

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY FRONTIER GAS, )	
LLC FOR APPROVAL OF MODIFICATION OF AMR )	CASE NO.
AND PIPELINE REPLACEMENT PROGRAMS, )	2016-00132
SURCHARGES AND TARIFFS TO INCLUDE THE )	
FORMER PUBLIC GAS SYSTEM )	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO  
KENTUCKY FRONTIER GAS, LLC

Kentucky Frontier Gas, LLC ("Frontier"), pursuant to 807 KAR 5:001, is to file with the Commission an original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before August 2, 2016. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

Frontier shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though

correct when made, is now incorrect in any material respect. For any request to which Frontier fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

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

1. Refer to Frontier's Application, page 4, paragraphs 6.c. and 6.d. Of the 200-meter difference between roughly 1,800 meters, including spares, in the Public Gas Company ("Public") system and approximately 1,600 paying customers in the system, provide a breakdown of the 200 meters into all pertinent categories—spare meters, meters on abandoned customer premises, etc.

2. Refer to Frontier's Application, page 5, paragraph 7. Provide a breakdown showing by material type, age, size, and length, the mains to be replaced on the Public system.

3. Refer to the Direct Testimony of Steven Shute, P.E. ("Shute Testimony"), page 3, response to Item 9.

a. Explain whether the \$65 cost per meter is for an Automated Meter Reading ("AMR") module only, or a meter with an AMR module pre-installed.

b. Explain whether the \$70 cost per meter (\$35,000 to replace 500 meters) is for a standard meter, or a meter with AMR capabilities pre-installed.

c. With estimated AMR costs of \$155,000 and only \$135,000 in surcharge revenues over the planned seven-year period, explain whether Frontier has given any consideration to developing a surcharge more aligned with the estimated AMR costs for the Public system.

d. Explain how the \$20,000 shortfall will be financed.

4. Refer to the Shute Testimony, page 4, response to Item 11, which indicates that 90 percent of all meters are 20 years or older. Explain whether Frontier has evaluated if it might be cheaper to refurbish and retrofit meters with AMR modules or to replace them with AMR capable meters.

5. Refer to the Shute Testimony, pages 6–7, response to Item 17.

a. Explain the term “mandated relocates” and describe all associated projects in the proposed Pipeline Replacement Program (“PRP”).

b. Explain the need for upgrading and replacing the mains and services in the low-pressure distribution systems in Jackson and Hazel Green.

6. Refer to the Shute Testimony, page 8, response to Item 21. Describe the current and historic levels of leaks due to corrosion failure in the Public system.

7. Refer to the Shute Testimony, pages 8–9, response to Item 22. The estimated cost of replacing 7,000 feet of bare steel pipe under the PRP over seven years is \$140,000, while the \$1.25 surcharge will generate \$168,000 in PRP revenues over that time period. Explain whether Frontier has given any consideration to developing a surcharge more aligned with the estimated PRP cost for Public’s system.



Talina R. Mathews  
Executive Director  
Public Service Commission  
P. O. Box 615  
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DATED JUL 19 2016

cc: Parties of Record

Case No. 2016-00132

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