSi as legally required. B.T.U. thereafter used the pipeline in accordance with its contractual rights. B.T.U. can still use the pipeline in accordance with its contractual rights. This has nothing to do with utilities, and nothing to do with the Commission. This is a title issue, and if Frontier has any legal basis to claim title, it should file suit in a court with jurisdiction and cease this charade.

Respectfully submitted,

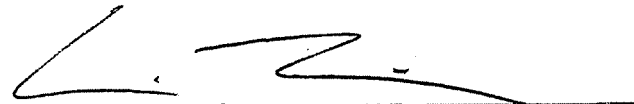


Adrian M. Mendiondo
KINKEAD & STILZ, PLLC
301 East Main Street, Suite 800
Lexington, Kentucky 40507
Phone: (859) 296-2300
Fax: (513) 296-2566
E-mail: amendiondo@ksattorneys.com

CERTIFICATE OF SERVICE

I hereby certify that on the ^{13th} 14th day of June, 2012, a true and correct copy of the foregoing was served via email upon the following:

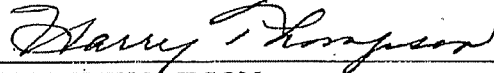
John N. Hughes
124 W. Todd Street
Frankfort, KY 40601



Adrian M. Mendiondo

VERIFICATION

I have read the foregoing Responses to Request for Information and the information therein is true and accurate to the best of my belief and knowledge.




HARRY THOMPSON

CERTIFICATE OF SERVICE

I hereby certify that on the 13th day of June, 2012, a true and correct copy of the foregoing was served via U. S. Mail upon the following:

John N. Hughes
124 W. Todd Street
Frankfort, KY 40601



Adrian M. Mendiando