

RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

JUL 27 2018

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF)	
KENTUCKY FRONTIER GAS, LLC)	CASE NO.: 2017-00263
FOR ALTERNATIVE RATE ADJUSTMENT)	
PUSUANT TO 807 KAR 5:076)	

ATTORNEY GENERAL’S SUPPLEMENTAL DATA REQUESTS ON
AFFILIATE TRANSACTIONS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“Attorney General”), and submits these Supplemental Data Requests on Affiliate Transactions to Kentucky Frontier Gas, LLC (hereinafter “Frontier”) to be answered by August 10, 2018, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or 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.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.

(10) As used herein, the words “document” or “documents” are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting

records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

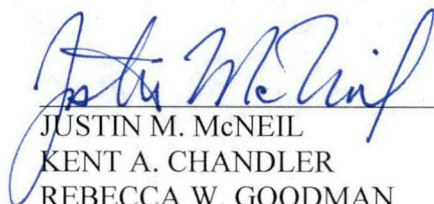
(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL

A handwritten signature in blue ink, appearing to read "Justin McNeil", is written over a horizontal line.

JUSTIN M. McNEIL
KENT A. CHANDLER
REBECCA W. GOODMAN
ASSISTANT ATTORNEYS GENERAL
700 CAPITAL AVE., SUITE 20
FRANKFORT KY 40601-8204
(502) 696-5453
Justin.McNeil@ky.gov
Kent.Chandler@ky.gov
Rebecca.Goodman@ky.gov

1. Refer to Frontier's Response to Attorney General's Initial Data Requests on Affiliate Transactions, Questions 2–3. Fully explain how Kentucky Frontier LLC decided that members are to begin billing Frontier as individuals instead of through their respective consulting companies for work performed. Provide the member meeting minutes, and any other documentation related to the relevant meeting in which this change was adopted.
 - a. Explain why the LLC members have not yet billed Frontier for any hours worked in 2018.
 - b. Explain why this billing change was instituted on January 1, 2018, whether it was planned in advance, and if so, how far in advance.
 - c. Explain whether this billing change had any effect on billing efficiency as referenced in Frontier's Brief, pg. 6.

2. Refer to Frontier's Response to Staff's Data Requests Part 2, Items 12 and 32, and the VTE 11:15:26–11:17:32, where Steve Shute stated that he and Bob Oxford are managing members of Frontier, and that Larry Rich is now retired from the active management on Frontier, and "seldom participates" in managing member conference calls.
 - a. Confirm that Larry Rich no longer has an active role in the management of Frontier.
 - b. Explain whether Mr. Rich still exercises his vote as a member or utilizes a proxy, and if not indicate the last time he did cast a vote.
 - c. Confirm that Mr. Shute and Mr. Oxford comprise the total active member management of Frontier.
 - d. Confirm that if Mr. Rich does not participate in managing member meetings and Mr. Oxford represents both himself and IGS, Inc., Mr. Oxford is able to cast the majority of votes.
 - e. Within this arrangement, fully explain how Mr. Shute or Mr. Oxford do not directly or indirectly have the power to direct, or to cause the direction of, the management of Frontier.
 - f. By virtue of Mr. Shute and Mr. Oxford's ownership interests in PSI/Pinedale and IGS, respectively, fully explain how these entities do not have at the very least indirect power to cause the direction of the management of Frontier.

Certificate of Service and Filing

Counsel certifies that an original and ten (10) photocopies of the foregoing were served and filed by hand delivery to Gwen R. Pinson, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were emailed to jnhughes@johnnhughespsc.com, and mailed via First Class U.S. Mail, postage pre-paid, to:

Hon. John N. Hughes
Attorney at Law
124 West Todd Street
Frankfort, KY 40601

Kentucky Frontier Gas, LLC
4891 Independence Street, Suite 200
Wheat Ridge, CO 80033

This 27th day of July, 2018


Assistant Attorney General