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David L. Armstrong
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Vice Chairman

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Commissioner

September 2, 2014

PARTIES OF RECORD

Re: Case No. 2014-00038
Charles E. Hardin, Jr., Individually and Charles E. Hardin, Jr.,
Magoffin County Judge Executive O/B/O the Magoffin County
Fiscal Court and Consumers of Magoffin County Receiving
Natural Gas Services from Kentucky Frontier Gas, LLC, Complainants v
Kentucky Frontier Gas, LLC, Defendant

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Staff Attorney Virginia Gregg at 502-782-2584.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

VG/cmh
Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Virginia Gregg, Staff Attorney

DATE: August 28, 2014

RE: Case No. 2014-00038
Charles E. Hardin, Jr., Individually and Charles E. Hardin, Jr., Magoffin County Judge Executive O/B/O the Magoffin Fiscal Court and Consumers of Magoffin County Receiving Natural Gas Services from Kentucky Frontier Gas, LLC

On August 27, 2014, an informal conference was conducted at the Commission Offices in Frankfort, Kentucky. A list of the attendees is attached hereto.

The informal conference was requested by Charles E. Hardin, Jr., Individually and Charles E. Hardin, Jr., Magoffin County Judge Executive O/B/O the Magoffin Fiscal Court and Consumers of Magoffin County receiving natural gas services from Kentucky Frontier Gas, LLC (hereinafter "Complainants"). The purpose of the conference was to discuss Kentucky Frontier Gas, LLC's ("Frontier") plans for resolving gas shortage problems to its customers in Magoffin County in the future and attempt to resolve this case without the necessity of a full evidentiary hearing.

Counsel for Complainants acknowledged that improvements had been made by Frontier since it acquired the BTU system and were appreciated. The Complainants had concerns, however, when Frontier could not meet the increased demand during the 2013-2014 heating season. The gas outages that occurred during periods of subzero temperatures were of greatest concern as there were customers who were sick, elderly, or caring for infants who were without heat. In response to these concerns, counsel for Frontier stated that Frontier had recently been made aware that Jefferson Gas, LLC ("Jefferson") would be able to nominate additional gas from Columbia, and that in the future this would provide a more reliable source of supply to Frontier. This additional source of supply would end Frontier's reliance on local wells, which had been unable to meet last winter's increased demand. Frontier is exploring the reliability of this connection with Jefferson. Frontier currently has a compressor station near the connection point with Jefferson. This compressor station is currently set up to pump gas from the Frontier system into the Jefferson system during summer months of low demand on the Frontier system. Frontier will need to reconfigure this compressor station. Steve Shute stated that Frontier's plan to increase its supply from Jefferson Gas would also be preferable to an arrangement to re-activate an EQT delivery point near US 23, which is 13 miles from its compression station on Burning Fork Road.

Complaint's counsel agreed that this plan for Frontier to obtain additional gas from Jefferson Gas should resolve the supply issues.

The second concern voiced by Complainants was the need for better communication between Frontier and county officials during gas outages. Magoffin County Judge-Executive, Charles E. Hardin, Jr. ("Doc Hardin"), stated that his office currently uses a public information system ("Code Red") to directly communicate with the residents of Magoffin County. Doc Hardin explained that Code Red is a reverse 911 information system that is available in 90 Kentucky counties. In order to participate, residents are required to sign up for Code Red notifications, which are made via telephone, including cell phones, email, and text messages. Doc Hardin stated that 54% of Magoffin County residents currently participate in Code Red and that his goal was to greatly increase that participation to 98 or 99 percent. He noted that Frontier could assist in getting greater participation in Code Red which could then be used to communicate when gas outages occurred and when Frontier anticipated gas service would be re-established. This process should reduce the number of repeated calls that are made to both his office and to Frontier during outages.

The parties agreed that they would work together to memorialize and to submit to the Commission by September 26, 2014, a process to be used by Frontier and the Magoffin County judge-executive's office to better communicate with each other and with Frontier's customers in Magoffin County.

The conference was then adjourned.

Attachment

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CHARLES E. HARDIN, JR., INDIVIDUALLY AND)	
CHARLES E. HARDIN, JR., MAGOFFIN)	
COUNTY JUDGE EXECUTIVE O/B/O THE)	
MAGOFFIN FISCAL COURT AND)	
CONSUMERS OF MAGOFFIN COUNTY)	
RECEIVING NATURAL GAS SERVICES FROM)	
KENTUCKY FRONTIER GAS, LLC)	CASE NO.
)	2014-00038
COMPLAINANTS)	
)	
V.)	
)	
KENTUCKY FRONTIER GAS, LLC)	
)	
DEFENDENT)	

August 27, 2014

Please sign in:

NAME	REPRESENTING
<u>Matthew Baer</u>	<u>PSC</u>
<u>Jason Hurt</u>	<u>PSC</u>
<u>GARY GLOVER</u>	<u>PSC</u>
<u>Jack Hughes</u>	<u>KFG</u>
<u>Steve Shute</u>	<u>"</u>
<u>Larry Peck</u>	<u>"</u>
<u>Bryanna Stragg</u>	<u>PSC</u>

Case No. 2014-00038
August 27, 2014

NAME

REPRESENTING

Bob Orfad

KFG

Dennis Hornen

..

Doug Allen

Attorney for Complainant

Michael Wilson

Deputy Judge Eric A.

Charles Hardin

Judge Executive Magistrate