

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY FRONTIER)	CASE NO.
GAS, LLC FOR ALTERNATIVE RATE)	2017-00263
ADJUSTMENT)	

COMMISSION STAFF'S SIXTH 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 the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due on or before August 10, 2018. 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 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 respond completely and precisely.

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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. 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 response to Commission Staff's Fifth Request for Information (Staff's Fifth Request), Item 1.

a. Reconcile this response to Frontier's response to Commission Staff's First Request for Information (Staff's First Request), Item 12.

b. As originally requested in Staff's Fifth Request, Item 1, provide an updated copy of Frontier's current organizational chart, showing the relationship between Frontier and any affiliated companies, divisions, etc. Include the relative positions of all entities and affiliates with which Frontier routinely has business transactions, and provide a detailed description of the relationships between the affiliates. The provided chart should be an updated version of what Frontier provided in response to Staff's First Request, Item 12.

2. Refer to Frontier's response to Staff's Fifth Request, Item 2.

a. Reconcile this response to Frontier's response to Staff's First Request, Item 13.

b. As originally requested in Staff's Fifth Request, Item 2, provide all joint or shared affiliate costs incurred during the 2017 calendar year and the first six months of the 2018 calendar year that are allocated to Frontier and to the other affiliates. For each cost, list the vendor, total expense amount, amounts per affiliate, and the basis for allocation.

3. Refer to Frontier's response to Staff's Fifth Request, Item 3.

a. Reconcile this response to Frontier's response to Staff's First Request, Item 14.

b. As originally requested in Staff's Fifth Request, Item 3, describe the procedures that are used to allocate joint and shared costs among the various affiliates for the 2017 and 2018 calendar years.

4. Refer to Frontier's response to Staff's Fifth Request, Item 4.

a. Reconcile this response to Frontier's response to Staff's First Request, Item 15.

b. As originally requested in Staff's Fifth Request, Item 4, provide all internal memoranda, policy statements, correspondence, and documents related to the allocation of joint and shared costs.

c. Confirm that in response to Staff's First Request, Item 15, Frontier stated that since the inception of Kentucky Frontier Gas "the members and their affiliated companies have provided specialized services to Frontier and its affiliates on a part-time basis."

5. Refer to Frontier's response to Staff's Fifth Request, Item 6. Frontier states that as of January 1, 2018, the Frontier LLC member-owners no longer bill Frontier through their respective consulting companies, but instead bill Frontier as individuals.

a. Explain in full detail why Frontier made this billing change.

b. Confirm that transactions for services made between Frontier and Frontier LLC member-owners are not arms-length transactions. Explain in full detail if not confirmed.

c. Explain whether Frontier is aware that the Commission closely scrutinizes transactions that are less than arms-length in order to ensure that unreasonable costs are not passed on to the ratepayers.

6. If the Commission determines that certain businesses owned by Frontier LLC member-owners are affiliates with Frontier, explain in full detail whether Frontier intends to comply with the provisions of KRS 278.2201 to 278.2213, or request a waiver or deviation pursuant to KRS 278.2219.



Gwen R. Pinson
Executive Director
Public Service Commission
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DATED: **JUL 27 2018**
cc: Parties of Record

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