



December 31, 2021

Linda Bridwell, Executive Director
Kentucky Public Service Commission
PO Box 615
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 2021 (former system name, specific area):

Belfry Gas – Forest Hills and Narrows Branch areas: replaced corroding steel sections with 6600 ft of 2-inch and 1200 ft of 3-inch PE mains, with 1700 ft of smaller mains and 30 PE service lines at 1700 ft. This completes Narrows Branch replacement. Belfry L&U is now at 5% or less, after starting at 30-50% with Frontier purchase in 2008;

Public Gas system in Jackson, Hurst St: replaced corroding steel sections on Hurst St near Broadway with about 300 ft of 2-inch PE mains, with 5 PE service lines at 400 ft.

Pipeline Replacement Projects for 2021 totaled 9800 ft of new PE mains and 35 service lines, at aprx cost of \$282,700. All of these projects retired & abandoned a similar footage of old steel mains & services. A detailed summary will be filed in 1Q22.

PRP surcharges for 2021 were billed at \$280,000 and collections were slightly lower. The 2022 project will be similar in scope.

PRP 2022

Most of the remaining PRP segments are in densely populated areas like Jackson and Forest Hills (Belfry), where progress is slow and expensive, through city streets and paving and small yards, or in narrow rural roads along a creek. Much of this work requires directional drilling.

PRP costs significantly exceeded PRP revenues in 2018-20, so the 2021 PRP was kept closer to actual PRP collections, and 2022 will be similar. Priority is given to sections

identified in recent leakage surveys, mostly in systems with chronically bad leak history. Nearly all PRPs to date are replacing corroding bare steel systems. Jackson still has a section of low-pressure system to convert.

The following PRP segments are currently planned for 2022:

Belfry Gas, Forest Hills: 3200 ft of 2-inch PE mains with associated PE service lines; this is the toughest segment in Belfry, with a narrow roadway adjacent the creek and no working room around water lines and other utilities;

Peoples Gas, Phelps: 1300 ft of 2-inch PE main along the main road with associated PE service lines;

Public Gas, Jackson system, Main-Lincoln-Highland project: on the *low-pressure* section replaced with PE in 2020, will add another 950 ft of 3-inch replacement to that section; pressure test then increase working pressure to 20 psi; install house regulators and convert 35 customers from low pressure;

Mike Little Gas in Osborn School section: replace a 2000 ft section of *low-pressure* steel main with PE, with 5 associated new PE service lines, and conversion from low pressure with individual house regulators.

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



Steven Shute, PE
Managing Member