

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC CONSIDERATION OF THE</b>	)	
<b>IMPLEMENTATION OF NORTH AMERICAN</b>	)	<b>CASE NO.</b>
<b>ENERGY STANDARDS BOARD'S</b>	)	<b>2023-00272</b>
<b>RECOMEMENTATIONS ON GAS AND ELECTRIC</b>	)	
<b>HARMONIZATION</b>	)	

---

**COMMENTS OF KENTUCKY FRONTIER GAS, LLC**

---

**Recommendation 7.** State public utility commissions and applicable state authorities in states with competitive energy markets should engage with producers, marketers and intrastate pipelines to Ensure that such parties operations are fully functioning on a 24/7 basis in preparation for and during in Events in which extreme weather is forecasted to cause demand to rise sharply for both electricity and natural gas, including during weekends and holidays. (States could consider the approaches adopted in FERC regulations affecting the interstate pipelines.) In instances where state authorities lack enabling authority to take such actions, FERC should adopt regulations to achieve identical outcomes within its authority.

**Comment on Recommendation 7:** Like all gas utilities, Kentucky Frontier intends that each of its systems will operate 24/7 indefinitely. But Frontier is dependent on its suppliers to supply gas 24/7, and the unregulated suppliers have little incentive to keep gas flowing in extreme weather. State regulations require utilities to make reasonable efforts to prevent service interruptions to

customers and to restore any interruptions as soon as possible. Kentucky Frontier does everything practical to maintain service, but cannot distribute gas that isn't delivered.

**Recommendation 10.** State public utility commissions should encourage local distribution companies within their jurisdictions to structure incentives for the development of natural gas and electric demand-response programs in preparation for and during events in which demand is expected to rise sharply for both electricity and natural gas.

**Comment on Recommendation 10:** Kentucky Frontier does not believe that a one size fits all approach to demand-response programs should be adopted. Each LDC is unique and different programs would be more beneficial to some than others. Frontier serves almost exclusively modest, rural homes and small businesses, who are small individual users with little capacity for demand response.

**Recommendation 11.** State public utility commissions should encourage local distribution Companies within their jurisdictions to provide voluntary conservation public service announcements for residential, commercial and industrial customers in preparation for and during events in which demand is expected to rise sharply for both electricity and natural gas.

**Comment on Recommendation 11:** Kentucky Frontier does not believe additional regulations are needed to accomplish this recommendation. Notification to customers is far easier in urban areas than the scattered rural customers served by Kentucky Frontier.

**Recommendation 12:** Joint and cross-market, long-term planning should be expanded by relevant gas and electric market parties with an increased focus on fuel adequacy, FERC should encourage this planning coordination using its oversight roles for interstate pipelines, regulated RTO/ISO interstate transmission, and Electric Reliability Organization (ERO)-related Planning Authorities and collaborate with state public utility commissions and applicable state authorities.

**Comment on Recommendation 12:** This issue is not applicable to Kentucky Frontier.

**Recommendation 13:** The FERC, state public utility commissions, and applicable state authorities in states with competitive energy markets should consider whether market mechanisms are adequate to ensure that jurisdictional generators have the necessary arrangements for secure firm transportation and supply service and/or storage to avoid and/or mitigate natural gas supply shortfalls during extreme cold weather events, and if not, (a) determine whether non-market solutions are warranted, including funding mechanisms borne or shared by customers and (b) if warranted, adopt such non-market solutions.

**Comment on Recommendation 13:** This issue is not applicable to Kentucky Frontier.

**Recommendation 14:** Applicable state authorities should consider the adoption of legislation or regulations or other actions to create a secondary market for unutilized intrastate natural gas pipeline capacity, including a requirement for intrastate pipelines to offer some minimum level of firm service and/or support bilateral agreements between end users. In instances where state authorities lack enabling authority to take such actions, FERC should adopt regulations to achieve identical outcomes within its authority.

**Comment on Recommendation 14:** Please see comment on Recommendation 7 above. One of Kentucky Frontier's largest suppliers is an intrastate pipeline that functions as a distribution utility but is not regulated by the Public Service Commission or any State agency. Whether this is a matter of the supplier morphing over time, or regulations lacking clear authority, it squeezes Kentucky Frontier between its absolute regulatory obligations to customers and a supplier with no such limits.

**Recommendation 15:** Applicable state authorities should consider establishing informational posting requirements for intrastate natural gas pipelines to enhance transparency for intrastate natural gas market participants regarding operational capacity data, similar to the report and posting requirements mandated by FERC for interstate natural gas pipelines as part of 18 CFR 284.13. In instances where state authorities lack enabling authority to take such actions, FERC should adopt regulations to achieve identical outcomes within its authority.

**Comment on Recommendation 15:** Kentucky Frontier would support additional notification requirements for its regulated suppliers when shortages occur. The current system can be days late, when the fact is obvious to customers with cold houses. The unregulated suppliers don't bother to tell anyone, ever.

**Recommendation 16:** Applicable state authorities should consider the development of weatherization guidelines appropriate for their region/jurisdiction to support the protection and continued operation of natural gas production and processing and gathering system facilities

during extreme weather events, and require public disclosure concerning weatherization efforts of jurisdictional entities.

**Comment on Recommendation 16:** Kentucky Frontier would support weatherization efforts, but also does not believe that one approach would work for all electric and natural gas utilities. As related in Recommendation 10, Frontier serves almost exclusively modest, rural homes and small businesses, who are small individual users with little capacity for large renovations.

**Recommendation 17:** Many generalized recommendations for resource adequacy and accreditation and market reforms to bolster reliability were offered throughout the NAESB GEH Forum activities: we understand, however, based upon information provided by representatives from the ISO and RTO segment, that steps are being taken within the organized markets to consider such reforms through their stakeholder processes. The GEH Forum endorses this evaluation of resource adequacy and accreditation requirements by all ISOs and RTOs and encourages the review of the Forum record.

**Comment on Recommendation 17:** Kentucky Frontier supports the general review of this report by all interested stakeholders.

Respectfully submitted,

/s/ Steven Shute

Steven Shute  
Sole Member, Kentucky Frontier Gas LLC  
2963 Kentucky Route 321 North  
Prestonsburg, KY 41653  
(606) 886-2431  
[steve@pipeline.group](mailto:steve@pipeline.group)