

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
CASE #: 2017-00120

IN RE:

POLLITT ENTERPRISES, INC..
WHITNEY CLARK POLLITT, INDIVIDUALLY
AMANDA DEEANN POLLITT, INDIVIDUALLY
BASIL C. POLLITT, INDIVIDUALLY
D/B/A THE GAS GROUP, INC.
A/K/A THE GAS GROUP.

RECEIVED

JUN 8 2017

Public Service
Commission

RESPONSE TO COMMISSION ORDER

Come the Respondents, Clark Pollitt, Amanda Pollitt, Basil Pollitt and The Gas Group and do hereby tender their response to Appendix A, attached to the Order of 3-25-17.

INTRODUCTION

The numerical order of this response is intended to promote the most orderly means of proceeding.

Question 2: Pollitt Enterprises was the idea of Basil Pollitt. Formal incorporation occurred in January of 2006 however Pollitt used the name Pollitt Enterprises prior to that time. Pollitt Enterprises was formed for the purpose of exploring opportunities in the production of oil and natural gas for the benefit of Basil's children, Clark and Amanda Pollitt. That is to say Basil Pollitt had hoped that Pollitt Enterprises, if successful; would serve as a legacy for his children. It was but a hope, a dream, that never came to fruition. In 2006 Pollitt Enterprises purchased rights to an oil well in Warren County. This was a minimally producing well. Because costs greatly exceeded revenue Pollitt Enterprises discontinued production in short order. Pollitt Enterprises further purchased the rights to two gas wells also in Warren County. The market would not support those

wells either and production was likewise discontinued. These operations lasted less than a year and were never resumed. This was the extent of the corporate life of Pollitt Enterprises. Because Clark Pollitt and Amanda Pollitt ultimately were the intended beneficiaries of Pollitt Enterprises they were listed as its officers and incorporators in the filings with the Secretary of State. They did not however have any ownership interest in it. Basil Pollitt managed all affairs of Pollitt Enterprises and absorbed all losses associated with the failed efforts set forth above. Pollitt Enterprises died on the vine as it were and was administratively dissolved by the Secretary of State in 2010. During its existence neither Clark Pollitt nor Amanda Pollitt performed any services for Pollitt Enterprises nor did they realize any financial gain from it. Again, Pollitt Enterprises was but an idea for creating a legacy for the children of Basil Pollitt. At no time was Pollitt Enterprises engaged in the transport of oil or natural gas. At no time did Pollitt Enterprises have any interest in the gas lines at issue per PSC case # 99-130. At no time was there a transfer of interest from the Gas Group to Pollitt Enterprises. The confusion concerning transfer of ownerships appears to emanate from highway markers indicating: "Before Excavating or in Emergency call Pollitt Enterprises, 1-270-303-9236". In the course of Basil Pollitt's dealings with the PSC (Case # 99-130) he worked with safety inspector David Kinman. Toward that end there was not a single safety issue raised by Kinman that Pollitt failed to address immediately and to Kinman's satisfaction. Kinman testified to this per a hearing in the Franklin Circuit Court on 9-18-02. At any rate at some point Kinman observed that the "warning" markers utilized by Pollitt contained an "800" phone number. Kinman indicated a preference for a local number. Pollitt Enterprises had a local number that goes directly to Basil Pollitt. Accordingly, when replacing the markers Pollitt utilized the local number. "Pollitt Enterprises" appeared on the marker because the name "Pollitt" is recognized by the utilities that

operate in the area, excavators, the local authorities (fire and police) as well as the farm tap customers. It was not intended to deceive anyone nor was it intended to reflect a transfer of ownership. The highway markers indicating the name and local number of Pollitt Enterprises have been in existence for more than 10 years. In summary the gas line at issue per PSC case # 99-130 at all times relevant herein was owned and operated by The Gas Group.

Question 3. Respondents are confused by the term "Pollitt System". As indicated in Response to Question 2, supra, neither Clark Pollitt nor Amanda Pollitt had an ownership interest in either company. Indeed they had no meaningful role in either company. No interest was transferred from the Gas Group to Pollitt Enterprises. Regarding the gas lines at issue in PSC case # 99-130 neither Clark Pollit nor Amanda Pollitt have any interest therein.

Question 4. See Response to Question 2, supra.

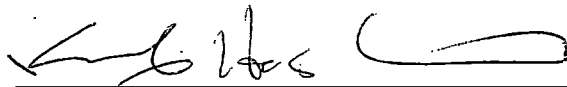
Question 5. See Response to Question 2, supra.

Question 6. See Response to Question 2, supra. Basil Pollitt negotiated the oil and gas wells referenced in the response to Question # 2, obtained all applicable permits, advanced all costs and absorbed all losses.

Question 1. Upon filing a notice of appeal in case # 01-CI-581 (Franklin Circuit Court) Pollitt moved the Court to stay enforcement of the Order pending appeal. To the best of Pollitt's knowledge the Circuit Court never ruled on this motion. At this time the undersigned counsel spoke with counsel for PSC, the honorable Dale Wright, regarding: a) staying the order pending appeal; and b) Pollitt's ability to comply with the Order in the event the appeal was lost. Regarding the former Wright took no enforcement action. Pollitt interpreted this as an acquiescence in a stay. The Court of Appeals affirmed the Circuit Court per an Opinion entered 8-31-06. Unlike the Order of

the Circuit Court the Opinion addressed the jurisdictional issue holding that “the character of a natural gas line is not static, but rather changes with the needs of its owner and the public”. Pollitt sought discretionary review but same was denied 8-17-06. At no time in the course of the appeal did Wright take any action to enforce the Circuit Court Order. Indeed prior to service of the 3-15-17 Order of this honorable Commission there was no communication of any type or character concerning enforcement. Conversely, in the course of the appeal the undersigned advised Wright in no uncertain terms of his belief that the Order was such that it was impossible for Pollitt to comply. The undersigned actively sought Wright’s suggestion/guidance/assistance regarding compliance. Toward that end the undersigned made Wright aware that the nearly 50 farm tap customers served by Pollitt obtained natural gas service in 1993 precisely because the PSC mandated that Pollitt provide them with service. All farm tap customers had long ago abandoned the propane tanks used for heating and other purposes. Compliance with the Order would result in the farm tap customers having no means to heat their homes, no hot water, etc . . . Wright acknowledged this difficulty and had no practical solution, guidance, suggestion or advice. Moreover, the undersigned at all times made Wright aware that the farm tap customers had a property interest in the natural gas service but were never made a party to the litigation. Pollitt was and remains of the belief that irrespective of the Order he lacks the lawful authority to enter the property of the farm tap customers and discontinue their gas service. The farm tap customers paid for part of the installation of the service inclusive of the risers, regulators and piping. Pollitt has no lawful authority to enter onto the property of the farm tap customers nor does he have the lawful right to remove the meters, risers, regulators, piping, etc . . . Pollitt verily believes that anyone attempting to discontinue the natural gas service is placing themselves in considerable danger. It was because of these dangers that the

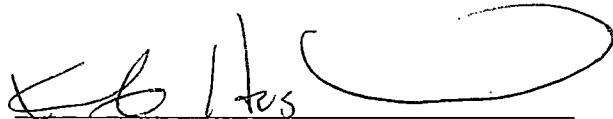
undersigned inquired of Wright if he or some member(s) of the PSC would accompany him to the farm tap customers while Pollitt discontinued the service. Wright would have none of it. The undersigned at all times was of the belief that the PSC took no action because it was aware the compliance by Pollitt was unlawful, dangerous and perhaps impossible. In the meantime Pollitt continues to have his natural gas line permitted by the Department of Mines and Minerals (OP# 184556).



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CERTIFICATE OF SERVICE

It is hereby certified that a copy of this document was sent via Fed Ex to the Public Service Commission, P.O. Box 615, 211 Sower Blvd. Frankfort, KY 40602-0615 this 22nd day of May, 2017.



CERTIFICATION

I, Basil Pollitt, do hereby affirm that the factual assertions set forth in this Response are true and accurate to the best of my knowledge and belief.

Basil Pollitt

County of Jefferson)

)

Commonwealth of Kentucky)

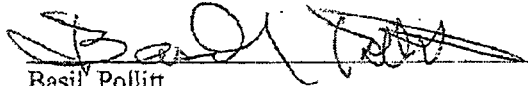
Acknowledged, subscribed and sworn to before me by Basil Pollitt this 20th day of May, 2017.

Notary Public, State at Large

Commission Expiration


CERTIFICATION

I, Basil Pollitt, do hereby affirm that the factual assertions set forth in this Response are true and accurate to the best of my knowledge and belief.


Basil Pollitt

County of Jefferson)
Commonwealth of Kentucky)

Acknowledged, subscribed and sworn to before me by Basil Pollitt this ^{22nd} 20th day of May, 2017.


Notary Public, State at Large
GARY P VOLK
Notary Public
Kentucky - State at Large
COMMISSION EXPIRES 12.22.2020

AFFIDAVIT OF AMANDA POLLITT (NOW SPRIGGS)

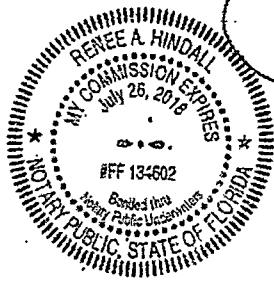
Comes the Affiant, Amanda Pollitt, by counsel, and after having first been duly sworn states as follows:

1. Affiant has personal knowledge of the matters set forth herein.
2. Pollitt Enterprises was the idea of my father, Basil Pollitt. Formal incorporation occurred in January of 2006. Pollitt Enterprises was formed for the purpose of exploring opportunities in the production of oil and natural gas. It was my understanding that my father was attempting to create a legacy for me and my brother, Clark Pollitt. Pollitt Enterprises was not successful in the production of oil and natural gas and ceased doing business within a year or two after it was formed. At no time did Pollitt Enterprises transport oil or natural gas. Because my brother and I were the intended beneficiaries of Pollitt Enterprises we were listed as its officers and incorporators in the filings with the Secretary of State. We did not however any ownership interest in it. Pollitt Enterprises was administratively dissolved by the Secretary of State in 2010. During its existence neither myself nor Clark Pollitt performed any meaningful services for Pollitt Enterprises nor did we realize any financial gain from it.
3. Affiant has no interest in the gas lines at issue in PSC case # 99-130 nor has she ever had such an interest. Accordingly, Affiant respectfully asserts that this honorable Commission has no jurisdiction over her and moves that he be dismissed from this action.

Amanda Pollitt
Amanda Pollitt

County of Jefferson)
Commonwealth of Kentucky)

Acknowledged, subscribed and sworn to before me by Amanda Pollitt this 20th day of May, 2017.



Renee A. Hindall
Notary Public, State at Large

7-26-18
Commission Expiration

AFFIDAVIT OF CLARK POLLITT

Comes the Affiant, Clark Pollitt, by counsel, and after having first been duly sworn states as follows:

1. Affiant has personal knowledge of the matters set forth herein.
2. Pollitt Enterprises was the idea of my father, Basil Pollitt. Formal incorporation occurred in January of 2006. Pollitt Enterprises was formed for the purpose of exploring opportunities in the production of oil and natural gas. It was my understanding that my father was attempting to create a legacy for me and my sister, Amanda Pollitt. Pollitt Enterprises was not successful in the production of oil and natural gas and ceased doing business within a year or two after it was formed. At no time did Pollitt Enterprises transport oil or natural gas. Because my sister and I were the intended beneficiaries of Pollitt Enterprises we were listed as its officers and incorporators in the filings with the Secretary of State. We did not however any ownership interest in it. Pollitt Enterprises was administratively dissolved by the Secretary of State in 2010. During its existence neither myself nor Amanda Pollitt performed any meaningful services for Pollitt Enterprises nor did we realize any financial gain from it.

3. Affiant has no interest in the gas lines at issue in PSC case # 99-130 nor has he ever had such an interest. Accordingly, Affiant respectfully asserts that this honorable Commission has no jurisdiction over him and moves that he be dismissed from this action.

Clark Pollin
Clark Pollin

County of Jefferson)
Commonwealth of Kentucky)

Acknowledged, subscribed and sworn to before me by Clark Pollin this 20th day of May, 2017.

Robert Crawford

Notary Public, State at Large
9/22/2018
Commission Expiration

ROBERT CRAWFORD
NOTARY PUBLIC
STATE AT LARGE, KENTUCKY
MY COMMISSION EXPIRES
SEPTEMBER 22, 2018