

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

The Application of Kentucky Frontier Gas, LLC)
for Approval of Modification of AMR and)
Pipeline Replacement Programs, Surcharges) Case No. 2016-00132
and Tariffs to Include the Former Public Gas System)

RESPONSE

Kentucky Frontier Gas, LLC, (Frontier) by counsel, moves for a deviation pursuant to 807 KAR 5:001(22) from the following requirement as specified in the Order of June 6, 2016:

807 KAR 5:001:

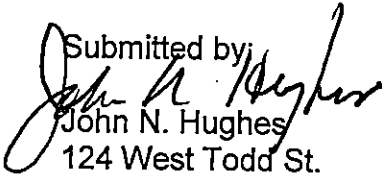
q. Independent auditor's annual opinion report, with any written communication from auditor which indicates existence of material weakness in internal controls.

In its application, Frontier requested a waiver from this requirement because of the limited nature of the revenue impact of the tariff. It should be clarified that Frontier does not have an independent auditors' report and has never had a report prepared for Kentucky Frontier or any of its other gas systems.

For Frontier to engage an audit firm and have an audit prepared, it would take at least 60 to 90 days. The expense would be significant. The delay in the processing of the tariff changes would be problematic in that the costs incurred by Frontier in necessary replacements would not be timely recovered.

The benefit of the audit would be marginal, because at this point, the company has not had even six months of operations of Public. Thus, the impact of the Public acquisition on Frontier would be preliminary.

For these reasons, Frontier requests a deviation from the filing of the independent audit report and requests that the application accepted for filing.

Submitted by:

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