



December 30, 2025

Linda Bridwell, Executive Director  
Kentucky Public Service Commission  
Frankfort, KY 40602

**Re: Status of Pipeline Replacement Project (PRP)**

Kentucky Frontier Gas first established a PRP in Case 2011-00443, then extended it to the former Public Gas in Case 2016-00132. Frontier expanded the program with a higher surcharge in Case 2017-00263. In that Order, the Commission requires that Frontier submit an end of year status report, with plans for the following year.

These PRP segments were completed in 2025 (former entity, specific area):

**Public Gas:** The highway contractor continued work in Jackson on a large Ky DOT project, where much of the cost of moving utilities was borne by the state and not charged to Frontier PRP. Work included replacing 1500 ft of old steel 3-inch at Lakeside and adding 210 ft of 4-inch PE on Quicksand/Hurst Lane for a supply point; and replacing about 335 ft in 2 service lines.

With these upgrades, Frontier could abandon 1,900 feet of bare 4-inch steel main from Court Street to the Jackson Bridge. This major supply line was draped along the bank of the Kentucky River and was subject to flooding. This section, along with another line that ran through the trees down through an old river oxbow, formed a supply “ring” for the regulators and low-pressure (1/2 psi) systems that fed Jackson. The entire supply ring is now replaced with a better supply scheme, and the LP sections are mostly eliminated, down to about 40 meters.

In the Daysboro segment of Public (at Hazel Green), replaced aprx 1500 ft of 2-inch PVC with 2-inch PE, after a line break in Lower Gillmore.

**Auxier Road:** Replaced the 4-inch Levisa Fork river crossing aprx 450 feet. This crossing reconnected a critical tie between sections of Auxier that was compromised in a recent flood. Restoring this connection will improve system reliability, with supply available from 3 points to all customers. The work was performed by a drilling contractor due to difficult site conditions and constructability.

**Belfry Gas:** replaced corroding steel section in Cow Branch with 350 ft of 3-inch PE main.

**Kentucky Frontier Gas LLC**

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**BTU Gas:** replaced a creek crossing into Lakeville area with 380 ft of 2-inch PE. This segment feeds both BTU and Sigma customers, and will reconnect across the Parkway.

**Phelps:** replaced 300 ft of main and 90 ft of service lines.

Pipeline Replacement Projects for 2025 were estimated at \$250,000, not yet finalized. All of these projects retired & abandoned a similar footage of old steel or PVC mains & services. PRP surcharges were collected at about \$250,000 on billings.

## PRP 2026

The early PRP projects replaced pipe in very rural areas. Most remaining PRP projects are in densely populated areas like Jackson and Belfry, where progress is slow and expensive, through city streets and paving or in a narrow road corridor along a creek. Much of this work requires directional drilling.

Priority is given to areas identified in recent leakage surveys. On systems with frequent leak history, Frontier does leak surveys more often than required by DOT Part 192. Frontier's crews keep pace with new leak projects as they are discovered. Nearly all PRPs are replacing corroding bare steel systems.

Frontier still has a few *low-pressure* sections, where the pressure in mains is regulated to  $\frac{1}{2}$  psi. All residential customers have been fitted with house regulators. These are also given priority for replacement and conversion.

Cost of individual projects is not estimated. PRP investment is calibrated to track with actual PRP collections, at aprx \$250,000 per year. Frontier does most of the work with company forces, at half the cost as contractors. Frontier uses contractors for the tougher directional bores and for flagging along public highways.

The following PRP segments are currently planned for 2026:

**Public Gas:** in Jackson, the KyDOT project Phase 2 will continue and replace 2000 ft of 4-inch, to complete the new gas supply scheme for the entire town. Frontier will evaluate smaller mains projects to convert sections from low pressure to high pressure. All projects will include service line replacements.

Daysboro system (near Hazel Green), Lower Gillmore segment is PVC pipe and will be partially replaced.

Pine Ridge near Campton has segments of 4-inch steel pipe that will be evaluated for replacement.

**Salyersville Sigma / BTU:** at the intersection of Ky Rte 7 and Mountain Parkway, continued project to reconnect Sigma and BTU systems. The Lakeville creek crossing was replaced in 2025, as part of this project. The Parkway bore was permitted too late in 2025 to start, so will be completed in 2026 to reconnect systems that were separated by Parkway 4-lane construction.

The Parkway construction continues near the Magoffin-Floyd County line and will cross Frontier pipelines. Frontier will evaluate the impact and any needed replacements.

### **Fontaine-Williams Gas system**

The O&G enterprise that operated BTU Gas also built a 22-mile, 8-inch main from Sublett-Royalton to the Columbia pipeline at Martin. Fontaine-Williams Gas Gathering or FWG was part of an investor scam and was only partially completed. When Frontier acquired BTU in 2012, it was using 5 miles of FWG main to serve customers around Royalton. The remainder of FWG is under the control of DLR Enterprises, controlled by the owner of Frontier.

Frontier has a new source of pipeline gas from the south that would greatly improve supply in Salyersville and Sigma and BTU, connecting through FWG. Frontier will test and take over another 5 miles of FWG as a primary supply line, with customers along it.

Frontier's PRP has produced tangible results in retiring old leaky pipe and improving the overall L&U and operation of Frontier. We will continue this effort as long as it shows positive cost-benefit.



Steven Shute, PE  
Managing Member