

)COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)

KENTUCKY FRONTIER GAS, LLC)

FOR AN ADJUSTMENT OF RATES) CASE NO.2017-00263

MOTION TO DISMISS

Kentucky Frontier Gas, LLC (Frontier) moves for an order dismissing this case as moot.

The only issue remaining to be resolved in this case is the alleged violation of KRS 278.010(18). The issue of affiliate transactions among the owners of Frontier was raised by the Attorney General during the review of Frontier's application for an adjustment of rates. He asserted that there were business dealings among the owners of Frontier that violated KRS 278.2213. In the Commission's final order granting the rate adjustment, it determined that further review of the affiliated interest issue was warranted. Order of December 12, 2017. Subsequently, the Commission issued a procedural order allowing discovery on the limited issue of affiliate transactions:

The Commission declared in the Order that although the affiliate transaction issue did not affect the determination of the rates in the application, **it may have an impact in future cases**. Therefore, the Commission will allow limited discovery on this issue in order to make a determination as to whether the affiliate transaction rules contained in KRS 278 applies to any of the owners and companies providing

services to Frontier. Order dated June 12, 2018, p.1.
(Emphasis added).

At the time of the issuance of that order, Frontier was owned by Steve Shute, Larry Rich, Robert Oxford and IGS, Inc. The allegations by the Attorney General suggested that there were utility related transactions among those owners that violated KRS 278.2213. At the time of the rate case filing, Shute, Rich, Oxford and IGS, Inc. owned Frontier and Auxier Road Gas Company. Shute also owns DLR Enterprises, Inc., which is an unregulated intrastate transport pipeline delivering gas to Frontier from unrelated third-party suppliers.

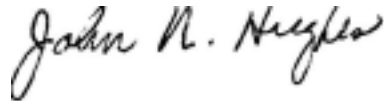
Over a period of two years the parties engaged in discovery: the first data request being made on June 29, 2018 and the final response being made on March 4, 2020. During that time, several significant changes occurred in the ownership of Frontier. In Case No. 2019-00018, Steve Shute the managing member of Frontier acquired the 13.6% ownership interest in Frontier of Larry Rich. In Case No. 2020-00241, Shute acquired the ownership interest of Frontier from Robert Oxford of 20% and IGS, Inc. of 6%. At the conclusion of these transactions, as of December 9, 2020, Mr. Shute owns 100% of Frontier, which own 100% of Auxier. As a result of Mr. Shute's current ownership, Mr. Rich, Mr. Oxford or IGS, Inc. or any other related entity have no ability individually or collectively to influence or control the business decisions of Frontier. The definition of affiliate in KRS 278.010(18) involving "common control" is not applicable.

Because the circumstances of the ownership of Frontier have changed since the inception of this case, there are no longer any actual or potential affiliate transactions among the parties involved in the case. Thus, there can be no impact on future cases

as the Order of June 12, 2018 references. The issue as it relates to the facts in the record of this case has become moot.

For these reasons, the Frontier moves for an order dismissing this case.

SUBMITTED BY:

A handwritten signature in black ink that reads "John N. Hughes". The signature is written in a cursive, slightly slanted style.

John N. Hughes
124 W. Todd St.
Frankfort, KY 40601
inhughes@johnnhughespsc.com
502 227 7270 Ph.
Fax: none
Attorney for Kentucky Frontier Gas, LLC