

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC INVESTIGATION OF JURISDICTIONAL)	
STATUS OF EAST KENTUCKY MIDSTREAM, LLC)	CASE NO.
AND OF ITS COMPLIANCE WITH KRS CHAPTER 278,)	2022-00238
807 KAR CHAPTER 005, AND 49 CFR PARTS 191 AND 192)	

KENTUCKY FRONTIER GAS, LLC’S BRIEF

Comes now Kentucky Frontier Gas, LLC (“Kentucky Frontier”), pursuant to the Kentucky Public Service Commission’s (“Commission”) December 20, 2022 Order in this docket setting forth a deadline for filing simultaneous briefs, and for its brief respectfully states as follows:

I. INTRODUCTION

On August 11, 2022 the Commission opened this investigative proceeding to investigate the jurisdictional status of East Kentucky Midstream (“EKM”) and its compliance with KRS Chapter 278, 807 KAR Chapter 005, and 49 C.F.R. Parts 191 and 192. On August 12, 2022 the Commission amended its August 11th Order to expand the scope of the proceeding to include whether EKM is subject to the Commission’s jurisdiction under any provision of KRS Chapter 278 and made Kentucky Frontier a party to the proceeding. The Kentucky Attorney General’s Office (“AG”) filed a motion to intervene on August 12, 2022 and the AG’s motion was granted by the Commission on August 22, 2022. Commission Staff, Kentucky Frontier and the AG issued data requests to EKM and EKM filed responses to those requests on September 26, 2022. The Commission issued an Order on October 4, 2022 setting a formal conference for October 14, 2022. The formal conference was held on October 14, 2022 with all parties participating. Kentucky Frontier filed the Direct Testimony of Steve Shute on October 26, 2022 and responded to post-

formal conference data requests on November 16, 2022. EKM filed responses to post-formal conference data requests on November 16, 2022 and filed testimony of Jack Justice on November 28, 2022. After a request for formal hearing and a motion to set a briefing schedule if a formal hearing was not scheduled by Kentucky Frontier and a motion filed by EKM to submit the case on the record, the Commission issued an Order on December 20, 2022 establishing a briefing schedule.

II. ARGUMENT

Throughout this proceeding, EKM has gone to great lengths to prove that it should not be subject to Commission jurisdiction. During the formal conference, it was stated by Jack Justice and EKM's counsel, Jason Bentley¹, that EKM never intended to be a utility, nor did it want to be a utility. However, the intention at the time of purchasing is not a determining factor on the type of system EKM currently owns. In fact, the Kentucky Court of Appeals has held that "the character of a natural gas line is not static, but rather changes with the needs of its owner and the public."²

At one point, the old Jefferson Gas system may have truly been a gathering system, however, it has changed over time and is now more a distribution system. Jack Banks stated at the hearing that EKM isn't seeking new customers, all those would go to Kentucky Frontier. Pursuant to an agreement with utility predecessors Public Gas and Gas Natural, property owners within ½ mile of the EKM pipeline system would be instructed to contact Kentucky Frontier to become a farm tap customer.³ Steve Shute stated at the formal conference that Kentucky Frontier was not aware of any such agreement, and that Kentucky Frontier only purchased the assets of Gas Natural

¹ Formal Conference Video Record ("FCVR") at 10:52:12 – 10:52:28 (October 14, 2022).

² *Pollitt v. Public Service Comm'n*, No. 2004-CA-001516 at 7 (Ky. App. 2005).

³ FCVR at 10:26:28 – 10:31:34.

and assumed no agreements.⁴ It appears that EKM wants to have its cake and eat it too. EKM wants to be the sole pipeline to serve this area with contracts that are non-negotiable, not be a regulated system, and force Kentucky Frontier to take the “farm tap” customers that may want to connect to EKM’s system, since EKM views “farm tap” customers as a “pain in the neck”.⁵

In trying to determine the exact scope of pipelines, meters, and other assets owned by EKM, Commission Staff requested GIS data from EKM in its post-formal conference data requests. Commission Staff had previously requested maps of EKM’s system in data requests. EKM has failed to provide any detailed maps of its system. The only maps provided by EKM in response to data requests were high-level schematics dated November 2019, which were exhibits generated by Jefferson Gas when it was trying to market and sell its system through a consultant. The same marketing brochure that contained the maps provided by EKM included the description of the then-Jefferson Gas system as “235 miles of contiguous interconnected pipeline system”.⁶

The maps provided by EKM in this proceeding show those same 235 miles of main pipeline. EKM states in its responses to data requests that only 44 miles of this system are classified as DOT transmission pipeline⁷ and only 18 miles are classified as DOT gathering lines.⁸ The other 173 miles of pipeline or 74% of EKM’s system are not classified or reported to DOT

⁴ FCVR at 11:38:27 – 11:42:21.

⁵ FCVR at 10:26:28 – 10:31:34.

⁶ *In the Matter of: Electronic Application for a Declaratory Order Regarding Commission Jurisdiction*, Application Exhibit A. p. 6. Case No. 2022-00224 (July 22, 2022).

⁷ EKM’s Responses to Commission Staff’s Post-Formal Conference Request for Information, Item 10 (Nov. 16, 2022).

⁸ EKM’s Responses to Commission Staff’s Post-Formal Conference Request for Information, Item 11 (Nov. 16, 2022).

PHMSA or PSC, although interleaved and interconnected to the classified segments. Nearly all former Public Gas customers are served off three pipeline segments:

- The C-line supplies Jackson from the KZ-East line to Hazel Green Compressor to Jackson; this segment is designated a Transmission pipeline by EKM.
- The KZ lines (East and West) take gas from Columbia Gulf Transmission (CGT) at Means Station. The KZ lines were operated for decades by Columbia and were conveyed to Jefferson Gas in 2009 under an abandonment proceeding in FERC Docket No. CP09-65-000. The KZ-East line is the only conduit for CGT gas to supplement supply to Kentucky Frontier and West Liberty about half the year. There is no local production in the segment used for supplying the C-line. The KZ-E and C-lines operate at the same pressures, 50 psi in summer and 110 psi in winter. The KZ-East line operated for decades as a FERC-regulated, DOT transmission line, and is inarguably still in DOT-jurisdictional service.
- The A-1 line comes off C-line to serve Campton and other Frontier towns. It has no local production and its only supply source is the C-line transmission. Segment A-1 operates at 18-30 psi which is of the same as most distribution systems. A-1 runs as a DOT transmission or distribution line, and with only DOT or FERC gas supply, this gas cannot be deemed to revert to Gathering status.
- These three pipelines clearly meet the criteria for DOT jurisdiction and supply about 90% of former Public Gas customers. The A-2 line is designated DOT gathering but is very similar to A-1 and has most of the rest of customers, with a few more local production delivery points.
- PHMSA publishes helpful guidelines for determining Gathering vs Transmission or Distribution. In the document Gathering FAQs 7112007, example 9 at p. 10 (attached at

Exhibit 2) shows a system with gathering lines with a compressor into delivery pipelines A-B-C-D that can go several ways (like EKM). Line A delivers gas to a regulated entity and is a transmission line. Lines B-D flow to another regulated entity only occasionally. PHMSA responds, “If the operator sells gas to the sales point through Line D, even though it is only on rare occasions, Lines B and D are classified as transmission because these lines are engaged in the transportation of gas and meet the definition of transmission line”. This seems to indicate that the entire EKM system meets the transmission criteria.

In addition, Jack Banks stated at the formal conference that there are some additional lines owned by EKM that were not shown on the map provided.⁹ Exhibit 1 attached clearly indicates the location of some of those additional, undisclosed EKM lines. To create Exhibit 1, Kentucky Frontier took the GIS data points provided by EKM in response to Staff’s PFCR Item 1, and mapped those points on Kentucky Frontier’s GIS data (attached at Exhibit1). These EKM data points include producer deliveries (shown as blue stars) and farm tap customers operated by EKM (purple stars). In this process, Kentucky Frontier verified the actual location of its farm taps, shown as green dots.

As can be easily seen, there are many points showing EKM or Kentucky Frontier customers, that are nowhere near one of the mapped EKM lines. Any gas meters in those locations obviously require some sort of pipeline in close proximity. It is readily apparent that EKM operates many miles of pipeline not shown on the 235 miles of mapped mainline. EKM’s “farm tap” customers are not all served from a meter set at the EKM pipeline. Several of these “farm tap” customers are actually served from distribution lines with a meter at the residence or business.

⁹ FCVR at 10:44:09 – 10:44:15.

In fact, Jack Justice referred to these customers as “house customers” throughout the formal conference.

These three areas stand out:

- Cannel City is south of West Liberty, in the area of the A2 segment between Hazel Green compressor and Salyersville. Frontier has about 30 farm taps (green dots) around Caney-Cannel City and 10 more on Stacey Fork and Highway 191. The mapping in this area also shows 4 blue stars (producer deliveries to EKM) and 3 purple stars (EKM farm tap meters). The producer deliveries can’t directly supply the farm taps. There are apparently miles of unmapped distribution pipelines that EKM operates to supply all farm tap customers, to connect all the dots.
- Similarly, Frontier has many meters outside the Jackson distribution system that aren’t on any Frontier-Public pipeline. In the area northeast of Jackson, EKM’s brochure map shows C-line ends at Frozen where there is “no compressor”. Jefferson built and operated the Frozen Compressor for years, but now EKM has a producer operating it. Frontier receives gas for Jackson distribution at the Panbowl meter just outside Jackson. Frontier believes gas is fed here through an unmapped EKM line from the Frozen Compressor. This EKM line is the very definition of a DOT transmission pipeline, from a compressor to a distribution center. On the GIS map northeast of the Frozen compressor, Frontier has dozens of green dot farm tap meters, interleaved with dozens of purple stars for EKM farm taps, and four blue star producer input points. The miles of EKM pipelines required to connect these dots aren’t shown on any EKM map. A detail page also shows the area of a distribution line near Vancleve that was subject of a recent complaint to the Commission.

- The third example of unmapped lines is not for farm taps operated by Frontier, but is familiar for another reason. One of Frontier’s operating employees helped install a gas service line for friends that own an auto dealership between Prestonsburg and Paintsville. Their meter is correctly shown at the farm tap (purple star) directly on the EKM mainline A-3, from which the customer owns a 1500 ft service from the EKM meter to their building. Another purple star (farm tap meter) is shown beside this meter. But there is no second meter here; instead, the EKM meter is actually located at Highland School, about 1.3 miles off the main. From the farm tap and pressure regulator at the mainline, EKM apparently runs a distribution main to serve the school. Custody transfer occurs at the meter at the school building, and not at the mainline.

As stated above, Kentucky Frontier mapped the locations provided by EKM for its producer delivery points. These points are shown as blue stars on Exhibit 1. From the information provided by EKM in response to Staff’s PFCR Item 1, EKM receives gas from central delivery points operated by third-party producers. These are connected to the producers’ gathering systems, described by EKM as “the producer’s flow line”. This “flow line” owned by the producers has wells connected to it, to create a gathering system. EKM does not list a connection to any individual producing well.

As stated by Jack Banks in the formal conference, EKM does not own any wells,¹⁰ it only serves to take the gas produced by the local producers *to market*. In past years, this meant Jefferson primarily transported and exported gas to FERC interstate pipelines at each end of its network. However, in the current operation, EKM *is* the end market. The producers own the gathering lines from the well head to the “market” which is EKM’s pipeline. EKM purchases the gas from the

¹⁰ FCVR at 10:45:01-10:45:10.

local producers at a percentage of the local index price, and takes delivery of the gas at the interconnection point with the producers' gathering lines to EKM's pipeline. EKM then distributes the purchased gas to its retail and wholesale customers, and in warmer months, sells any excess to a FERC pipeline.

Based on information provided in response to the Attorney General's First Request for Information, Item 8, EKM does not have enough locally produced gas about 6 months of the year and **must** take gas from Columbia Gulf Transmission ("CGT/Southern Energy")¹¹ to serve its customers. However, the fact is that EKM actually takes gas from CGT *every* month of the year, to supply Delta Gas at Frenchburg and EKM farm taps on the KZ lines.¹² The locally produced gas along segment A-2 et. al. is not adequate to provide service to all retail and wholesale customers, under most circumstances. This shows that the locally produced gas is not being gathered by EKM to transport to market to a FERC pipeline, but that *EKM* is the end market, since the gas is purchased by EKM and sold to EKM farm tap customers or wholesale customers such as Kentucky Frontier.

Furthermore, EKM is not *transporting* gas that belongs to any entity other than EKM at any time.¹³ EKM purchases all gas from local producers at the interconnection points.¹⁴ EKM is

¹¹ EKM purchases gas through its marketer, Southern Energy, for delivery of CGT gas at Means.

¹² FCVR at 11:25:50 – 11:25:59.

¹³ FCVR at 10:57:40 – 10:58:33.

¹⁴ FCVR at 10:55:30 – 10:55:45.

also the sole purchaser of the gas delivered off CGT lines at Means.¹⁵ Kentucky Frontier and the city of West Liberty (including the state prison) only purchase EKM-owned gas.¹⁶

Kentucky Frontier has purchased and runs several small gas systems in eastern Kentucky. These gas systems have always been treated as utilities and regulated by the Commission. EKM's system looks exactly like several of these regulated Kentucky Frontier utilities. The former Belfry Gas, BTU, Sigma and Auxier systems now operated by Kentucky Frontier, all have the same parameters as EKM. Several local producers provide gas into Kentucky Frontier's system from a dozen delivery points, some of which are otherwise completely locked in, with no other market. In warmer months, locally produced gas is often enough supply all customers, but in colder months must be supplemented with gas from a FERC pipeline. Operating pressures and pipe sizes are similar in all these systems. If EKM is not regulated because it has portions of its systems that take locally produced gas, then Kentucky Frontier should also be considered a gathering system and not regulated by the Commission.

EKM is distributing natural gas to and for the public. EKM is purchasing gas from producers as well as Southern Energy at CGT. EKM is then re-selling this gas to its "farm tap" customers, but also to Kentucky Frontier, who sells the gas to its Kentucky consumers, and the city of West Liberty, who sells the gas to its Kentucky consumers including the state prison, which is a large consumer. EKM delivers gas to end users in about 800 locations. According to EKM's response to the Attorney General's First Request for Information, Item 8, EKM purchases 42% of its gas from Southern Energy delivered off CGT, a FERC regulated pipeline. This fact alone may

¹⁵ FCVR at 10:57:50 – 10:58:00.

¹⁶ Note that the state prison is located outside the West Liberty distribution system and is served with a meter directly off the EKM system. West Liberty handles the prison account as one of its customers.

prove that the EKM system is all-DOT, since it's difficult to rationalize that FERC gas can ever revert to become "gathering gas".

In addition to the information regarding the percentage of local gas purchases to FERC regulated gas purchases, EKM provided the producers that it has purchased gas from along with the total amount purchased. There were a total of 28 producers listed in this response, with 3 of those producers having \$0 purchased, leaving 25 active producers that EKM has purchased natural gas from since it purchased Jefferson Gas. Contradictory to this response, EKM provided in response to Staff's PFCR, Item 5, "thirty-five local producers" connected to the EKM system. In its recap of volumes in AG Request for Information 1-08, about a dozen of these points delivered 80% of the local gas.

EKM could be construed as a utility under KRS 278.010. In Case No. 1999-00058¹⁷, the Commission had to determine whether Calvert City Power I, LLC would be considered a utility and subject to the requirement to obtain a certificate of public convenience and necessity ("CPCN"). The facts presented were that all of the power produced by the electric plant would be sold at wholesale to an affiliated power marketer or marketers at rates regulated by FERC. The Commission found that Calvert City Power I, LLC would not be a utility under Kentucky law since it would not sell power at retail to end users or Kentucky or **to any regulated electric utility in Kentucky for resale to Kentucky consumers.** Here, EKM is purchasing natural gas for resale to a Kentucky regulated utility and to a municipal.

If the Commission disagrees with Kentucky Frontier on its arguments above, EKM is at a minimum, a common carrier interstate pipeline pursuant to KRS 278.470 and KRS 278.490.

¹⁷ *Petition of Calvert City Power I, L.L.C. For Declaratory Order*, Case No. 1999-00058 (Ky. P.S.C. July 6, 1999).

KRS 278.470 states:

Every company receiving, transporting or delivering a supply of oil or natural gas for public consumption is declared to be a common carrier, and the receipt, transportation and delivery of natural gas into, through and from a pipeline operated by any such company is declared to be a public use.

These statutes limit the common carrier obligation to companies that are transporting or delivering gas “for public consumption”. The Bankruptcy Court for the Western District of Kentucky held that the term “for public consumption” meant “for ultimate use by Kentucky consumers.”¹⁸ EKM delivers gas “for public consumption” by selling gas to Kentucky Frontier and the city of West Liberty “for ultimate use by Kentucky consumers.” As a common carrier, EKM is subject to the Commission’s jurisdiction regarding the rates its charges.

Federal regulations provide that “[i]n accordance with general industry practice, the definition of ‘gathering line’ is based on the function performed by that type of pipeline.”¹⁹ DOT 49CFR 192.3 defines gathering, transmission, and distribution lines as follows: 1) a gathering line is a “pipeline that transports gas from a current production facility to a transmission line or main”; 2) a transmission line is a pipeline that transports gas from a gathering line to a distribution center; and 3) a main or distribution line serves a common source of supply for more than one service line that transports gas to an individual customer”.

The Jefferson Gas system may have once been a gathering system when produced volumes were quite larger, but this system has evolved over time and EKM is no longer functioning as a gathering system. The Commission has reviewed gas companies to determine whether or not the company is a gatherer or a local distribution company and therefore a utility subject to the

¹⁸ *In re Langford*, 32 B.R. 746 (Bankr. W.D. Ky. 1982).

¹⁹ API RP 80, Section 2.1

Commission's jurisdiction. In Case No. 2017-00120²⁰ the Commission found that the Pollitt System was a distribution company subject to the Commission's jurisdiction as a utility. The system was originally classified as a gathering system. The Commission found that the Pollitt system served end use customers because it was a "common source of supply for service lines that transport gas to end-use customers for retail consumption at their individual premises."²¹ The Commission stated that if Southern Kentucky Energy resumed using the Pollitt System on a regular basis and a written agreement was entered into, it could be possible for the Pollitt System to be classified as a gathering system again.²²

However, the present case is distinguishable from the Pollitt case. In the Pollitt case, Southern Kentucky Energy owned the gas that was transported on the Pollitt System. Southern Kentucky Energy transported its own gas through the Pollitt System to sell to its own customer. In this case, EKM owns all of the gas that is transported through its pipeline. EKM purchases the gas at the interconnection point with each of the producers who are attached to its pipeline and EKM purchases all of the gas that is delivered from Columbia Gulf. The gas is purchased by EKM and re-sold to EKM customers. This is the true definition of a local distribution company.

In addition to the *Pollitt* case, the Commission found in Case No. 2013-00163,²³ that Equitable Gas Company, LLC ("Equitable") was a farm tap provider and not a local distribution

²⁰ *In re the Matter of: Pollitt Enterprises, Inc., Whitney Clark Pollitt, Individually, Amanda Deeann Pollitt, Individually and Basil C. Pollitt, Individually, d/b/a The Gas Group, Inc., a/k/a The Gas Group, Alleged Violations of KRS 278.020, KRS 278.160, KRS 278.140, and 807 KAR 5:5006, Section 4(2)*, Order, Case No. 2017-00120, (Ky. P.S.C. Dec. 27, 2017).

²¹ *Id.* p. 14.

²² *Id.*

²³ *In the Matter of: Joint Application of PNG Companies LLC, Peoples Natural Gas Company LLC, EQT Corporation, Distribution Holdco, LLC and Equitable Gas Company, LLC for Approval of Acquisition of Ownership and Control of Equitable Gas Company, LLC*, Order, Case No. 2013-00163 (Ky. P.S.C. Sept. 3, 2013).

company. In that case, Equitable provided gas service from the lines of Kentucky West Virginia Gas (“Kentucky West”).²⁴ Equitable’s only assets were a contract with EQT Energy, LLC, contracts with farm tap customers, and customer meters.²⁵ Equitable functioned as the distribution agent for Kentucky West, a natural gas producer and interstate pipeline.²⁶ Equitable served its customers directly off of Kentucky West’s lines. This is not the case regarding EKM. EKM owns the pipelines in question, EKM owns meters, distribution lines to the meters that serve its customers that do not have a meter set on the line and EKM does not just serve the customers required under KRS 278.485, those that are located within ½ air mile. EKM sells gas to a jurisdictional utility and a municipal gas company that also serves a state prison, in addition to its owns customers. EKM is clearly distinguishable from the Pollitt and EQT cases. EKM is in all sense of the words, a local distribution company and should be regulated by the Commission.

In EKM’s Motion to Submit, it characterized its system as “low pressure distribution” that would exclude it from Commission jurisdiction.²⁷ “Low pressure distribution system” is a pipeline industry term of art defined in 49 CFR 192.3 as “a distribution system in which the gas pressure in the main is substantially the same as the pressure provided to the customer.” This means that the pipeline operates at a pressure that is less than ½ psi pressure and has no pressure regulator located at the customer meter. These lines are normally very short and are often the type of lines that provide “royalty gas” to the owner of the gas well’s home. DOT does not regulate these lines because there are so few of them and by nature, they are short in length and very low pressure.

²⁴ *Id.* at 5.

²⁵ *Id.* at 2.

²⁶ *Id.* at 5.

²⁷ EKM’s Notice re Request for Matter to be Submitted on the Written Record p. 1, (Dec. 1, 2022).

They are usually located on private property and there is little to no risk to the public from these lines. EKM's system operates at pressures much higher than ½ psi. At the formal conference in this matter, Jack Banks stated that pressure on the lines range from 18 to 235 pounds (psi).²⁸ EKM does not qualify for the exemption stated for “low pressure distribution system” as quoted in its motion.

In its testimony and filings, EKM stridently asserts that EKM operates no distribution systems. But if any of the undocumented lines are held to be DOT-PSC jurisdictional, then any such distribution mains are somehow the property and responsibility of Kentucky Frontier. EKM recalls some verbal agreement on gas distribution between its predecessor Jefferson Gas and Frontier's predecessor Gas Natural. Frontier purchased only the assets of Public Gas and wouldn't be bound by any such agreement, which EKM hasn't produced. For the 500 farm taps on Jefferson pipelines outside Public Gas, Frontier received from Gas Natural only a meter address-location-history, but no pipe for these 500 customers. Frontier will not assume responsibility for miles of unknown Jefferson-EKM pipelines that are suddenly deemed jurisdictional.

CONCLUSION

EKM is not a gathering system. EKM does have some local production on its system, but it does not gather that gas and transport it to a market. EKM is the market. EKM purchases the locally produced gas at the delivery point where the producers' gathering system connects to EKM's system. EKM then sells all of this gas to its own customers, whether that be “house customers” as Mr. Banks referred to them at the formal conference, or its wholesale customers including Kentucky Frontier, a regulated utility and the city of West Liberty. EKM does not transport gas for any other entity. All of the gas is EKM-owned gas. Kentucky Frontier has

²⁸ FCVR at 10:50:00 – 10:51:30.

demonstrated that EKM's system is virtually the same as several systems operated by Kentucky Frontier, which have been treated as regulated utilities.

In addition, EKM purchases FERC-regulated gas from its marketer (Southern Energy) through Columbia Gas Transmission at Means. EKM purchases FERC gas by this way every month of the year. FERC regulated gas cannot somehow change to unregulated gas when it flows through the meter. In addition, the KZ-West and KZ-East lines were acquired from a FERC regulated entity and were classified as transmission pipelines for decades. How can those now be classified as gathering lines? Furthermore, PHMSA's FAQ's provided on its website, and attached as Exhibit 2, show that EKM's lines should not be categorized as gathering lines. EKM's pipeline system should be jurisdictional DOT Transmission or Distribution pipelines, and EKM's rates to Kentucky Frontier and others, should be regulated by the Commission.

Respectfully submitted,



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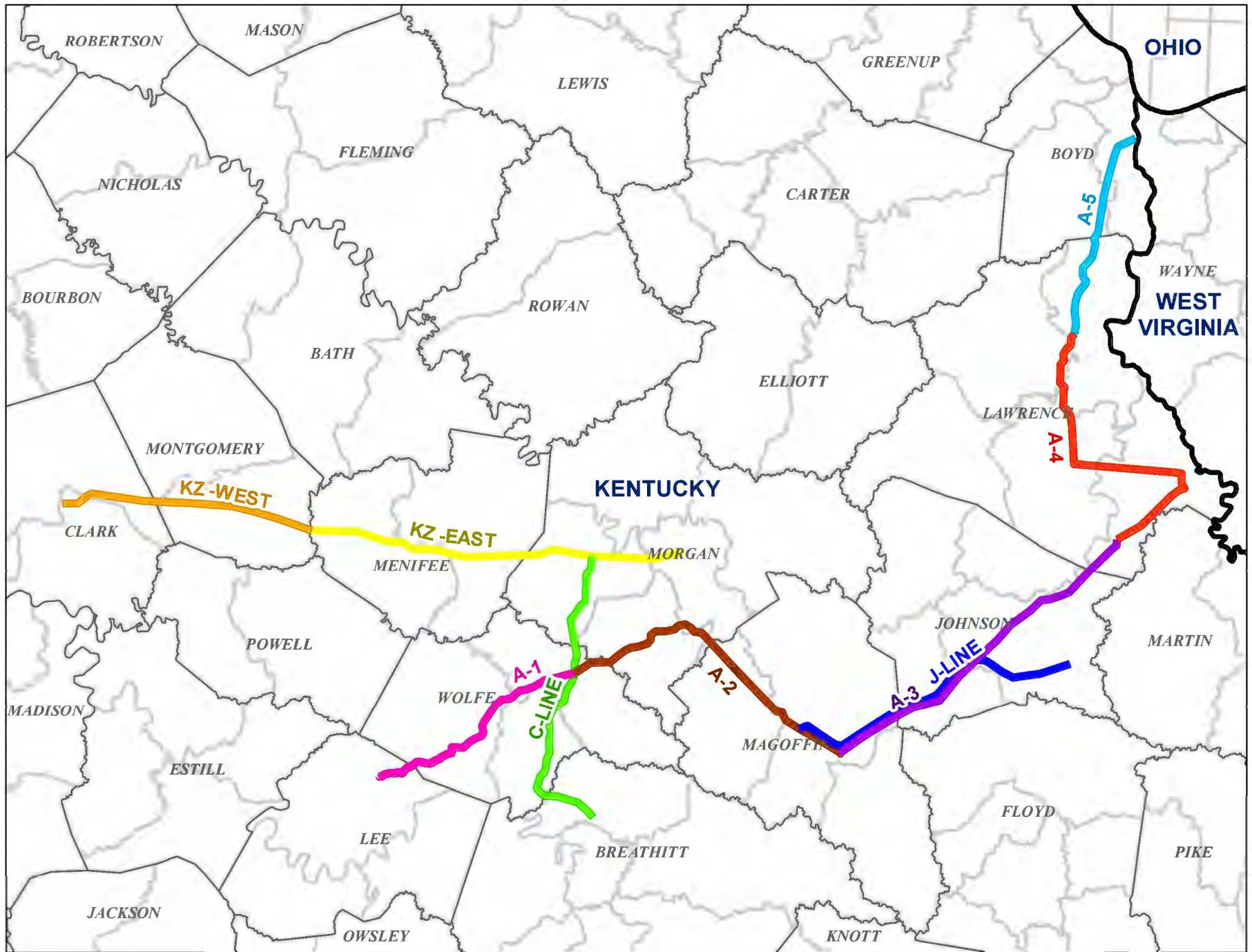
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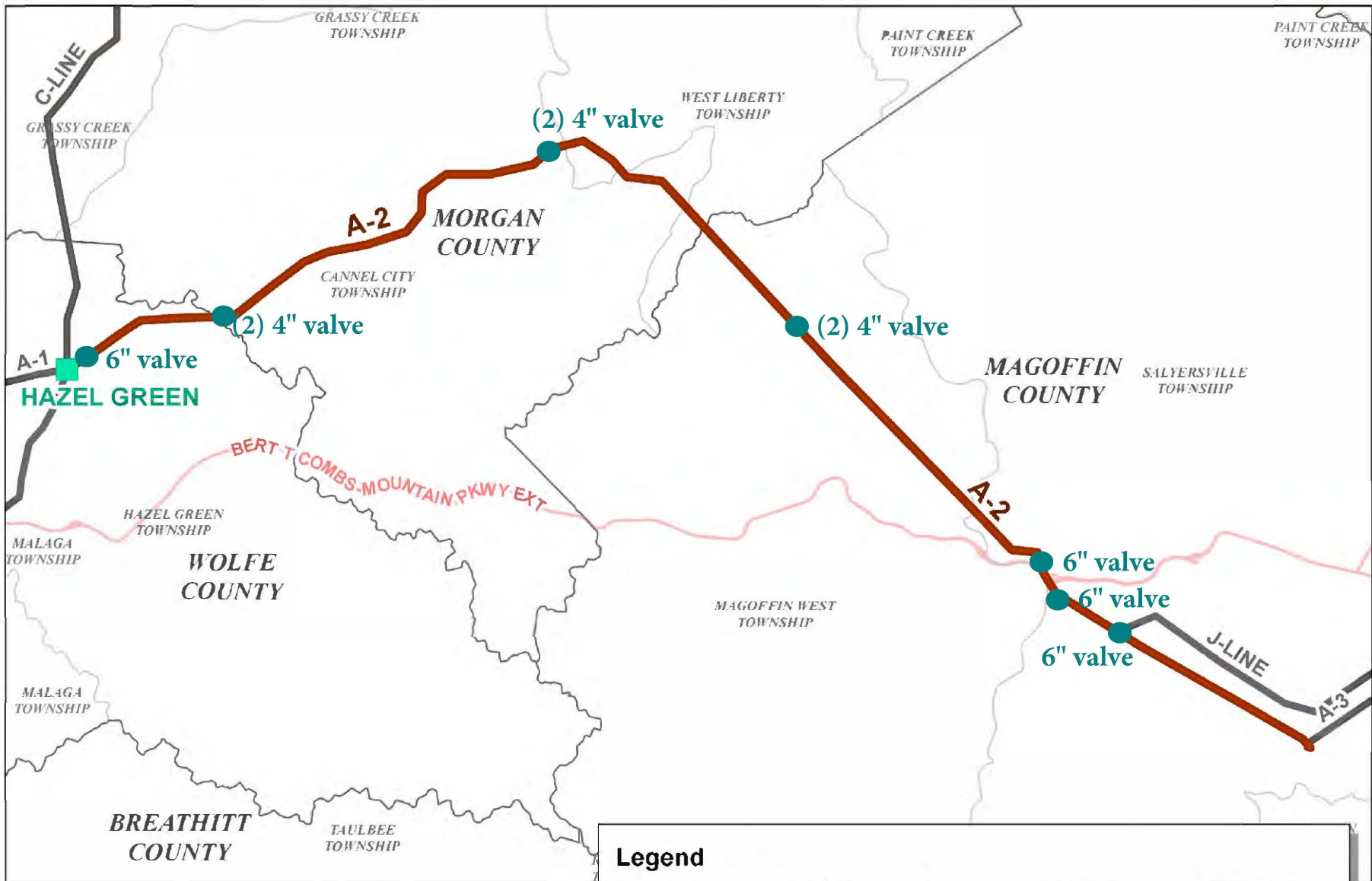
This is to certify that the foregoing electronic filing was transmitted to the Commission on January 20, 2023 and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085 no paper copies of this filing will be filed.



Counsel for Kentucky Frontier Gas, LLC

EXHIBIT 1
MAPS





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Date: 11/25/2019

Legend

A-1 LINE	A-4 LINE	J-LINE	COMPRESSOR SITES	STATE
A-2 LINE	A-5 LINE	KZ -EAST	NATURAL GAS PROCESSING PLANTS	COUNTY
A-3 LINE	C-LINE	KZ -WEST	REFINERY	TOWNSHIP
		MAJOR PIPELINES		HIGHWAY

 1 Miles

KY_Frontier Gas

Cannel City, KY

EKM Reponse All Points

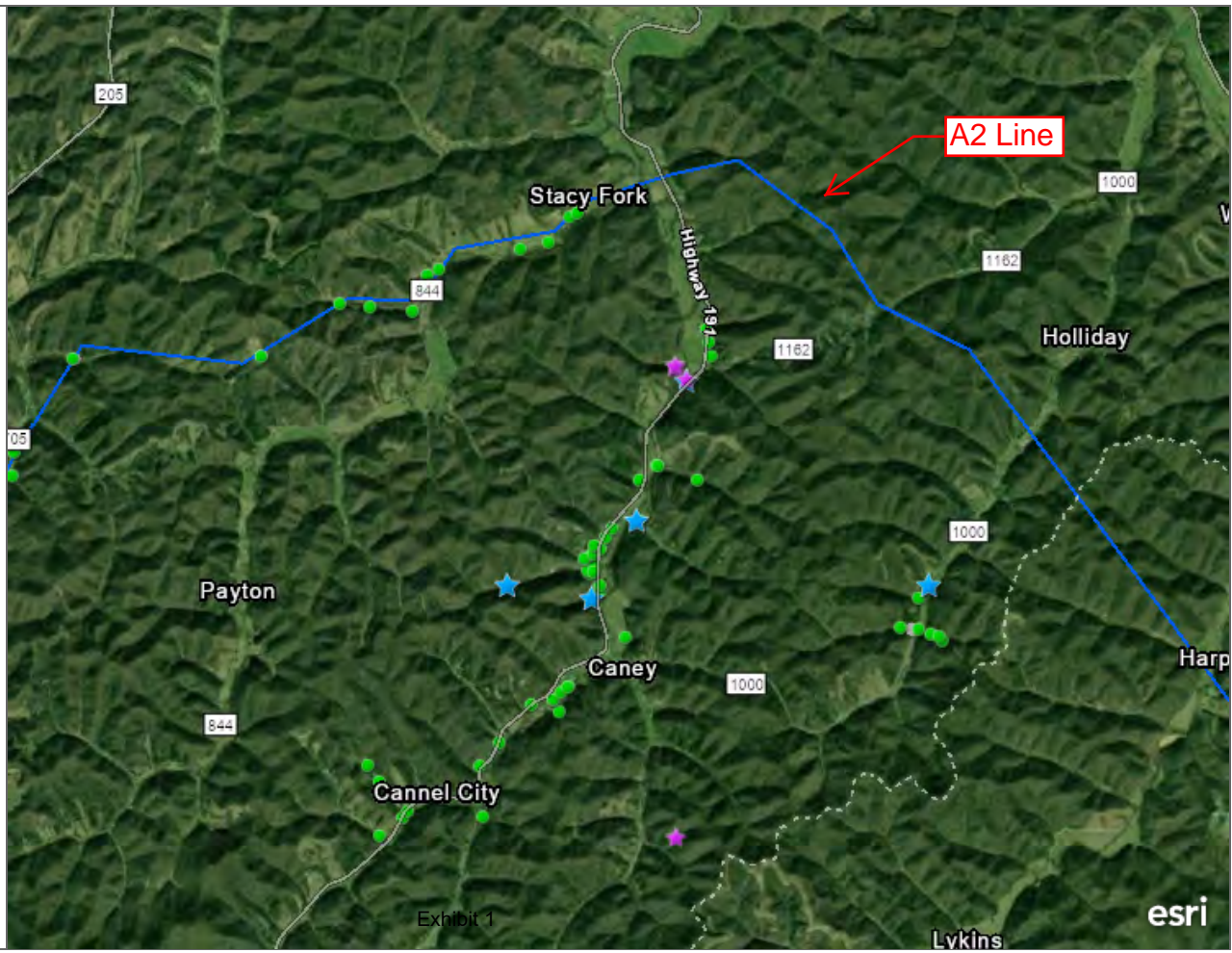
- ★ Farm Tap
- ★ Supply Meter
- Tap
- ◆ Master Meter
- ☀ Terminus

Public FT Meters Oct22

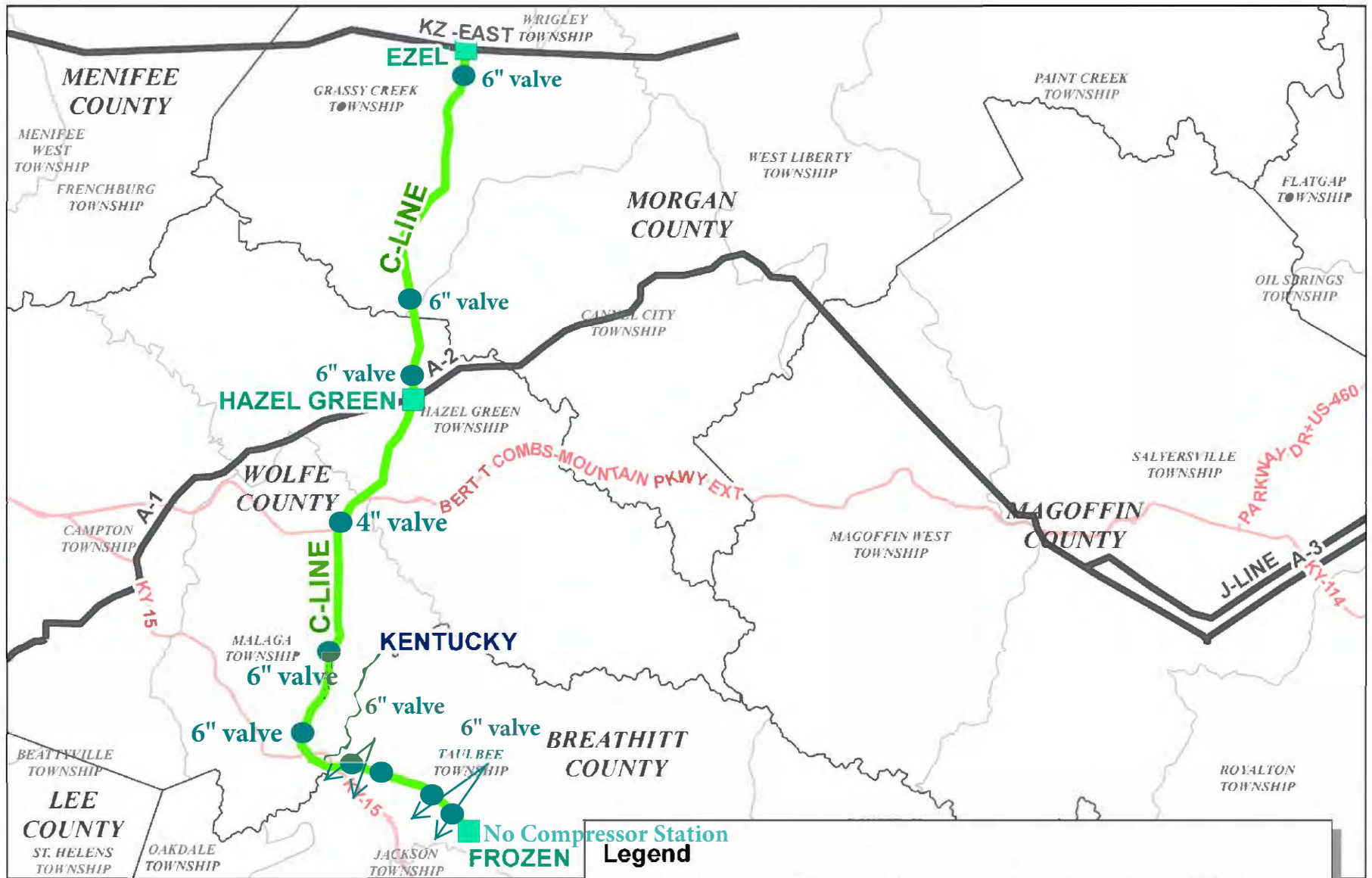
- YES
- Non-FT

Jefferson_Lines_Jan21

- Gathering
- Transmission



*A2 line estimated from EKM maps provided



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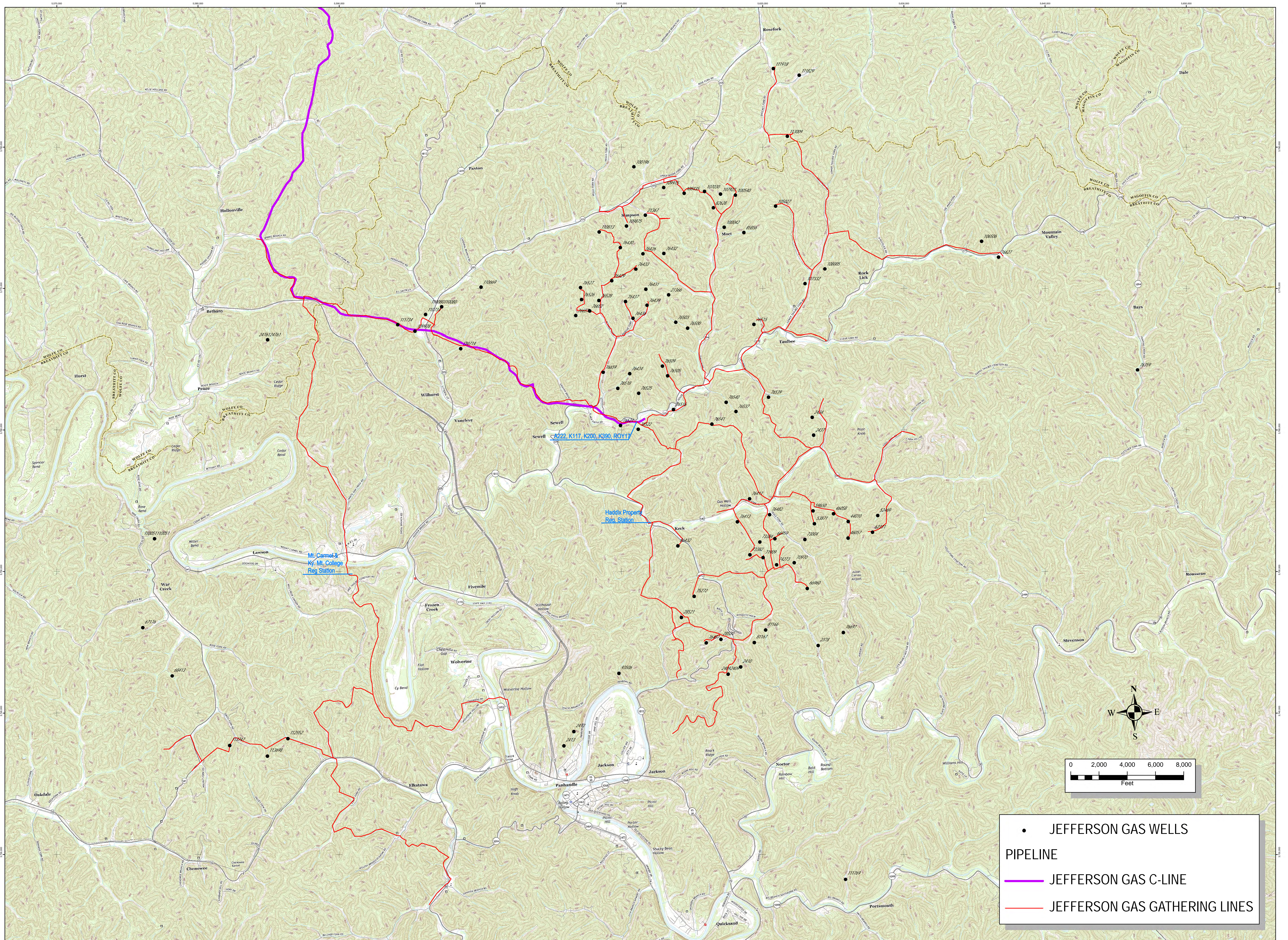


Date: 11/26/2019

Legend

A-1 LINE	A-4 LINE	J-LINE	COMPRESSOR SITES	STATE
A-2 LINE	A-5 LINE	KZ -EAST	NATURAL GAS PROCESSING PLANTS	COUNTY
A-3 LINE	C-LINE	KZ -WEST	REFINERY	TOWNSHIP
		MAJOR PIPELINES		HIGHWAY

1 Miles



KY_Frontier Gas

Rural Jackson, KY System Area

EKM Reponse (All Points)

- ★ EKM Farm Tap
- ★ Supply Meter
- Tap
- ◆ Master Meter
- ☀ Terminus

Public FT Meters Oct22

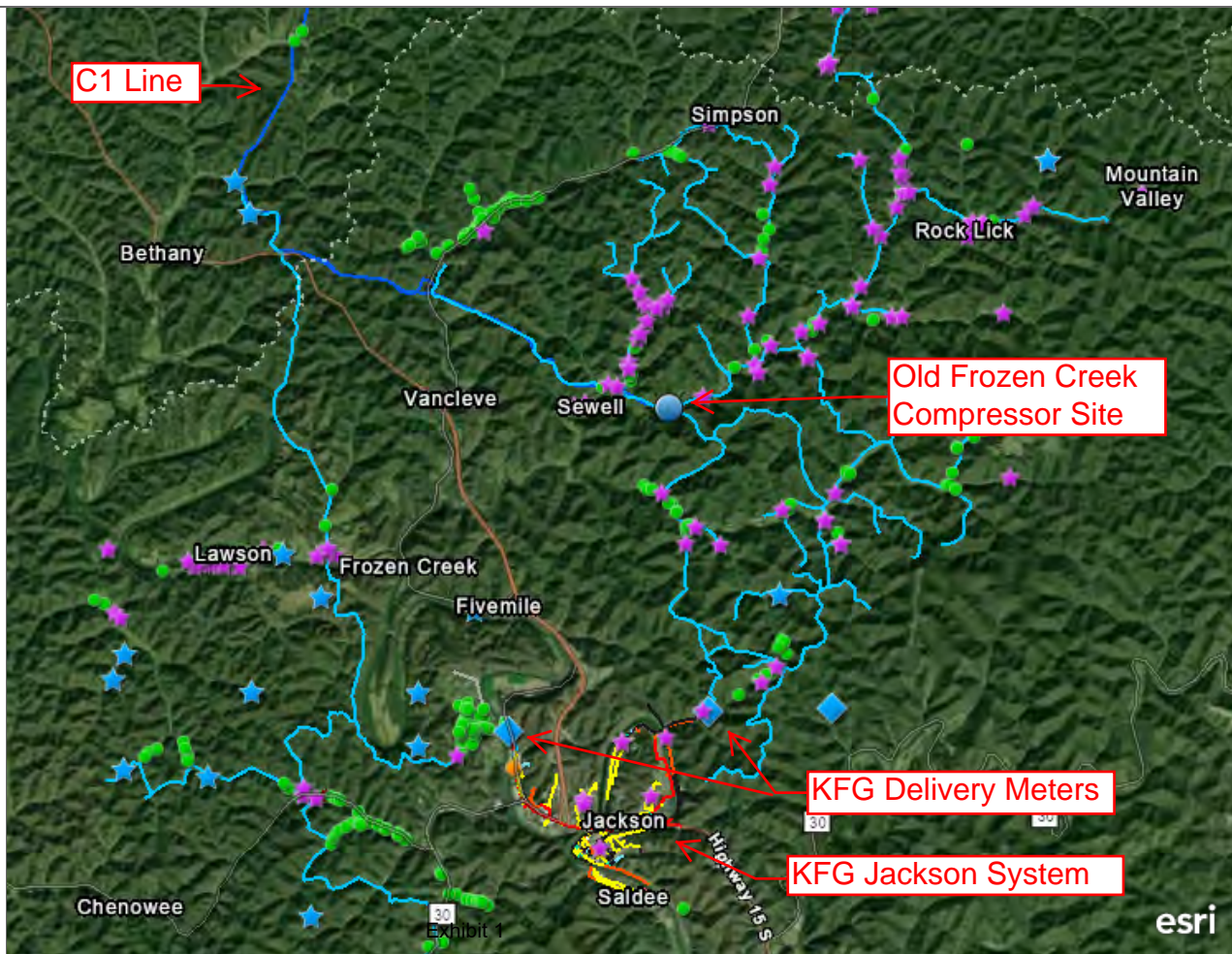
- YES
- Non-FT

Jefferson_Lines_Jan21

- Gathering
- Transmission
- Other

KY Frontier Mainline

- 1"
- 2"
- 3"
- 4"

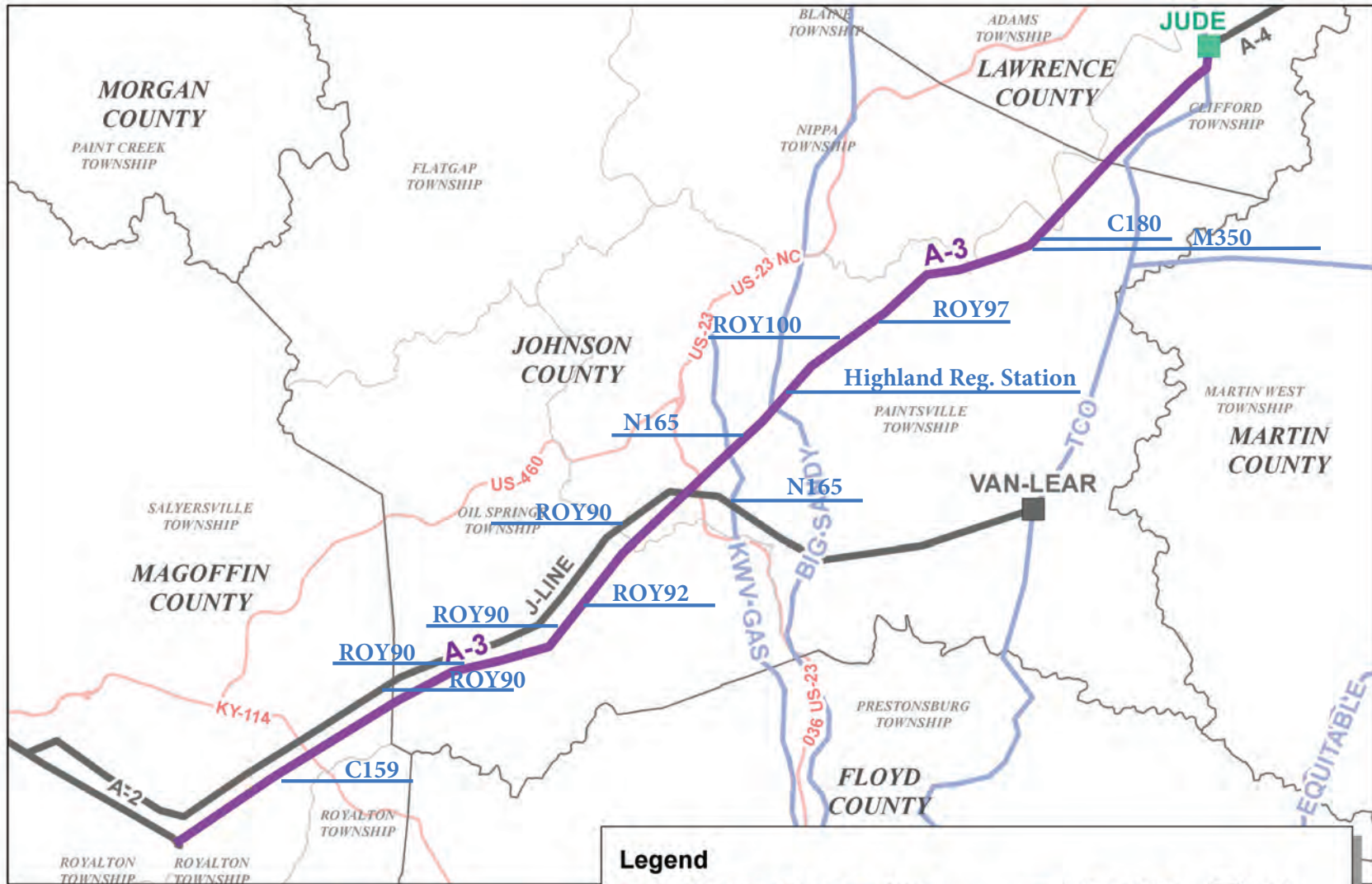


KY_Frontier -Copy-Copy



catch all layer

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Date: 11/25/2019

Legend

A-1 LINE	A-4 LINE	J-LINE	COMPRESSOR SITES	STATE
A-2 LINE	A-5 LINE	KZ -EAST	NATURAL GAS PROCESSING PLANTS	COUNTY
A-3 LINE	C-LINE	KZ -WEST	REFINERY	TOWNSHIP
		MAJOR PIPELINES		HIGHWAY

1 Miles

KY PSC 2022-00238
 01-0013

KY_Frontier Gas

Highland School / Auto Dealer Tap

EKM Reponse (All Points)

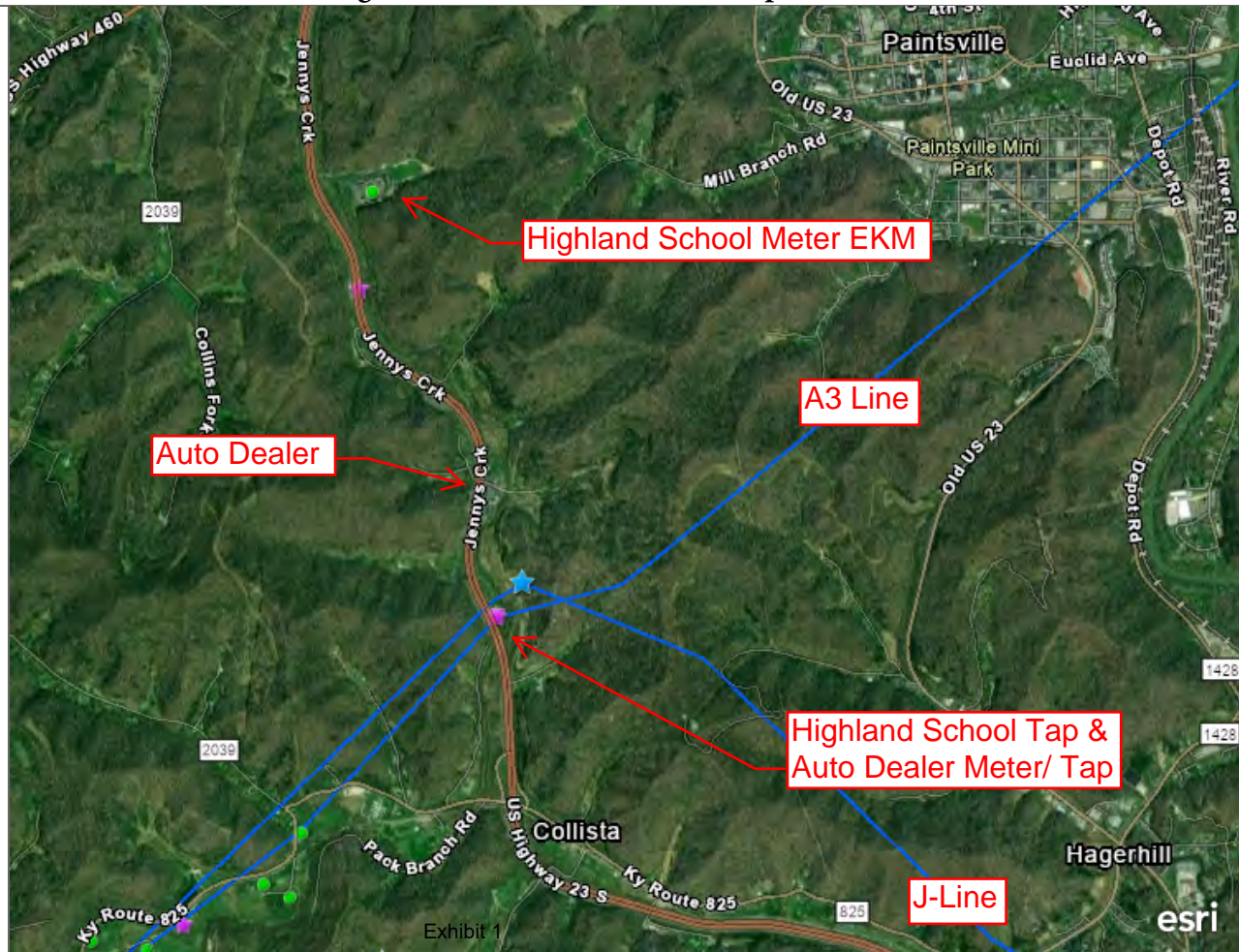
- ★ Farm Tap
- ★ Supply Meter
- Tap
- ◆ Master Meter
- ☀ Terminus

Measured FT Point

- Location Confirmed

Jefferson_Lines_Jan21

- Gathering
- Transmission
- Other



*EKM line location estimated from large scale maps provided

0.4mi

EXHIBIT 2
PHMSA GATHERING LINES
FAQ EXERPT

ONSHORE GAS GATHERING FAQs

These Frequently Asked Questions (FAQs) are intended to clarify, explain, and promote better understanding of the gas gathering line rules. These FAQs are not substantive rules and do not create rights, assign duties, or impose new obligations not outlined in the existing gas gathering line regulations and standards. Requests for informal interpretations regarding the applicability of one or more of the pipeline integrity management rules to a specific situation may be submitted to PHMSA in accordance with 49 C.F.R. §190.11.

GAS GATHERING ENDPOINT

- 1a. In situations where the endpoint of gas gathering is a gas processing plant, what happens to gathering line classification if the plant is shut down and bypassed for some undefined period for plant maintenance or because it is not economical to process the gas?**

PHMSA Response:

Shutting the processing plant down for a few weeks for maintenance reasons would not trigger a classification change. However, if the processing plant is out of service for an extended length of time, notification should be made to the regulating agency (applicable PHMSA Region or the State agency) and a determination of the need to reclassify the gathering line will be made.

- 1b. Does the location of the bypass valve and connection to the transmission line matter (e.g. the bypass valve is located within the processing plant or outside the plant)?**

PHMSA Response:

The operator is not required to locate the valve inside the plant. The endpoint of gathering would then be the connection to the transmission pipeline.

- 1c. Does the bypass valve have to be disconnected from the transmission pipeline?**

PHMSA Response:

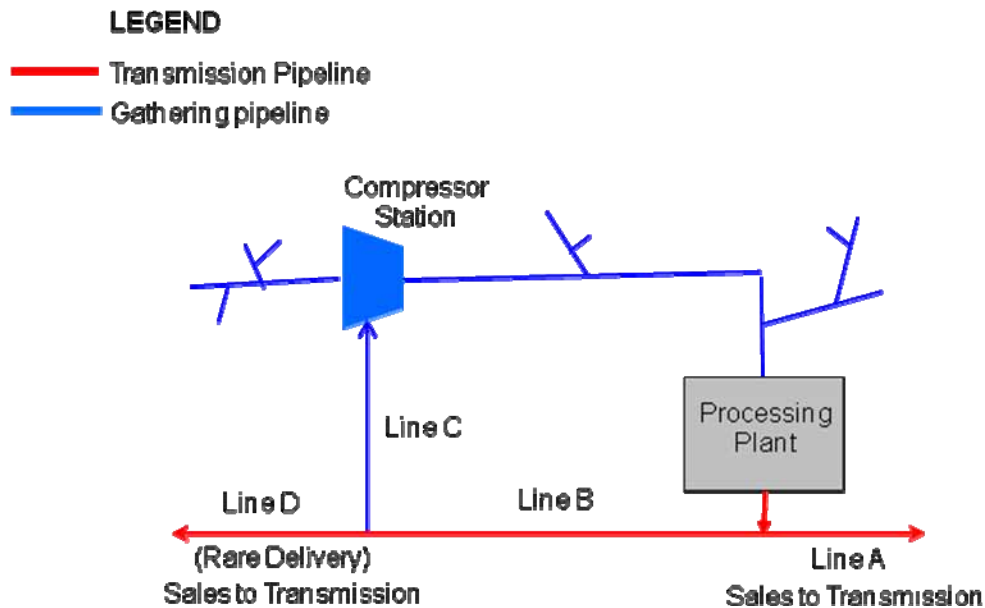
No. The operator is not required to disconnect this valve from the transmission line.

- 2. What is the impact on the classification of a gathering line when a maintenance event or emergency situation makes it necessary to use the line for delivery of gas to transmission line customers?**

***Example:* A processing plant has several gathering pipelines that deliver unprocessed gas into the plant. One of the transmission lines leaving the plant feeds a critical power plant, industrial user, or city gate that requires continued service. If this transmission line is down due to a leak or for scheduled maintenance, one of the gathering pipelines that delivers gas into the plant may be used to temporarily**

9. Some lines may operate as transmission part of the time and as gathering during the remaining time.

In the following example, a majority of the time processed gas is sold to a transmission company through Line A. In addition, processed gas is also delivered to the compressor for fuel through Lines B and C. On rare occasions, the operator sells gas to the transmission company through Line D. How does the intermittent sale of gas through Line D effect the classification Lines B, C, and D?



PHMSA Response:

If the operator sells gas to the sales point through Line D, even though it is only on rare occasions, Lines B and D are classified as transmission because these lines are engaged in the transportation of gas and meet the definition of transmission line under paragraph (1).

"Transmission line" means a pipeline, other than a gathering line, that: (1) Transports gas from a gathering line or storage facility to a gas distribution center, storage facility, or large volume customer that is not downstream from a gas distribution center. Since Line C is used exclusively to deliver fuel gas for the operator's compressor, Line C is classified as gathering.