## COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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APPLICATION OF KENTUCKY FRONTIER	)	
GAS COMPANY, LLC FOR APPROVAL OF	)	CASE NO.
TRANSFER OF AUXIER ROAD	)	2009-00442
CORPORATION STOCK	)	

## DATA REQUEST OF COMMISSION STAFF TO KENTUCKY FRONTIER GAS COMPANY, LLC

Kentucky Frontier Gas Company, LLC ("Kentucky 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 December 11, 2009. 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 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.

Kentucky 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 Kentucky Frontier fails or refuses to furnish all or part of the requested information, Kentucky Frontier shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

All tax identification numbers, financial account numbers, social security numbers, dates of birth, and e-mail addresses of individuals should be redacted from material to be filed herein. Otherwise, careful attention should 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.

- 1. Will Auxier Road Gas Company ("Auxier") customers continue to be served under its existing name rather than the "Kentucky Frontier" name?
  - 2. Refer to item 8 of the petition.
  - a. This paragraph states, "The present office and field personnel will remain in place." Explain at what location the day-to-day accounting, billing and collecting functions will take place.
- b. How long does Kentucky Frontier anticipate it will maintain the present office location of Auxier?
- c. Provide the number of offices Kentucky Frontier will maintain when the transfer takes place and the estimated cost to maintain those offices.

- d. Explain whether customer deposit liability will transfer to Kentucky Frontier. If not, explain whether Auxier will refund the deposits prior to the transfer.
- 3. Does Kentucky Frontier expect that it can serve Auxier's customers at existing rates with no diminution of services?
- 4. Does Kentucky Frontier expect to realize economies of scale in its proposed management of Auxier along with the other gas utilities it has acquired?
- 5. Is Kentucky Frontier familiar with Auxier's tariffs, rates, and special charges?
- 6. Is Kentucky Frontier aware that Auxier's Gas Cost Adjustment tariff requires monthly filings, and is it prepared to make those filings in a timely manner pursuant to the tariff requirements?
- 7. What will Auxier's source of gas supply be after the proposed transfer? Will Kentucky Frontier combine the gas procurement function for the jurisdictional gas utilities it operates in order to realize all possible cost savings for its customers?
  - 8. How many customers are currently served by Auxier?
- 9. Provide three copies of topographic maps showing the locations and routes of the mains, distribution lines, and other gas service equipment to be acquired by Kentucky Frontier.
- 10. Provide an estimate of when Kentucky Frontier expects to complete the transfer.
- 11. Provide the journal entry or entries Kentucky Frontier will use to record the transfer.

- 12. Who will be responsible for maintaining the safety of the system pursuant to C.F.R. 49 § 192?
- 13. Does the purpose or description of the lines, valves, or any part of Auxier's system change or convert to an unregulated component (i.e., distribution to gathering)?
- 14. Describe in full how Kentucky Frontier plans to fund the purchase price of Sallye Branham's stock in Auxier. If the purchase price is to be financed, provide details of the loan agreement.
  - 15. Provide a complete set of Auxier's current financial statements.
- 16. Item 3 of the Term Sheet states that Kentucky Frontier will assume the Community Trust Bank note not to exceed \$88,000. Identify other liabilities that will be assumed by Kentucky Frontier as a result of this transfer.

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Executive Director

Public Service Commission

P.O. Box 615

Frankfort, Kentucky 40602

DATED <u>DEC - 4 2009</u>

Sallye Branham President Auxier Road Gas Company, Inc. P. O. Box 785 Prestonsburg, KY 41653

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