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July 17, 2012

PARTIES OF RECORD

Re: Case No. 2011-00443

Attached is a memorandum being filed in the case file of the case referenced above. If you wish to make any comments regarding the contents of this informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please call Jeff Shaw of the Commission staff at 502/564-3940, ext. 237.

Sincerely,




Jeff DeFolien
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File – Case No. 2011-00443
Notice of Intent of Kentucky Frontier Gas, LLC
to File Application for Adjustment of General Rates

FROM:  Jeff Shaw, Team Leader

DATE: July 17, 2012

SUBJECT: July 11, 2012 Informal Conference

An Informal Conference (“IC”) was held in this case on July 11, 2012 at the Commission’s offices. Attending the IC for Kentucky Frontier Gas, LLC (“Frontier”) were Jack Hughes and Steve Shute. Commission Staff (“Staff”) attending the IC were Jeff Shaw, Leah Faulkner, Errol Wagner and Virginia Gregg. Frontier had requested the IC in order to discuss issues related to the rate application it plans to file under this docket.

Frontier’s representatives discussed its intent to consolidate the rates of the nine individual gas utilities it has acquired since 2008 as part of its rate application, including its most recent acquisition, BTU Gas. Frontier stated that it planned to propose a new separate rate for the two largest customers it serves. It also discussed the need to replace most of the existing pipe on one of the systems, which consists of older metal pipe in relatively poor condition. In addition, Frontier indicated that it planned to install automatic meter reading (“AMR”) devices throughout its system and sought clarification from Commission Staff (“Staff”) of the need to seek a Certificate of Public Convenience and Necessity (“CPCN”) prior to starting installation. Staff indicated that Frontier should seek a CPCN for the planned AMR devices and that the planned replacement of the metal pipe on its system may also warrant a CPCN request.

Other topics discussed included: (1) Frontier’s likely selection of a test period for its upcoming rate application; (2) different methods to determine revenue requirements; and (3) whether Frontier would consider requesting an Accelerated Main Replacement Program surcharge for the recovery of costs associated with its planned replacement of meters and the metal pipe on its system. Frontier indicated that it intended to file its rate application by the end of July 2012.

There being no further issues to discuss, the conference was adjourned.