COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION KENTUCKY	**)**	
FRONTIER GAS, LLC FOR DECLARATORY	**)**	**CASE NO.**
ORDER ON FREE GAS	**)**	**2025-00042**

RESPONSES TO STAFF'S FIRST INFORMATION REQUEST

TO KENTUCKY FRONTIER GAS, LLC

DATED NOVEMBER 3, 2025

Filed: November 26, 2025

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF KENTUCKY FRONTIER GAS, LLC FOR DECLARATORY ORDER ON FREE GAS)	**CASE NO. 2025-00042**

VERIFICATION OF STEVEN SHUTE

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

Steven Shute, Sole Member of Kentucky Frontier Gas, LLC, being duly sworn, states that he has supervised the preparation of these responses to data requests in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge information and belief, formed after reasonable inquiry.

Steven Shute

The foregoing Verification was signed, acknowledged and sworn to before me this 24th day of November, 2025 by Steven Shute.

Notary Commission No. KYNP76787

Commission expiration: 8/21/27

LEIGH ALLYSON PRECE HOMAKER - NOTARY PUBLIC
Comm. # KYNP76787
COMMONWEALTH OF KENTUCKY
MY COMM. EXP. 8/21/2027
COMMONWEALTH OF KENTUCKY

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 1

RESPONSIBLE PARTY: Steven Shute

Request 1. Describe in detail any steps Kentucky Frontier has already taken to make the Fontaine-Williams Gas Gathering System, LLC (FWGGS) pipeline operational.

Response 1. Frontier's project to energize Fontaine-Williams Gas Gathering System, LLC ("FWG") as a gas supp\ly is an uphill and difficult project. Frontier has approximately 1,000 customers in the former BTU and Sigma systems in Magoffin County, Kentucky, but there is insufficient local gas, despite 100 years of drilling. Cold weather gas supply must come from a meter at US 23 near Prestonsburg, Kentucky, via an approximately twenty (20) mile pipeline to Salyersville, Kentucky to the end of BTU, which is not enough on peak days.

Jefferson Gas (now East Kentucky Midstream "EKM") was once a backup supplier, but despite paying EKM $3 million in margins that were partially used for upgrades, EKM's winter pressure is lower than Frontier's, and is therefore incapable of supply. This has been discussed in the Commission's open investigation into EKM.

Frontier has for years incorporated approximately 24% of the FWG line into the former BTU system, serving a school and other customers south of Royalton, Kentucky. Of the remaining FWG line, Frontier has located, identified, and pressure tested approximately 56% of the FWG pipeline, in a section near the village of David, Kentucky headed southeast. Frontier first had to identify with tap tees and air pressure, which line was FWG's and not the parallel twin O&G line (described in Response 2), since neither are marked and not always in the same orientation (two close lines, top-bottom, left-right). Frontier installed several 8-inch block valves to enable segmenting and testing of the line. Some minor damage was found and repaired. Frontier expects to have tested 80% in November.

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 2

RESPONSIBLE PARTY: Steven Shute

Request 2. Describe, in detail, how the Fontaine-Williams Gas Gathering System, LLC (FWGGS) pipeline is currently utilized; and any additional steps, if any, that are necessary to incorporate the FWGGS pipeline into Kentucky Frontier's distribution system.

Response 2. The FWGGS 8-inch pipeline was built from Sublett, Kentucky to Martin, Kentucky around 2005, along with a twin 8-inch line owned by O&G. The O&G line was used briefly to transport gas, sometimes sour gas, in various configurations, but not continually, and not in at least ten (10) years. The northern half of the FWG line was used to supply scattered small gas users, but the remainder was never used, or even fully completed or energized. Since inception, the FWG line had no real purpose.

In the past year, Frontier realized that FWG is best used as an import pipeline to Magoffin County, Kentucky. If a Diversified Gas & Oil ("DGO") or TC Energy (formally Trans-Canada) pipeline can supply gas at Martin, and if the FWG pipeline can be upgraded to DOT condition, it could solve the Magoffin gas supply issue forever. But that is a hypothetical situation that Frontier cannot currently rely on.

Many of the details on the 8-inch main are unknown such as precise alignment, pipe material, depth of cover, construction and testing, so Frontier will have to investigate, identify, quantify, repair and re-test the system to qualify for DOT operation. Any existing service lines off the main will be deemed the property and responsibility of the gas user using the service.

The following descriptions provide details by segment:

Sublett-Royalton-Puncheon. On the northwest end of FWGGS, the first 5.3 miles or 24% of the pipeline from Sublett to Half Mountain to Puncheon are integrated into the former BTU system. This is the same as when Frontier took over BTU Gas assets in 2012. This segment is

tied into and receives gas from the BTU system near Royalton and supplies gas to a public school at Half Mountain and other Frontier customers off FWG. BTU is fed from Sigma near Ivyton (5 miles NE) and a few local producers. Frontier purchases gas from a producer at Puncheon Creek that feeds local customers and back into BTU at times. This segment is already functionally incorporated into the Frontier utility with no further work needed.

Long Creek. The next 5-mile segment, or 22% of the line from Puncheon to the head of Long Creek is less clear. As outlined in the Application, this segment has numerous gas users who take gas for no compensation, neither metered nor recorded, as was allowed by the developer, Richard Williams. Frontier purchases gas from a producer at Puncheon Creek and meters gas to FWG into Long Creek. Frontier charges DLR and the O&G owner for the cost of gas. This section will be converted to Frontier operation and ownership. It will be pressure tested, which means all gas users (known and unknown) will have to be found, turned off during testing, and subjected to formal, metered gas service under Frontier rates and tariffs. Any service lines off the 8-inch main are mostly unknown as to length, size, material, alignment, construction, and testing. Frontier will set each meter at the main and connect to the gas users' existing service line, much like a farm tap. This segment will be incorporated into the Frontier utility system.

Strip Job. The middle 2.4-mile segment, approximately 11% of the line, from Long Branch to Triple S Road near David is very remote. It includes a section of about 10,000 ft of pipe through a strip job, that was pulled up and the pipe stolen and sold. In October 2015, the missing piece was replaced with 6-inch PE instead of 8-inch. This segment will likely stay in DLR, with a custody transfer meter at Long Branch.

David-Martin. The remaining 9.3 miles, approximately 43%, in the southeast half to David and Martin mostly follow state road ROW with two cross-country segments on strip jobs. This section was never completed or energized with gas, so it has no gas users. These segments are being upgraded and tested now and will remain with DLR.

The current plan is to leave 54% of the FWG line as DLR, and to convey 46% to Frontier (including the 24% already incorporated).

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 3

RESPONSIBLE PARTY: Steven Shute

Request 3. Refer to the Application, page 4. Confirm whether gas has been fed to the portion of the FWGGS pipeline that Kentucky Frontier plans to incorporate into its distribution gas system. If confirmed, then explain the source of the gas and a general idea of when gas began to be fed into the pipeline. Consider this an ongoing request if at any point during proceeding the response is to change.

Response 3. See Response 2. Frontier delivers gas from its BTU system to South Magoffin Elementary near Half Mountain, Kentucky through a segment of FWG that was merged into Frontier before 2012. The gas users in Puncheon and Long Creek are fed off a producer delivery at Puncheon Creek, which can also feed gas back into Frontier BTU.

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 4

RESPONSIBLE PARTY: Steven Shute

Request 4. Refer to the Application, page 4. Explain, in detail, the necessary improvements DLR Enterprises, Inc. (DLR) plans to make to the FWGGS pipeline. For each separate planned improvement, provide:

a. The purpose of the improvement and exactly how it would be beneficial to the FWGGS pipeline;

b. The expected cost of the specific improvement;

c. The specific portion(s) of the FWGGS pipeline where the improvement is planned to occur;

d. When the repairs are expected to be completed; and

e. Whether Kentucky Frontier plans to reimburse DLR for the improvement.

Response 4. See Response 2 for detailed descriptions of plans, by segment.

The cost and schedule for these improvements are unknowable, since Frontier does not know how many known or unknown gas users are on this portion of the line. It will not be possible to pressure test any segment until all the gas takers are shut off. All work to date on the David-Martin segment has been with a Frontier in-house crew who should be capable of completing the remaining work. The current estimate is less than $100,000 but depends greatly on the cost of the delivery station at Martin, and the level of success in Long Creek with "free" gas users.

At the end of the work, the separate entities, Frontier and DLR, expect to account for all costs of improvements performed by Frontier, and some value attributed to the FWG pipeline to DLR, and reimburse each other.

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 5

RESPONSIBLE PARTY: Steven Shute

Request 5. Refer to the Application, page 7. Provide a legible map identifying the entire FWGGS pipeline. Furthermore, clearly identify the specific portion of the FWGGS pipeline that Kentucky Frontier is proposing to make a utility asset and incorporate into the utility and be regulated by the Commission; any existing meters and city gates on the FWGGS pipeline; any pressure monitoring or pressure relief devices on the FWGGS pipeline; and any additional natural gas related entities connected to the FWGGS pipeline.

Response 5. Please see the map filed under seal pursuant to a motion for confidential treatment.

There are currently no "existing meters and city gates" or "any pressure monitoring or pressure relief devices" on the FWGGS pipeline.

The Martin delivery point will be metered from the supplier and regulated to 50 psi then odorized with DLR equipment. A custody transfer meter from DLR to Frontier will be built in the Long Branch-David segment, depending on final determination of where ownership changes. The two metering points will include remote monitoring of pressure and flow. The completed line will deliver gas into Frontier BTU system near Royalton which can then flow two ways to Sigma and BTU systems around and north of Salyersville.

ATTACHMENT FILED UNDER SEAL PURSUANT TO A MOTION FOR CONFIDENTIAL TREATMENT

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 6

RESPONSIBLE PARTY: Steven Shute

Request 6. Refer to the Application, page 7. In regard to the specific portion of the FWGGS pipeline that Kentucky Frontier notified the Commission would become an asset of Kentucky Frontier to be regulated by the Commission:

a. State if DLR will maintain or regain any ownership of the FWGGS pipeline after Kentucky Frontier takes control of the pipeline;

b. Explain the current business relationship between DLR and Kentucky Frontier;

c. Explain the expected business relationship between DLR and Kentucky Frontier following the full completion of the proposed project as discussed in this proceeding;

d. Identify the portion of the FWGGS pipeline Kentucky Frontier will be responsible for maintaining following the full completion of the proposed project as discussed in this proceeding; and

e. Identify the any portion of the FWGGS pipeline DLR will be responsible for maintaining following the full completion of the proposed project as discussed in this proceeding.

Response 6.

a. After final determination of where the ownership changes at David or Long Branch, each entity will have 100% ownership of its segments.

b. DLR Enterprises, Inc. is a separate corporate entity with the same ownership as Frontier. DLR was a construct of the former owners of Cow Creek Gas and Sigma Gas that Frontier purchased in 2010. Those owners had taken over several utilities under the Commission's jurisdiction as mostly gathering lines, with small nuggets of regulated utilities. One line segment could not be

incorporated into Frontier without incurring a sale and tax event, which then would not be compensated with then-existing rates until the next rate case, so it stayed in DLR. Later, FWGGS assets were conveyed into DLR, which holds only these two non-jurisdictional pipelines. DLR charges Frontier a market-based transport fee for one pipeline. Frontier operates the DLR pipeline for a fee. All of these transactions are reported to the Commission in the annual reports.

c. DLR and Frontier will continue in the current arrangement, balancing transport fees to DLR with operating fees to Frontier.

d-e. See Response 2 for the discussion of which entity will control segments of FWG. DLR has no employees or equipment, so Frontier will operate the pipeline from Martin to Sublett. Any work by Frontier for the DLR portion of FWG will be compensated.

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 7

RESPONSIBLE PARTY: Steven Shute

Request 7. Refer to the Application, pages 5 and 6, regarding Kentucky Frontier's natural gas service to the Bailey family and provide a complete copy of the Magoffin Circuit Court Case No. 12-CI-00261 file and any related documents.

Response 7. The requested file is voluminous and Frontier does not have a complete copy. In order to obtain a complete copy, Frontier would have to have an employee travel to Magoffin County and make copies of the case record that was initiated thirteen years ago. This would be very time consuming and burdensome. The attached highlights were obtained from a partial copy in Frontier's possession. Scanning these highlights was very time consuming and to scan the entire file in Frontier's possession would be a burden on Frontier's small work force.

DR1-7

Bailey

W. JEFFREY SCOTT, PSC

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Brandon Michael Music
Whitley Hill Bailey

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e-mail - wjscott@windstream.net

January 28, 2025

Hon. Eldred Adams
110 E. Main Street
Louisa, KY 41230

In Re: Samuel and Teresa Bailey

Dear Mr. Adams,

Please let this letter serve as a follow-up to my November 25, 2024 offer. My clients are eager to reach a final resolution in this matter. Therefore, could you please let me know if this offer is acceptable to your clients. I look forward to hearing from you. Thank you.

Yours Truly,

Whitley Hill Bailey

WHB/cds
Cc: Clients

W. JEFFREY SCOTT, PSC

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November 25, 2024

Hon. Eldred Adams
110 E. Main Street
Louisa, KY 41230

In Re: Samuel and Teresa Bailey

Dear Mr. Adams,

My clients wish to extend the following settlement offer to your client as full and final settlement and resolution of this case. My clients wish to modify the contract which they have with BTU Gas Company, Inc., its successors and assigns, which was executed on June 17, 2005. They wish to modify said contract to reflect that Sam and Teresa Bailey and their now living children shall pay flat rate of $20.00 per month to KY Frontier Gas, LLC, so long as Sam P. Bailey, Teresa Bailey or one of their now living children occupies the residence of Samuel and Theresa Bailey. Additionally, my clients would request a one-time payment from Kentucky Frontier Gas in the amount of $7,500.00 to reimburse them for their legal fees expended herein in and an exchange will forego any damages resulting from any claim in the within lawsuit and any claims which may arise out of the issues of the within lawsuits. My clients believe that this is appropriate given the length of time that this matter has been pending, the status of this matter, and Kentucky Frontier Gas, LLC's prior unlawful termination of my clients' services.

My clients wish to extend this offer for a period of 30 days, given the upcoming holidays. Thereafter, they intend to request that the Court set a trial for the spring of 2025.

I look forward to hearing from you regarding this matter and hope that we can finally resolve same. Thank you.

Yours Truly,

Whitley Hill Bailey

WHB/el

Sam Bailey		10 Sandbottom Rd	Salyersville	232774001
Billings	$16,398.89			
Payments	-$3,160.00	$13,238.89		
Write offs	-$12,248.32			
Balance	$2,870.56			

Dave Bailey		363 Higgins Br Rd	Royalton	232780001
Billings	$5,715.18			
Payments	-$3,192.55	$2,522.63		
Write offs	-$2,904.36			
Balance	$1,658.02			

Michelle email 12/17/24

COMMONWEALTH OF KENTUCKY
MAGOFFIN CIRCUIT COURT
CIVIL ACTION NO. 12-CI-00215
Electronically Filed

SAMUEL BAILEY, ET AL, **PLAINTIFFS,**

VS. **AGREED ORDER**

KENTUCKY FRONTIER GAS, LLC, **DEFENDANT.**

This matter having come before the Court for notice to dismiss for lack of prosecution, the Plaintiffs and counsel for Kentucky Frontier Gas, LLC, having reached an agreement as evidenced by their signatures appearing hereinbelow and the Court being otherwise fully and sufficiently advised does hereby ORDER and ADJUDGE as follows:

1. This matter shall be retained on the Court's active docket.

IT IS SO ORDERED.

/s/ JUDGE KIMBERLY CHILDERS
electronically signed
11/21/2024 4:22:57 PM ET

HON. KIMBERLY CHILDERS, JUDGE
MAGOFFIN CIRCUIT COURT

APPROVED FOR ENTRY:

HON. WHITLEY HILL BAILEY
Attorney for the Plaintiff

Eldred Adams by Whitley Hill Bailey with permission 11/21/24
HON. ELDRED ADAMS
Attorney for Defendant

This is to certify that the foregoing Order has this date been entered of record in my office and served upon the parties by mailing a true and correct copy of same to:

Hon. Whitley Hill Bailey
P.O. Box 608
Grayson, KY 41143

Hon. Eldred Adams
110 E. Main Street
Louisa, KY 41230

DLR Enterprises
2963 Kentucky Route 321
PO Box 408
Prestonsburg, KY 41653

This the 25 day of NOV, 2024.

CLERK, MAGOFFIN CIRCUIT COURT

BY: BJ, D.C.

COMMONWEALTH OF KENTUCKY
MAGOFFIN CIRCUIT COURT
CIVIL ACTION NO. 12-CI-00261
(Consolidate with No. 12-CI-00215)

SAMUEL P. BAILEY, ET AL PLAINTIFFS

COPY

VS **DEPOSITION OF CHARLES HARRIS**

KENTUCKY FRONTIER GAS, LLC DEFENDANT

The following deposition of CHARLES HARRIS was taken, pursuant to notice, on the 22nd day of March, 2017, at the hour of 10:00 o'clock AM, at the offices of Kentucky Frontier Gas, LLC, 2963 Kentucky Route 321, Prestonsburg, Kentucky, before Pam Osborne, Notary Public and Certified Court Reporter in and for the State of Kentucky at Large.

Said deposition to be read and used for any and all purposes provided for under the Rules of Civil Procedure.

A P P E A R A N C E S

HON. DAVID C. STRATTON
Stratton Law Firm
111 Pike Street
P.O. Box 1530
Pikeville, Kentucky 41052

HON. TIMOTHY A. PARKER
Attorney at Law
15 North Hall Alley
Prestonsburg, Kentucky 41653

HON. BRAD TEETERS
Attorney at Law
982 Broadway Street
Paintsville, Kentucky 41240

C O N T E N T S

CHARLES MICHAEL HARRIS,

the witness, having first been duly sworn to tell the truth, was examined and testified as follows:

EXAMINATION BY: MR. STRATTON

Q1. State your name, please.

A. Charles Michael Harris.

Q2. Charles, have you ever given a deposition before?

A. No.

Q3. It's important to answer verbally like you have been and not shake your head or go uh-huh or huh-uh. If you need a break, let me know, but we can't take a break with a question on the floor.

A. Okay.

Q4. And can we agree that if you have responded to the question, you have understood the question and answered it accordingly?

A. Yeah.

Q5. All right. Who do you work for?

A. Kentucky Frontier Gas.

Q6. And what is your position?

A. I'm a supervisor here at Kentucky Frontier Gas.

Q7. And what do you supervise?

A. I have a group of-- the field. The field supervisor.

Q8. Field supervisor?

A. Yeah.

Q9. And how long have you been an employee here?

A. I have been employed since 2009, maybe.

Q10. And what are your duties as a field supervisor?

A. I take care of construction, do work orders. You know, making sure all the materials are there, just make sure all of the guys are doing their job.

Q11. When you came along as field supervisor, were you a field supervisor in 2009 when you started or did you have another position?

A. I was actually a worker, a tech.

Q12. Okay. And when did you become field supervisor?

A. About three years ago.

Q13. Now, as a part of this deposition you were asked to produce maps and documents relating to these issues.

A. Uh-huh.

Q14. Have you been able to bring those with you?

A. I do have maps on the wall.

MR. PARKER:

I do have some documents for you gentleman. If you want to go off the record, I will hand them to you, or whichever. Here is a commissioner's deed to the G39 pipeline. This-- I want to make sure I'm telling you right. This is the bill of sale from the bankruptcy trustee to Kentucky Frontier for BTU gas.

MR. STRATTON:

Tim, let me kind of do this, just so we can make it easier on the record.

MR. PARKER:

Uh-huh, sure.

MR. STRATTON:

Let's go ahead and mark these as exhibits. Are you all okay with that?

MR. PARKER:

That's fine. I made copies, David, of everything that I thought would be relevant to you fellows. A lot of it I have given to Brad before, but I wanted to within the deposition give it to you all.

MR. STRATTON:

The first set of documents we will call Exhibit 1 is what?

MR. PARKER:

That is the deed from the Master Commissioner, Mickey McGuire, Special Commissioner of the Floyd Circuit Court, to-- it's not to us, but it's for the G39 pipeline. Let me look and see who it is to. It's to F&S Gas, Incorporated.

(Reporter's note:

Said deed is attached hereto and made a

part hereof, marked Exhibit 1 for identity as above directed.)

MR. STRATTON:

Okay. That's all I have need for identification purposes right now. And then Exhibit 2 is a bill of sale that--

MR. PARKER:

That is from the Trustee of the Bankruptcy Court, James Westenhoefer, and that deeds the certain assets of the BTU Gas Company to Kentucky Frontier Gas.

MR. STRATTON:

Would that include the line in question?

MR. PARKER:

No. I'm going to get to that. Hang on a second and let her mark--

MR. STRATTON:

Sure.

(Reporter's note:

Said bill of sale is attached hereto and made a part hereof, marked Exhibit 2 for identity as above directed.)

MR. PARKER:

I've got a Bill of Sale from the Bankruptcy Trustee, James Westenhoefer, for the line and for the right of way for the line to Fontaine-Williams Gas Gathering System.

MR. STRATTON:

And that's Exhibit 3.

(Reporter's note:

Said document is attached hereto and made a part hereof, marked Exhibit 3 for identity as above directed.)

MR. PARKER:

And I've got a Right of Way Lease Agreement for that right of way from P&J and BTU Gas to PJC Energy.

MR. STRATTON:

Okay. What will be Exhibit 4.

(Reporter's note:

Said lease is attached hereto and made a part hereof, marked Exhibit 4 for identity as above directed.)

MR. PARKER:

I've got another, made around the same time, Lease Agreement for the same-- what appears to me to be the same thing to Fontaine-Williams Gas Gathering System. It looks like the exact same thing.

MR. STRATTON:

Mark this as Exhibit 5.

(Reporter's note:

Said lease is attached hereto and made a part hereof, marked Exhibit 5 for identity as above directed.)

MR. PARKER:

If you look at them, it looks like the exact same thing. And then I have an Amendment to the Lease Agreement, which maybe you read it. It takes out certain of the length of time that it was applicable for. It takes it from a 50-year lease to a potential lease, if I'm reading it correctly, but you can read it.

MR. STRATTON:

We will mark that as Exhibit 6.

(Reporter's note:

Said lease is attached hereto and made a part hereof, marked Exhibit 6 for identity as above directed.)

MR. PARKER:

It looks like what we have. On the back of one of those-- I think this one-- there is a map of the G39 easement. We have a larger map here. If you fellows need a big table size map, we can get you a big table size map, but there is a map in there.

MR. STRATTON:

We will need that, if you could, please.

MR. PARKER:

Sure. Can we make them-- not right this second, but can we make them--

WITNESS:

I can. I can go to Bocook Engineering and get a copy of it for you.

MR. PARKER:

Get us like three big maps.

MR. STRATTON:

We will talk about that in just a second.

MR. PARKER:

Sure, sure. Now, David-- and then I'm going to shut up after I say this. If there is anything else you need documentation wise, this is what I see here. But if there is anything else that comes up, let us know and we will quickly get it to you. We can get it today or we can get it, you know.

MR. STRATTON:

Okay. All right.

Q15. It is Mike. Correct?

A. Yes, Mike.

Q16. Mike, who are the owners of Frontier Gas?

A. Larry Rich, Steven Shute.

Q17. How do you spell that?

A. S-H- how do you spell that Steve?

MR. TEETERS:

-U-T-E, I believe.

WITNESS:

Yeah, I believe it is -U-T-E.

Q18. Okay.

A. And Bob Oxford.

Q19. And what percentage does each of them own?

A. Steve is the largest. I think he is over 51, I think.

Q20. So he is the majority owner?

A. Yes.

Q21. Okay. Is he the guy that lives in Hawaii?

A. No. That is Bob Oxford. He don't live in Hawaii. He lives in Colorado, Denver. He is just in Hawaii right now and spending some time there.

Q22. Where does Steven Shute live?

A. Glenwood Springs, Colorado.

Q23. And Bob Oxford lives in--

A. Denver, Colorado.

Q24. And Larry Rich?

A. He lives in North Carolina. I'm not

sure what area.

Q25. All right. In terms of the structure of the business, we have those three as the owners.

A. Uh-huh.

Q26. All right. Is there a manager of operations or president or overseer?

A. They are all member managers.

Q27. Okay. But, obviously, they are a long way away.

A. Yeah.

Q28. Do you have somebody here? I will call it the Prestonsburg office for lack of a better term--

A. It would be.

Q29. You are the next guy in the chain of command?

A. Yes.

Q30. Okay. And then how many total employees?

A. About 16.

Q31. Sixteen, okay.

A. That's not an exact number, but it's--

Q32. It's an approximation.

A. Yeah.

Q33. And that's fine. That's fine. Now, tell me the nature of the business that Frontier Gas does.

A. Kentucky Frontier Gas is a utility company governed by the Public Service Commission. We buy gas to serve the public as a distribution company.

Q34. All right. Now, help me to understand it just a little bit more. So you say you sell gas to the public. Do you sell gas to people's homes?

A. Yes, homes, businesses, anybody that--

Q35. And the rates that you are allowed to charge--

A. Are governed by the Public Service Commission.

Q36. Okay. How do people, for lack of a better word, tap into your lines to buy gas?

A. They come in, fill out a new service application. They pay the fee for a new service.

Q37. What if they live in a remote part of the county? How do they hook onto your lines?

A. If I have a line in the vicinity, we do it. The company does. If they are in a remote part where there is no gas lines, then, you know, we don't

serve them.

Q38. Are all of your lines accessible to be hooked onto?

A. Are all of our lines accessible to be hooked onto?

Q39. Yes, sir.

A. If you are in close enough proximity, yes.

Q40. Okay. Now, I'm trying to understand your business model. Where do you all buy gas from to sell to the public?

A. We buy gas from major pipelines. In Magoffin County, we buy it from a major pipeline as well as a few local producers, but the majority of the gas in Magoffin County comes from a major pipeline.

Q41. Okay. And when you say a major pipeline, can you be more specific on who you are making reference to?

A. EQT. It's from a meter, TD4, off of--from 23 over there.

Q42. Now, as a part of your ability to serve your customers, you all have installed gas lines.

A. Uh-huh.

Q43. Is that correct?

A. Kentucky Frontier has never installed the original gas lines over there.

Q44. I'm just talking in general for a second, Mike.

A. Uh-huh.

Q45. You all would install gas lines to be able to service a community if you wanted to sell that community gas.

A. Yes.

Q46. Okay. Now, when you install a gas line, how do you acquire the rights to put your line on somebody else's property?

A. If we were doing a fresh new line and I had to install a gas line on somebody else's property, other than the person wanting it, I would have to get an agreement and a right of way.

Q47. Are there times when you make agreements with people to give them free gas in lieu-- for your right to put a gas line on their property?

A. Kentucky Frontier Gas does not have a tariff for free gas.

Q48. Explain to me what you mean by tariff.

A. A tariff is a binding document with the Public Service Commission. The Public Service Commission would have to approve a tariff and it would be in our Kentucky Frontier Gas's policy to have free gas because we are governed by the Public Service Commission.

Q49. Is a tariff something you could ask the Public Service Commission to acquire?

A. Yeah. I mean, it's-- we could look it up on the computer right now. Any gas company-- any gas company with a tariff in the state of Kentucky.

Q50. But you all could do it if you wanted to?

A. What do you mean?

Q51. You could ask the Public Service Commission to award you a tariff to allow you to have free gas line as compensation for people's lines whose property you cross?

A. Huh-uh. Public Service Commission would have to approve it.

Q52. That's what I'm saying. You have the right to ask for it. They have the right to approve it.

A. Yeah. I don't believe they would approve that, but we have never asked for it, so--

Q53. Now, are you familiar with the line in question that is the subject matter of this lawsuit?

A. Yes.

Q54. Tell me how you became familiar with it.

A. During the bankruptcy court when we were-- at the very beginning we were asked by the bankruptcy court to operate BTU Gas Company while the bankruptcy court was going on, and we agreed to at a, you know, fee. I don't know the fee was. I learned about most of this the hard way. I didn't have any maps. What we could-- I mean, we learned it the hard way.

Q55. Okay. And in your process of learning this over time, did you ascertain what rights BTU had to the properties from which the line ran?

A. For BTU Gas we received a tariff from the Public Service Commission of BTU Gas. BTU Gas never had a tariff for free gas, so the Public Service Commission knew, and had been told, that there was a lot of people directly hooked up to the gas line, you know, to help us help them get them off and get them

paying.

Q56. I apologize, Mike. I followed you a little bit and then you kind of tailed off on me. You said BTU did not have a tariff for free gas and the Public Service Commission, and you all as Frontier, knew that there were people hooked up for free gas.

A. Well, we were told that there was, so we started looking for it, as well.

Q57. And you confirmed that people were hooked up for free gas?

A. Yes.

Q58. All right. So when you took it over, you knew people were hooked up on free gas.

A. Yes. It wasn't that they were on free gas. They were taking the gas without permission, I'll say.

Q59. Well, let me ask you this. Were there people obtaining gas free by virtue of the fact that they had consented to letting the gas line be laid across their property?

A. No, now, I don't know.

Q60. So could have been; could not have been.

A. It could have been; could have not been.

Q61. You don't know that?

A. No, I do not know that for a fact.

Q62. All right. Did you investigate at any time whether or not those arrangements were with certain property owners?

A. With several property owners we did try to talk to them. Some of them would talk to us and some of them wouldn't.

Q63. As a result of that, did you come to learn that basically people had allowed permission for the gas line to go across their property in exchange for free gas?

A. I have never, but on about two occasions, ever seen a documentation of free gas.

Q64. I'm not talking about documentation. I'm talking about agreements.

A. Like a handshake agreement?

Q65. Yes.

A. I don't-- I mean, I don't know if they actually had a handshake agreement or not.

Q66. But did you come to learn that that was the property owner's understanding?

A. Yes. There are property owners out

there right now that would say that they have got free gas.

Q67. All right. And you continue to provide them free gas, based upon that understanding?

A. We have been trying to work through the court system to get them off of free gas, as well.

Q68. Okay. But you have provided free gas different places?

A. We have not really cut very many people off. I mean, we have cut a whole bunch off, but--

Q69. But there's a whole lot you haven't cut off.

A. But there's a lot out there that still are not cut off.

Q70. How many people in regards to this BTU line that we are referencing-- first off, tell us about the line, this BTU line. Where does it start and where does it end?

A. It starts from Coon Creek, in northern BTU.

Q71. Coon Creek of what county?

A. In Magoffin.

Q72. Magoffin?

A. Yes, in Magoffin, and goes from north Magoffin to south Magoffin down to Puncheon.

Q73. Do you have a map that reflects where the pipe runs?

A. Yes.

Q74. Is this it on the wall?

A. Uh-huh.

Q75. All right. Let's walk over and let's look at it.

MR. PARKER:

As I said, we will provide you with a scale copy of that.

A. This map here was actually put together by the Public Service Commission.

MR. STRATTON:

Okay. We will make this map Exhibit Number 7.

MR. PARKER:

With the understanding that ASAP we need to get a copy, scale copy, of this map to the court reporter.

WITNESS:

Yes.

MR. PARKER:

Because she is going to start calling saying, "You named it as an exhibit and I don't have it." See if we can do that today, or tomorrow.

(Reporter's note:

A copy of said map has not been furnished to this reporter. If and when same is furnished, an amendment to the transcript will be filed for the attachment of same.)

Q76. So can identify the line, please? At the top of the page in the center there is a black--

A. Lacey Branch.

Q77. --two-inch line.

A. Uh-huh.

Q78. Now, is it all in black or is there more to it?

A. It's all-- every--

Q79. It's in yellow too?

A. Yes.

Q80. All right. What area is-- well, let's do this for identification purposes. You start at the

top center of the map and it comes down in black, and then it goes off to the left, or to the west I would assume--

A. Uh-huh.

Q81. --in yellow.

A. Uh-huh.

Q82. And then it comes back in blue.

A. Uh-huh.

Q83. And the blue, black, red, and green are all part of this BTU gas line system that was acquired.

A. Yes.

Q84. Okay. Now, where is my client's property?

A. Right in this area.

Q85. Okay. Down at the bottom of the map there is a names called J. Arnett.

A. Uh-huh.

Q86. Is that the area?

A. Yes, it would be. Here is the sublet area. Here is Route 7, and this right here would be 867 there. Do you see it?

Q87. Yes, sir.

A. Your guy owns this right in here.

Q88. All right. Now, of this-- what is the distance from the top up here down to the bottom, roughly? Are we talking 10 miles? Twenty miles?

A. I'm sure it's 10 anyway.

Q89. At least 10?

A. Uh-huh.

MR. PARKER:

The scale on the map says two miles.

MR. STRATTON:

Okay.

Q90. Now, do you have-- this map reflects where the line actually is located. Correct?

A. What is X'd out is not true. What is put in is true.

Q91. All right. So down here in your sublet there is a part that has been X'd out and there is a smaller red line running this way.

A. Uh-huh.

Q92. Does it run into the green line?

A. It will-- yeah, it will run into the green line.

Q93. What size is this little red line?

A. A three-inch line.

Q94. Is that a three-inch line?

A. Uh-huh.

Q95. And what about the green line?

A. A two-inch.

Q96. Two-inch, okay. Are there any eight-inch lines in that area?

A. Not on this map.

Q97. Well, are there any eight-inch lines that--

A. Yeah.

Q98. --are part of BTU's that run across my client's property?

A. That line is not BTU line.

MR. TEETERS:

Whose is it?

WITNESS:

It's part of Fontaine Williams, and Kentucky Frontier Gas that was the bankruptcy court.

Q99. Well, that's what I thought we were talking about, was BTU's.

A. BTU is a natural gas system. The Fontaine Williams, the eight-inch, are a different

line.

Q100. That's fine, Mike. We were confused a little bit.

A. Okay.

Q101. So let's back up a second. Is the BTU line part of the bankruptcy acquisition?

A. Yes.

Q102. All right. What is the relationship between the Fontaine Williams line and the BTU line?

A. The same guy that owned BTU was part owners--

Q103. Of the Fontaine Williams?

A. --of the Fontaine Williams line.

Q104. Okay. And because that he was part owner, when he went into bankruptcy that affected the Fontaine Williams line.

A. That's right.

Q105. Okay. Now, where is the Fontaine Williams line reflected on this map that is Exhibit 7?

A. There is no line of the Fontaine Williams on this map.

Q106. All right. Do you have a map that reflects that?

A. Let's go over here. This one.

MR. STRATTON:

We will move to make this map Exhibit 8, which reflects the Fontaine Williams line.

(Reporter's note:

A copy of said map has not been furnished to this reporter. If and when same is furnished, an amendment to the transcript will be filed for the attachment of same.)

Q107. Now, can you show us here, Mike, please, where that is?

A. Your client would be somewhere in this area right here.

Q108. We are looking at what I will call the western edge of the map.

A. Uh-huh.

Q109. In a place called the sublet area there is a red line and there is a black line. Which one is the Fontaine Williams line?

A. There is only a red line. The black line is a road.

Q110. Okay. And what size line is the red line in terms of gas line?

A. There's two eight-inch gas lines in there.

Q111. There's two?

A. Uh-huh.

Q112. All right. Do you all receive gas from both of those lines?

A. I do not.

Q113. Okay. What lines is your all's and whose is the other one?

A. To the best of my knowledge, it is Chris Slone.

Q114. Chris Slone?

A. Uh-huh.

Q115. Tell me who Chris Slone is.

A. Chris Slone owns Slone Energy and a few other companies. I don't know what name he would have that other in.

MR. PARKER:

Gentleman, I will point your attention here just to show you this. Where it says Cortland Company, that's a company

that you look it up is out of Atlanta, Georgia, I believe, and I believe they own the other line. I believe this company ultimately, during the pendency of this litigation, sold their interest in that line to Chris Slone.

WITNESS:

To Chris Slone, yeah.

MR. PARKER:

I mean, we are saying that's our understanding. We are not saying it's an absolute fact.

WITNESS:

It's a fact or anything. Yeah, I don't know.

MR. PARKER:

Right. But that's our understanding. Just so you can see here, apparently the Cortland folks bought PJC Energy, or maybe they are operating PJC, and that's the information we have.

Q116. Do you know how we can find Chris Slone?

A. I mean, I've got his number.

Q117. You have his number. Would you give that to us, please?

A. Yeah. Do you want it now?

Q118. Sure.

A. I think I've got it on my phone, actually.

MR. PARKER:

You look it up and I will look it up, and whoever gets it first-- I think I've got it here. I've got his e-mail address.

MR. STRATTON:

Well, that's good too.

MR. PARKER:

If you have any readers on, that's his e-mail address. We have done a few things with Mr. Slone in the past.

WITNESS:

There is his phone numbers that I've got for him.

MR. PARKER:

And I'm not sure if he operates under Slone-- he's got a corporation, but I'm

not sure if it's Slone Energy or Chris Slone Energy or whatever it is.

(Reporter's note:

Mr. Stratton copied the e-mail and phone number from the phones of the witness and Mr. Parker.)

MR. STRATTON:

Okay. Thank you.

Q119. Now, let's go back on the record. Let me ask you this, Mike--

A. Chris Slone here was in during all of this.

Q120. Okay. Here is my question. Do you have an understanding of how Chris Slone acquired the right to put his pipe in the same hollow as the Fontaine Williams pipe?

A. To the best of my knowledge, when this was being constructed, Mr. Williams was in on both of those lines, along with other people, and I think-- I think the Atlanta company, along with the Fontaines, were partnering up to install both of those lines at one particular time.

Q121. Okay. Now, this map that is Exhibit 8

reflects where the line is. Do you have a map that reflects where any easements run that were granted in regards to where the people acquired permission to lay the line?

A. No.

Q122. Okay. So you do not know whether or not the line, as it is laid, is on an easement area or not?

A. I do have a reference map of the G39, from the original G39, before this line was ever put in here. But as far as--

Q123. Could you be kind enough to pull that map for us?

A. Yes. And this map is actually one I need to make copies of anyway because this right here come from Chesapeake Energy. This map come from-- we put that together from Chesapeake Energy.

Q124. Hold on a second.

A. Okay.

MR. STRATTON:

We are going to mark this as Exhibit 9.

(Reporter's note:

A copy of said map has not been furnished to this reporter. If and when

same is furnished, an amendment to the transcript will be filed for the attachment of same.)

Q125. How did you identify this map? What would you call it?

A. I would call this the original G39 map.

Q126. That reflects right of way easements that were acquired in connection with the installation of the eight-inch lines that we were talking about?

A. Yes.

Q127. Okay. Now, where upon this-- now here is the question. When you say an easement, is the easement reflected in green?

A. You can't pay attention to all of these lines. It's just the G39.

Q128. Okay. How is G39 indicated on this so that we can--

A. It's in green.

Q129. Well, you have got green down here, too.

A. But it's also marked.

Q130. G39, okay. I see now. I see that. Now, here is my question. Due to the scale of this map, it's difficult to ascertain whether or not the

actual physical line went where the actual easement was located.

A. Uh-huh.

Q131. You agree with that. Do you agree with that?

A. Yeah, I agree with that.

Q132. Do you have any maps that would show where the pipeline is actually laid versus the easement that was granted for the pipeline?

A. No.

Q133. So you have no way to determine, or do you have a way to determine, whether or not the actual line is laid within the granted easement?

A. Without going to find the old existing steel line adjacent to the new line, would be the only way.

Q134. All right. Help explain that to me in just a second. We can sit down for a second. When you say find the old steel lines, what does that mean?

A. The original G39 line that was put in in whatever year. I'm not sure of the year.

Q135. Tell me when the G39-- what the G39 line is.

A. A G39 line was a pipeline that was installed-- when are some of those dates on that?

MR. PARKER:

If you don't know, just say, "I don't know."

Q136. Is it a very old line?

A. Yes.

Q137. And so back then there was an easement acquired to put the very old line in.

A. There was an easement acquired years ago to put the new line in then.

Q138. You are talking back in the Thirties, Forties, Fifties, something like that?

A. Yeah.

Q139. And then the new line was supposed to follow the old line.

A. Right.

Q140. And you don't know whether, for a fact, that occurred or not?

A. Right.

MR. PARKER:

I'm just going to state for the record because this is to some extent calling

for a legal conclusion from the witness. We are relying upon this deed. If you examine this deed, it is not just for-- it covers all the deed description. I will let you fellows read it, but we are relying on-- I'm saying for the record we are relying on the description of this commissioner's deed.

MR. STRATTON:

Which is Exhibit 1.

MR. PARKER:

Exactly. And it is more than just where the pipeline is. We can argue about that, but, just so you understand, that is what we are relying on.

MR. STRATTON:

And, Tim, to that extent, we need to take it a step farther, if you could, please. Exhibit 1 consists of probably 15 to 20 pages. Can you identify which page within this document reflects your support for the location of that easement and that line being consistent?

MR. PARKER:

To your client? Is that what you are asking?

MR. STRATTON:

To my client, yes.

MR. PARKER:

As I sit here, I don't know. We have--it is very difficult to do title work in Magoffin County. Sitting here I can't, but it's my understanding that it does cover your client's property, although I will say at trial it will be our burden to prove that.

MR. STRATTON:

That's part of the reason we are here.

MR. PARKER:

Exactly. I understand.

Q141. Mike, as corporate representative of Frontier Gas, can you show me the page within those documents that reflects where the easement is for the G39 line that runs across my client's property?

A. No. I can't right now, no.

Q142. Well, let me ask you this, and this is

important, Mike, and I'm not trying to be mean. This is important.

A. Uh-huh.

Q143. How long do you think it would take you to ascertain that?

A. I don't have a time line.

Q144. Well, let me ask it this way. If you started on it tomorrow and did nothing else, how long do you think it would take you to ascertain that?

A. Maybe a week.

Q145. All right. And the reason this is important, Mike, is that if you are able to do that I need to get that information because if you stand up at trial and say, "Here is the line. Here is the easement," and they overlap, here's how I do it. I have been robbed of the opportunity to cross examine you on that prior to trial.

A. Uh-huh.

Q146. Do you see where I'm coming from? So I'm not trying to be mean, but in the event between now and trial of this case that you do ascertain that the G39 easement and the eight-inch line are in fact consistent and one is not deviated from the other as to

my client's property, will you agree to provide me more detailed information to support that conclusion?

A. If I can find it.

Q147. Yes.

MR. PARKER:

We will endeavor to do that. I will state that for the record within a week. Part of it will be my job in the deed room, but we will endeavor to do that within a week.

MR. STRATTON:

Okay.

Q148. Now, would you agree with me that if the line crosses-- I need your attention, please. Would you agree with me that if the eight-inch lines cross my property outside of the G39 easement, that that would constitute an unauthorized use of their property?

MR. PARKER:

I'm just going to note an objection. That may call for a legal conclusion, but you can go ahead and answer it the best way you feel.

A. I'm not really sure, I mean.

Q149. Okay. What would be your understanding? You are a land person because you go out and help supervise the installation of lines.

A. Uh-huh.

Q150. And when you put lines on somebody else's property, do you have to ask them for permission?

A. Yes.

Q151. And if you don't get that permission and you put lines over their property, you are trespassing.

A. Yeah, I mean--

Q152. Okay. And if you trespass, then you are liable for any damages that you have caused that person.

A. Yes.

Q153. Okay. And at this point in time, you are not in a position to determine from your records whether or not you are trespassing on my client's property on those eight-inch lines?

A. Yeah. I mean, at this point the only thing I know at the point that I went over-- you know, that we went over. There was a BTU gas meter over there.

Q154. We will get to that in just a second.

A. Okay.

Q155. But what I'm saying, just for the issue of the trespass issue, you can't-- you don't know actually whether you are trespassing or not.

A. Right.

Q156. You may be; may not be.

A. May be; may not be, yeah.

Q157. All right. Now, when you went over there, you found on my client's property a meter hookup. Correct?

A. Yes.

Q158. It was open, out for everybody to see. It wasn't hidden.

A. Yeah, if you got on his property to see it.

Q159. That's fine. That's fair. And as a result of that, you knew he was obtaining gas out of that line.

A. See, that's the thing. He is actually not taking gas out of that line. He is taking it out of the system.

Q160. Okay. I'm confused now when you say

taking it out of the system.

A. Out of the BTU system. He is physically, to the best of my knowledge, not physically hooked up to the eight-inch lines.

Q161. Okay. My client has a meter on this property to obtain gas.

A. Yes.

Q162. Out of which line does he obtain that gas?

A. To the best of my knowledge, it comes from the BTU gas system.

Q163. All right. And that's one of the two eight-inch lines?

A. No. To the best of my knowledge, he has not tapped onto the eight-inch line.

Q164. All right. Now, what we talked about before-- this is where I'm confused and you will have to bear with me. How many lines run across his property?

A. There is the eight-inch lines.

Q165. Two eight-inch lines from Fontaine Williams and the Big Hole.

A. Yeah. And, honestly, I don't know where

your client's property line is.

Q166. In a rough area?

A. In a rough area, yeah. And then there's a service line, a one-inch service line, that goes across his property only to serve him.

Q167. All right. And where does the one-inch service line hook up?

A. From the green line on this map.

Q168. Okay. Let's go back to that map for a second.

A. And this is kind of hard to reason. I tried to get up with the Rudd. Actually, Jackie Jordan did. There's a few other guys that tried to get up with Rudd because there's a one-inch line. His gas goes from this green line right here, and there was a one-inch line that Richard Williams drove through the bottom there. Through the bottom--

MR. TEETERS:

But who owns the green line?

WITNESS:

Kentucky Frontier Gas.

Q169. All right. And that was a part of the bankruptcy acquisition?

A. But the green line is not on his property.

Q170. All right. Let's hang on and back up just a little.

A. Okay.

Q171. So, in addition to the two eight-inch lines, there is a one-inch line that was also owned by Richard Williams?

A. Yes.

Q172. Was the one-inch line acquired by Frontier as a part of the bankruptcy?

A. Yes.

Q173. All right. So you acquired that, too. Now, the question is: Where does the one-inch line run?

A. It runs along the creek bank between the-- I guess the River Road bridge there in sublet to Mr. Rudd's house.

Q174. Okay. Now, where does the one-inch line go to, as a source, to get the gas into the line?

A. The one-inch line that is run along the creek bank is only to serve gas to your client.

Q175. Okay. But in order to get gas to my client's house, gas has to come into that line from

some point.

A. Oh, okay. Yeah, yeah.

Q176. And where is that point?

A. I have gas that comes in from this system.

Q177. And when you say this system, I'm looking at--

MR. PARKER:

Well, look here. He said royalty line--

Q178. Do you see your three-inch?

A. Not on this map because it's not part of the BTU, but we know Sigma (phonetically) Gas, which I have a line down this road that is not on this map.

Q179. No. It is called Gun Creek and it's the lower right portion of this map.

Q180. Now, my question is then: So the one-inch line services your customers in that, I'll call it, Gun Creek area?

A. No, no, no. The one-inch service line only supplies gas to Mr. Rudd coming from the green line.

Q181. Okay. Here is what I'm trying to understand. The green line is how big? That's a

three-inch line?

A. A two.

Q182. A two-inch line, all right. Does the two-inch line service your customers?

A. Yes.

Q183. All right. So you can-- you are taking gas out of that two-inch line and receiving revenue from that from your customers?

A. Uh-huh.

Q184. All right. Is there any people on the two-inch line-- we will call it the two-inch green line-- in the Gun Creek area for people who have obtained free gas by virtue of a line going across their property?

A. I think you are getting Gun Creek all completely mixed up.

Q185. I apologize.

A. Say that again about the green two-inch line.

Q186. All right. Do you have customers that you sell gas to, or deliver gas to, on the two-inch line that it's free gas by virtue of the fact that you have run a line across their property?

A. No, not to the best of my knowledge. There is no free gas on there, on that line.

Q187. All right. Now, so the eight-inch lines, there is no tap onto?

A. To the best of my knowledge, there is no tap. He is not receiving gas off of the eight-inch lines.

Q188. Does the two-inch line you have made reference to cross his property?

A. No.

Q189. Okay. And it's only the one-inch line that services his property that ties into that?

A. One-inch line only goes to his property and ends at the meter that serves his house.

Q190. Gotcha. I've got it now. I've got it. Thank you.

A. Okay.

Q191. All right. If it is determined that you all do not have the appropriate rights to utilize his property for the eight-inch lines, do you agree with me that those lines could be relocated?

A. Yeah, they could be relocated if we had to.

Q192. What would be the cost of that?

A. I don't know.

Q193. Approximately? Just kind of a-- just based on your experience.

A. Probably 20 to 15 directional boring.

Q194. Between $15,000 to $20,000?

A. Now, I would only relocate one line. I could probably do it for less than that.

Q195. Do you have any personal knowledge of the deal through the bankruptcy court as to how you all acquired this, in terms of what was understood?

A. Not really, no.

Q196. Who would be the person most knowledgeable of that transaction, that is a non-lawyer?

A. What was the name of the bankruptcy trustee?

MR. TEETERS:

Westenhoefer.

WITNESS:

Yeah.

Q197. Of the people that are owners here who would be the most knowledgeable?

A. Probably Bob Oxford.

Q198. Have you ever calculated the cost of the free gas that has been supplied to my client since you acquired the property?

A. Yes.

Q199. How much?

A. I would have to--

MR. PARKER:

We can go in there and get it. We keep track of it.

MR. STRATTON:

If you would be so kind.

MR. PARKER:

Ask Kim to give it to you. I think she's got it. Just walk in there and get it.

(Reporter's note:

Following a brief off-the-record break:)

MR. STRATTON:

Make that Exhibit 10.

(Reporter's note:

Said customer history is filed herewith and made a part hereof, marked Exhibit 5

for identity.)

Q200. This represents a customer history of the free gas that has been obtained by my client in regard to this property.

A. Now, let me explain this to you a little bit.

Q201. Yes, sir.

A. So she is going back-- we changed billing systems, so that's why it's not showing in this billing system. We still have access to the other billing system, so that's where it starts at. These payments here were made by DLR Energy, or DLR Gas, DLR to Kentucky Frontier Gas, for James Melvin Rudd because the courts--

Q202. Why did DLR make that payment?

A. Because DLR is the operator of the eight-inch lines, so--

MR. PARKER:

If somebody doesn't make those payments, the PSC is going to rain on us. Somebody has to because of the PSC.

Q203. All right. Now, that starts in 2015.

A. Yeah, January of '15.

Q204. But the free gas goes back for a long period of--

A. Well, it goes back for as long as we have had billing history on that.

Q205. And how long would that be?

A. Well, when we took it over from the bankruptcy court.

MR. PARKER:

It looks like July of 2012, it looks like.

WITNESS:

Well, now, remember we operated it before that. So, I mean, we operated it before the bankruptcy court gave it to us.

Q206. So, since you have been involved, free gas has been given to my client?

A. Since it has been involved, your client has had a gas hookup, and that's the reason that we cut him off at the time. We cut him off. That's when we went to the court and the court made us hook him back up at that time.

Q207. From the time that you all acquired

until the time that he was cut off, what time frame was that?

A. When did we first go to court? I can't tell you that.

MR. PARKER:

If you don't know, just say you don't know.

WITNESS:

I don't know.

Q208. Okay. A rough estimate?

A. I would say after we started operating it, it was probably-- he may have got by a year before we cut-- before we actually found out and got it cut off.

MR. PARKER:

David, I will say this just for your information. It's not testimony, but you can check with your client. I believe what happened was Mr. Teeters's client had a motion pending about their gas, and he just kind of showed up and they talked to Gordon and Gordon said he had been shut off for a while and he had

just not said anything, and the Judge encouraged us to hook it back up and I think we more or less agreed because the judge indicated if we had a hearing she would likely rule favorably for your client on the TRO. And that's not testimony. That's just my recollection, which you can talk to your fellow about it.

MR. STRATTON:

All right.

Q209. Mike, please give me every reason you believe that supports your position, from a factual standpoint, as to why you do not have to provide free gas to my client.

A. Just the facts that I stated whenever we first cut him off is because he was indeed not on the eight-inch line. He was on the BTU line, which was not a paying customer. I would have thought if he was supposed to have been tapped off of the eight-inch line, he would have been tapped off of the eight-inch line during construction, and I had a line hanging out there in the creek and I couldn't get a hold of nobody,

so I cut it off.

Q210. Okay. But the BTU line, the two-inch line, was a part of the Fontaine Williams acquisition.

A. The two-inch line had nothing to do with Fontaine Williams acquisition.

Q211. Okay. What is the connection between the two-inch line and the eight-inch line then?

A. Just the same person owned both-- was partner-- sole owner of one line, partners with the other line.

Q212. All right. That's what I'm trying to-- it does have something to do with the eight-inch line then. They were both acquired out of the bankruptcy.

A. Uh-huh.

Q213. So they are in that same pot. Correct?

A. I mean, yeah, they were in the same pot.

Q214. That's the connection.

A. Yes.

MR. STRATTON:

I'm going to stop a second and let him ask questions.

EXAMINATION BY: MR. TEETERS

Q1. Mike, I will try to go quick.

A. Okay. Is this for your case or your case or--

MR. PARKER:

This is all combined. This is for Brad's people.

WITNESS:

Okay.

MR. PARKER:

If you don't care, Brad, just announce yourself and tell him who you represent. That will keep this straight.

MR. TEETERS:

For the record, my name is Brad Teeters, from Teeters and May. We represent both of the Baileys, which are the plaintiffs, along with the Rudds, in this action.

Q2. Mike, I'm going to ask you a couple of real quick questions, and as David stated earlier, if you can just speak out instead of saying uh-huh or huh-

uh.

A. Yes.

Q3. The Baileys-- if you will join me over here for one second, we are going to refer to a map. I don't know what we listed this as far as exhibits.

A. I don't remember.

Q4. This is all combined. This is for--

MR. PARKER:

It's 9, I think.

Q5. We identified this as what map?

A. This is the Fontaine Williams eight-inch lines. That's what I call it.

MR. STRATTON:

It's the second map.

WITNESS:

Not the original. This is the second.

Q6. Okay. If we look up here, there is a listing on referencing. What would you call this?

A. This right here is the land owners.

Q7. Okay. So there is a listing on the footage of pipe, a listing of land owners that is attached to this map. A listing of land owners is attached to this map. Correct?

A. Uh-huh.

Q8. Okay. And it identifies-- we can point out-- I saw her earlier-- Samuel Bailey--

A. Uh-huh.

Q9. --is identified as Number 17 property owner.

A. Uh-huh.

Q10. And it says linear disturbance. Does that indicate how many feet of line ran across his property?

A. Yes, to the best of my knowledge.

Q11. To the best of your knowledge. Do we know who created this?

A. Slone Energy.

Q12. Okay. And so you guys rely on this to know where you are at. Is that accurate?

A. Yes.

Q13. And let's see where we come down. Dave Bailey. ID Number 22, Dave Bailey, linear service as 2,080 feet.

A. Uh-huh.

Q14. Do we see Mr. Rudd on here? I didn't earlier when we were looking over this.

A. Well, I do not. I see 5 and 6 would be the closest one to him. I do not see him on it.

Q15. Okay. Now, does this map indicate the transmission lines that Kentucky Frontier Gas controls and owns?

A. Kentucky Frontier Gas does not own these lines. We do operate them.

Q16. Okay. Let's have a seat. Mike, are you familiar with the Baileys' property?

A. Which one? Now, I know we have--

Q17. We have Sam and Teresa.

A. I know where-- Teresa, I know where she lives at, but, now, Sam I'm not sure. I'm not 100 percent sure.

Q18. But you do acknowledge that his property is listed as--

A. Yeah.

Q19. And you do have linear disturbance on his property?

A. Yeah.

Q20. And you said that Kentucky Frontier does not own the lines.

A. Uh-huh.

Q21. Correct?

A. Yeah.

Q22. Okay. What is your understanding of what Kentucky Frontier Gas purchased at the bankruptcy sale?

A. The bankruptcy sale was the BTU Gas System.

Q23. Okay. The BTU Gas System that was owned by who?

A. Richard Williams.

Q24. Richard Williams?

A. Yeah.

Q25. Does Richard Williams own any of the lines running across the Baileys' or the Rudds' property?

A. We have-- he did have lines that run across the Baileys' property, but the sale was for, to the best of my knowledge, a BTU Gas System which--

Q26. But the gas system-- when you say gas system, or BTU Gas Company?

A. BTU Gas Company.

Q27. Okay. If your lawyer can hand you a copy of this, I don't know what we have got it listed

as attachment wise.

MR. STRATTON:

Let's identify it.

MR. TEETERS:

Which one is that?

MR. STRATTON:

It's the bill of sale.

MR. PARKER:

That's the bill of sale to BTU. Is it Number 2?

Q28. We are looking a bill of sale.

A. Uh-huh.

Q29. And it begins with, "Know All Men by These Presents that James R. Westenhoefer," who was the Trustee of the bankruptcy.

A. Uh-huh.

Q30. If you will look down, it kind of itemizes what is included in this sale. If you will look down to about where the C is on CTB is, right here.

A. Uh-huh.

Q31. Including but not limited to-- It is the sale of the assets of BTU Gas Company. Do you see

that?

A. Uh-huh.

Q32. Okay. Business records, permits, easement, right of way, and all physical assets of the natural gas pipeline, gathering, distribution system and associated taps, facilities, service connections, meters, spare parts, tools, specialized equipment, and all other associated facilities of BTU Gas Company.

A. Uh-huh.

Q33. Now, what does natural gas pipeline, gathering system, and distribution system mean to you?

A. It means that it is a system that provides gas to the public.

Q34. Does it include pipelines to transmit that gas to the public?

A. Transmission lines is different from distribution.

Q35. Okay. Tell me the difference.

A. One is exactly what it is. It transports gas from one cell to another.

Q36. To a cell. What is that?

A. A cell meaning puts gas in one point, takes it out at another point, and it's only

transporting the gas.

Q37. Okay. Through the pipeline?

A. Through the pipeline.

Q38. Okay. So is it your position, as the corporate representative of Kentucky Frontier Gas, that as part of this bankruptcy sale and purchase Kentucky Frontier Gas did not purchase any of the physical lines that traverse the Baileys' property or the Rudds' property?

A. I don't know.

Q39. Well, it's in front of you there, if you want to look over it.

A. But I believe-- I'm here to believe that the eight-inch lines and the BUT lines were completely different transactions.

Q40. What is your understanding of the lines that are traversing or, as we describe up here in this map, lineal disturbance of the property? Who owns those lines?

A. DLR.

Q41. DLR?

A. Uh-huh.

Q42. Who is DLR?

A. DLR is owned by the same owners of Kentucky Frontier Gas.

Q43. That is what I thought. Okay. Let's kind of describe that. DLR is a separate entity--

A. Uh-huh.

Q44. --that is-- what does the DLR stand for? Do you know?

A. I do not know. We got it from-- when we made a transaction with Sigma Gas, Interstate Gas had--

Q45. It was part of the purchase?

A. Yeah.

Q46. And to the best of your knowledge, Mr. Rich, Mr. Shute, and Mr. Oxford are the owners of DLR, as well?

A. They are the operators. I'm not sure who the owner is, honestly.

Q47. Okay. So, just to clarify, your understanding as the corporate representative of Kentucky Frontier Gas is that the lines that are listed as linear disturbance and are traversing the Baileys' and Rudds' property aren't actually owned by Kentucky Frontier Gas. Correct?

A. They are not owned by Kentucky Frontier

Gas, no.

Q48. Okay. The lines that BTU Gas Company owned were what? When you acquired them through the bankruptcy sale, what lines did you acquire?

A. We acquired the gas system on this map.

Q49. The gas system, does that include lines?

A. All of these lines on this system.

Q50. Do any of those lines traverse the properties that are in dispute here?

A. No.

Q51. Okay. Do you-- I mean, you brought in what, I think, we listed as Exhibit Number 10 here was a listing of payments and billing for Mr. Rudd. How do you calculate that as Kentucky Frontier Gas?

A. We read the meter on a monthly basis.

Q52. Where is the meter located?

A. The meter is located on Mr. Rudd's property.

Q53. Okay. So by compiling this bill, reading a meter, is it my understanding Kentucky Frontier Gas is selling gas to whoever is receiving this bill.

A. Uh-huh.

Q54. How did the gas get there?

A. Through the one-inch line.

Q55. Okay. Who owns that?

A. Kentucky Frontier Gas.

Q56. So we do have a line owned by Kentucky Frontier Gas that is traversing the property?

A. That is on Mr. Rudd's property.

Q57. Well, I asked you about both of them.

A. Well, right now on your property--

Q58. Right.

A. --that you are going to, Kentucky Frontier Gas would own the meter.

Q59. You own the meter, okay. Let me ask you about that. Do we have or, to the best of your knowledge, can we find an application for service from the Baileys, either of the Bailey plaintiffs, to Kentucky Frontier Gas?

A. I don't know if we have one or not, honestly.

Q60. How did we wind up setting the meter?

A. It was already there when we got it.

Q61. How did we make a decision to start billing them?

A. How did we make the decision to start billing them?

Q62. Uh-huh.

A. Any gas that is free or not free is supposed to have a meter on it by state laws, and it is supposed to be read one time a year at least.

Q63. Okay. I didn't know that, but I don't know that it really answers my question. How did we make the decision to start billing them the gas?

A. Because it is gas owned by Kentucky Frontier Gas that is in the pipelines of that, and that is an adequate-- nobody at that point in time had produced information about having free gas, and the court systems made us start selling your client $20-a-month gas. And his client, they ain't paid nothing.

Q64. Okay. So, to your understanding, the court-- I assume you are saying the Magoffin County Court.

A. Yes. The court system, yes.

Q65. Has somehow ordered Kentucky Frontier Gas to sell my clients, being the Baileys, both sets, gas for $20 a month?

A. Uh-huh.

Q66. So that's what you have been billing at?

A. I have not been billing them at that. I have been billing them at the tariff rate that Kentucky Frontier Gas has, and your client has been paying the $20 a month and DLR as well as Rudd has been paying Frontier Gas the difference.

Q67. Okay. So the Baileys are paying their $20. During the pendency of this, because you said you didn't know of any information as to the free gas, have you become aware of any written agreements between the Baileys and Mr. Williams with regard to that $20 would have--

A. I think that they did produce some sort of paper for $20 a month from Richard Williams.

MR. PARKER:

We will agree that those are written agreements between Mr. Williams and your clients for the $20 a month, and on file in the courthouse there is a copy, I assume.

WITNESS:

Not on the Rudds. I don't have anything on the Rudds.

Q68. When we go back to the bill of sale here from the bankruptcy court, would you agree with me what the bankruptcy court has issued here is a listing of what Kentucky Frontier Gas purchased? Can we agree on that?

A. Now, say that again.

Q69. This bill of sale from the Frontier Gas purchase through the bankruptcy sale, the assets of BTU gas, can we agree that this is what Kentucky Frontier Gas purchased, what is listed here on this bill of sale?

A. Yes.

Q70. Okay. And it lists customers. So if BTU Gas had a customer, Kentucky Frontier Gas acquired that customer. Is that accurate?

A. Yes. If BTU Gas had a customer, Kentucky Frontier Gas acquired that customer, as well.

Q71. Was BTU Gas regulated by the PSC in the same fashion as Kentucky Frontier Gas?

A. Yes.

Q72. And BTU Gas, up until bankruptcy, had, to the best of your knowledge, provided the Baileys with this gas for $20 as per the agreement?

A. I have no idea on what BTU Gas ever billed the Baileys or anybody else.

Q73. Okay. Do you know basically where the G39 easement is?

A. Do I know physically where the G39 easement is?

Q74. Yeah, where it's located.

A. No.

Q75. So you can't say on behalf of Kentucky Frontier Gas whether or not any of your lines that may or may not be traversing with the properties in dispute are actually on the G39 easement. Is that correct?

A. I do not.

Q76. You cannot say that?

A. I cannot say that for sure.

Q77. Okay. So, just to drop back real quick, you don't have any request for applications for service from the Baileys to Kentucky Frontier?

A. I'm not sure if I have--

Q78. Can we check on that, and if you find something--

A. Yes.

Q79. --or if not, you can follow up with a

written response, if you would, to this question--

MR. PARKER:

We will find it.

Q80. --if there is not one. So let me make sure I understand this. The gas coming to the Baileys' property is your gas. I mean, when I say yours, Kentucky Frontier's Gas.

A. It's already bought before it gets there, yeah.

Q81. And it is traveling through lines that you say you do not own. Is that accurate?

A. We operate.

Q82. But you do not own them. Is that your position?

A. To the best of my knowledge, we do not own them.

Q83. When you say operate, what does that mean?

A. That means that we make all repairs. We make-- you know, anybody that is on the line that has got a complaint, call, you know, smelling gas or an odor, or a leak, we respond to those and help maintain one of the eight-inch lines.

Q84. Okay. To your understanding, who owns the eight-inch line that you are maintaining?

A. That's kind of tricky. I would say there is an ownership between DLR and maybe the Fontaines.

Q85. Who gets paid?

A. Who gets paid what?

Q86. Well, I mean, if you are maintaining-- Frontier Gas is transmitting or providing gas to service customers through this line, but your position is you don't own the lines. You just maintain it. Correct?

A. Uh-huh.

Q87. Okay. Is there any compensation to the owner of line for the use of that line to transmit your gas?

A. I believe there is, but I don't know what it is.

Q88. Okay. We need to find the answer to that.

MR. PARKER:

We can provide you written documentation. We will provide that

information to you.

MR. TEETERS:

We need to know who owns it, who is getting paid. It's so many cents an MCF or something.

MR. PARKER:

We will provide that information to you.

MR. TEETERS:

Okay. I'm going to adjourn mine, and let you drop back to David.

MR. PARKER:

Well, before you do that, let me ask him one or two.

MR. TEETERS:

Sure. I'm sorry.

EXAMINATION BY: MR. PARKER

Q1. Mike, I want to ask you own or two questions. I'm going to hand you this document. This is a bill of sale for the G39 easement to the Fontaine Williams people.

MR. STRATTON:

Exhibit 2.

MR. PARKER:

Yes, Exhibit 2.

Q2. Is it our position that, notwithstanding that you can read the original bill of sale from BTU a certain way, that it's got gas lines written in there, that that bill of sale you are holding specifically sells this pipeline that is on Exhibit 9 over there on the wall to, at the time, Fontaine Williams?

A. Uh-huh, yeah.

Q3. Now, and I am going to try to be real brief in this. There's two kinds of gas companies. There's a gathering and a distribution company. That is what Kentucky Frontier is. Correct?

A. Yes.

Q4. Okay. We have talked a little bit. EQT generally is a transmission company. Correct?

A. Yeah. They own wells, gathering lines, and transmission.

Q5. Right. But this eight-inch line is really not intended to service. I mean, even though it does a few, but it's not really intended to service

residential customers. It is just intended to bulk put gas through. That's why the line is eight inches?

A. Uh-huh, yes.

Q6. In other words, it's not a two-inch line or a one-inch line, which is what you would run to some of these houses.

A. That's right.

Q7. Okay. To your knowledge, Mr. Teeters asked you, and I think it's a relevant question: Not now when DLR, the same people, owned both lines. When Fontaine owned it, did they pay every month if you serviced that line, and you said it cost us $3,000 this month to service the line-- did they pay you for that? Fontaine, I mean.

A. Did Fontaine Williams physically write us a check for that?

Q8. Did they pay you for that, for maintaining their line, their eight-inch line?

A. I don't think we have ever received a payment, no.

Q9. Is there a reason for that, why we didn't get payment for that?

A. The only reason that I know that I have

been told is the Fontaines, which have the money in this, there wasn't nothing they could do with it, so we could try to make something happen with it and make it operable and feasible to operate it then we should try to do it. So, really and truthfully, it's just a line there that means nothing.

Q10. Okay. Now, another thing, the BTU gas system fell into bankruptcy proceedings. Correct?

A. Uh-huh.

Q11. Would you believe part of the reason for that is because they had a lot of customers getting free gas and weren't paying for it?

A. Well, yeah. I mean, that's a big thing.

Q12. And when the bankruptcy court sold this gas system to us, is it our position that they did not require us to continue to give people free gas, even if they had the agreement?

A. No. I mean, to the best of my knowledge, there were people getting free gas that were not supposed to get free gas. So, I mean--

Q13. Okay. And again, as a gathering and distribution company, any rate, whether it's a free rate or the residential rate, is governed by the PSC.

Is that correct?

A. Yes.

Q14. And is the reason DLR, during the pendency of this, if you know-- and I'm not asking you to make a legal conclusion. Is the reason that DLR is paying this bill is because somebody has to pay the bill? We can't give people free gas.

A. Yes.

Q15. And if we send a report up to the PSC, "Hey, we are giving Mr. Rudd free gas," they are going to want to know why?

A. Yes. It's on Kentucky Frontier Gas's records, so we have got--

MR. PARKER:

All right. That's all I have.

EXAMINATION BY: MR. STRATTON

Q1. Mike, real quick, Kentucky Frontier bought the eight-inch lines originally out of bankruptcy court. Correct?

A. (Shook his head in the negative.)

Q2. They did not? You are shaking your head

no. I need a verbal answer.

A. No.

Q3. All right. My question is then: If the eight-inch lines are owned by DLR, is there a relationship, other than an operating agreement, between DLR and Kentucky Frontier?

A. There is another operating agreement, I believe, with Fontaine Williams and DLR.

Q4. All right. Can you produce to us the two operating agreements, the one between Kentucky Frontier and DLR and the one between Fontaine Williams and DLR?

A. We will have to get that.

MR. PARKER:

I believe that we can. I think I have seen the one with Fontaine Williams. Yes, if there is a written agreement, we will get that to you within a week.

Q5. And how did DLR acquire the eight-inch lines?

A. To the best of my knowledge, Fontaine was fighting Richard Williams over the eight-inch line because there was so much money invested in it. I

believe that the bankruptcy court gave all assets on that line, that one particular line, to the Fontaines, which had no-- didn't want anything to do with-- I mean, really didn't want any-- there was nothing they knew to do with it, so I believe that they done an operating agreement with us to try to make something happen with the line.

Q6. Okay. So because of the Richard Williams bankruptcy, Fontaine Williams acquired the eight-inch lines out of bankruptcy court? That's not a part of Exhibit Number 2, which is the bill of sale, then.

A. No, I do not believe that it is part of that BTU bill of sale.

Q7. All right. Do you have a copy or a record of DLR's acquisition from Fontaine Williams of the eight-inch lines?

A. I think that is going to be part of--

MR. PARKER:

That's what you had requested a minute ago, and we will provide that within a week. I'm sure there is something.

MR. STRATTON:

I asked him for the operating agreement.

MR. PARKER:

Yes. You are talking about you want any operating agreements and the sales agreement between DLR--

MR. STRATTON:

That would reflect that it shows that they own the eight-inch lines.

MR. PARKER:

We will get that to you.

MR. STRATTON:

Let's go off the record a second.

(Reporter's note:

Following a brief off-the-record break:)

MR. STRATTON:

That's all the questions I have. Thank you.

STATE OF KENTUCKY
COUNTY OF PIKE

I, PAM OSBORNE, a notary public in and for the State of Kentucky at Large, hereby certify that the above and foregoing transcript was transcribed by me from stenographic notes and a tape recording made at the date, time and place stated in the caption hereof, with counsel stated therein attending; that said transcript constitutes a full, correct and true record of the testimony given by CHARLES HARRIS before me; that said witness was first duly sworn/affirmed by me.

I further certify that said transcript was not examined, read or signed by said witness for the reason that such was not requested.

Further, I certify that I am not an attorney or a counsel of any party hereto; that neither am I an employee of any party hereto; and that I am not financially interested in this action.

WITNESS my hand this the 19th day of May, 2017.

My commission Expires August 18, 2020.

_____
PAM OSBORNE
NOTARY PUBLIC
STATE AT LARGE
KENTUCKY


Portion of Map of two 8" pipelines Constructed by Richard Williams and Slone Energy
Rudd Property
Kentucky Frontier Royalton gas distribution pipeline
Bailey Property
Location of two 8" gas lines Owned by Fontaine-Williams and O&G . (Heavy red line)
Royalton
Stevens Cem
Gun Creek
OHIO
Marshall Cem
Meatskin Br
Howard Cem
Higgins
Little Half Mtn
Swampton
LICKING
RIVER
Little Half Mountain Cr
Conley Cem
Big Half Mountain
Swampton Cr
Puncheon
Howard Cem
Licking
Dutton Cem
Dutton Br
Sycamore
Fork
Big Creek
Bullmire Branch
Jackson Cem
Seiler Cem
Meadows
Ford
BM 914
BM 938
BM 925
BM 934
BM 933
BM 972
896
908
1100
1200
1300
1000
900

COMMONWEALTH OF KENTUCKY
MAGOFFIN COUNTY CIRCUIT COURT
CASE NO. 12-CI-00261

SAMUEL P. BAILEY
TERESA BAILEY

PLAINTIFFS

And

DAVE BAILEY
JOAN BAILEY

vs.

SECOND AMENDEDCOMPLAINT

KENTUCKY FRONTIER GAS, LLC
AND
FONTAINE WILLIAMS GAS
GATHERING SYSTEM LLC

DEFENDANT

SERVE: W T & C CORPORATE SERVICES INC.
500 WEST JEFFERSON STREET SUITE 2800
LOUISVILLE, KENTUCKY 40202

Comes the Plaintiffs, Samuel and Teresa Bailey, Dave and Joan Bailey (hereinafter "Plaintiffs") by and through counsel, and for their Second Amended Complaint states as follows:

1. That the Plaintiffs re-allege and restate each and every allegation of the original Complaint and Amended Complaint which is not inconsistent hereto:

2. That the Defendant, Fontaine Williams Gas Gathering System LLC may claim to own either in its entirety or a portion of the gas pipeline subject of this litigation and therefore needs to assert its claim of ownership, if any.

WHEREFORE, the Plaintiff, respectfully demands as follows:

1. The relief sought in the original Complaint and Amended Complaint;

2. That the Defendant, Fontaine Williams Gas Gathering System LLC be required to assert its ownership interest in the gas line subject of this litigation, if any;

3. Any and all other relief to which the Plaintiffs are entitled.

Respectfully submitted by:

Brad R. Teeters
982 Broadway Plaza
Paintsville, KY 41240
Counsel for Plaintiff's
(606) 264-5955 Phone
(606) 264-5911 Fax

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via first-class mail on October 22nd, 2013 to the following:

Hon. Timothy Parker
15 North Hall Alley
Prestonsburg, KY 41653

Hon. Gordon B. Long
P.O. Box 531
Salyersville KY, 41465

W T & C Corporate Services Inc
500 West Jefferson Street Ste. 2800
Louisville, KY 40202

Brad R. Teeters

COMMONWEALTH OF KENTUCKY
MAGOFFIN CIRCUIT COURT
CIVIL ACTION NO. 12-CI-00261

SAMUEL BAILEY AND
TERESA BAILEY PLAINTIFFS

VS.

KENTUCKY FRONTIER GAS, LLC DEFENDANT

MOTION TO DISSOLVE TEMPORARY INJUNCTION

Comes now the Defendant, by and through counsel, and moves the Court to Dissolve the Temporary Injunction issued by this Court, which directed the Defendant to provide natural gas to the Plaintiff at no cost.

The Defendant would point out that it acted in good faith in this matter in agreeing to a Temporary Injunction, pending discovery in the underlying case. While the Defendant has provided natural gas service to the Plaintiff since October, 2012, under this Court's Temporary Injunction, no action has been taken on this matter since the deposition of Larry Rich was taken on April 30, 2013.

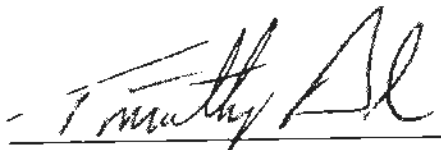
In making the request, the Defendant relies on the failure of the Plaintiff to take any action to name an indispensable party in this matter since April 30, 2013, when the deposition of Larry Rich was taken, and it was informally agreed that Fontaine Williams Gas Gathering System, as the owner of the pipeline in question, would be a necessary party under CR 19. The failure to

take any steps to prosecute this action, while the Defendant remains under a Temporary Injunction to supply reduced rate natural gas service to them, is prejudicial to the Defendant, and subjects said Defendant to an undue burden in this case, particularly since it has been almost a year since the injunction was issued.

Additionally, the Defendant states that there can be no showing of irreparable harm in requiring the Plaintiff to pay for their natural gas service during the pendency of this action. Should the Court rule favorably for the Plaintiff, against the Defendant, the Plaintiff would have a remedy to collect any monies paid from the Defendant in this action.

Wherefore, the Defendant prays for appropriate Orders from the Court.

Respectfully submitted,



TIMOTHY A. PARKER
15 NORTH HALL ALLEY
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(606) 886-2573

NOTICE

All parties to this action will please take notice that the foregoing Motion will be heard before the Hon. Kimberly Childers, Judge, Magoffin Circuit Court, Magoffin County Justice Center, Salyersville, Kentucky, on Thursday, September 5, 2013, at the hour of 9:00 a.m., or as soon thereafter as counsel may be heard.

TIMOTHY PARKER

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing document has been served by U.S. Mail upon the following parties:

Hon. Brad Teeters
982 Broadway Plaza
Paintsville, KY 41240

This the 26th day of August, 2013.

TIMOTHY PARKER

CT Corporation

Service of Process Transmittal
01/23/2013
CT Log Number 521994516

TO: Robert J Oxford
Industrial Gas Services, Inc.
4891 Independence Street, Suite 200
Wheat Ridge, CO 80033

RECEIVED 1 28 13
BY

RE: **Process Served in Kentucky**

FOR: Kentucky Frontier Gas, LLC (Domestic State: CO)

ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:

TITLE OF ACTION:	Samuel P. Bailey and Teresa Bailey, Pltfs. vs. Kentucky Frontier Gas, LLC, Dft.
DOCUMENT(S) SERVED:	Order
COURT/AGENCY:	Magoffin County Circuit Court, KY Case # 12CI00261
NATURE OF ACTION:	Order has been passed in the matter in context to payment of attorney fee
ON WHOM PROCESS WAS SERVED:	C T Corporation System, Frankfort, KY
DATE AND HOUR OF SERVICE:	By Regular Mail on 01/23/2013 postmarked on 01/22/2013
JURISDICTION SERVED :	Kentucky
APPEARANCE OR ANSWER DUE:	Within 30 days
ATTORNEY(S) / SENDER(S):	Tony Arnett Ward, Circuit Court Clerk 101 East Maple Street Salyersville, KY 41465-0147
ACTION ITEMS:	SOP Papers with Transmittal, via Fed Ex 2 Day , 794587205900
SIGNED: **PER:** **ADDRESS:** **TELEPHONE:**	C T Corporation System Amy McLaren 306 W. Main Street Suite 512 Frankfort, KY 40601 800-592-9023

Kay - Judge Childer's Sec. 349 3014

Notice

Appearance: Tim Parker 886 2573
party to case 1-31-13
motion to dismiss
alter amend / vacate
resolve

JAN 24, 2013

CT Corporation

Service of Process Transmittal

01/23/2013
CT Log Number 521994516

TO: Robert J Oxford
Industrial Gas Services, Inc.
4891 Independence Street, Suite 200
Wheat Ridge, CO 80033

RE: **Process Served in Kentucky**

FOR: Kentucky Frontier Gas, LLC (Domestic State: CO)

DOCKET HISTORY:

DOCUMENT(S) SERVED:	DATE AND HOUR OF SERVICE:	TO:	CT LOG NUMBER:
Order, Certificate	By Regular Mail on 10/05/2012 postmarked on 10/04/2012	Robert J Oxford Industrial Gas Services, Inc.	521354400
Summons, Verified Complaint, Easement Agreement, Deed	By Certified Mail on 09/26/2012 postmarked on 09/25/2012	Robert J Oxford Industrial Gas Services, Inc.	521294345

FILED ✓ ENTERED
TENDERED
THIS 22nd DAY OF Jan, 2013
MAGOFFIN CIRCUIT COURT
TONYA ARNETT WARD, CLERK
BY: _____ D.C.

COMMONWEALTH OF KENTUCKY
MAGOFFIN COUNTY CIRCUIT COURT
CASE NO. 12-CI-261

SAMUEL P. BAILEY
TERESA BAILEY — PLAINTIFF

vs.

KENTUCKY FRONTIER GAS, LLC — DEFENDANT

ORDER

This matter having come before the Court on the Plaintiff's Motion to Show Cause and the Court being sufficiently advised;

IT IS HEREBY ORDERED that the Defendants shall pay $1,200.00 in attorney fees for a rate of $200.00 per hour for 2 hours on Friday and 4 hours on Saturday to be paid directly to the Plaintiff's Attorney within thirty days from date of entry of this order as sanction for violation of this Courts previous order.

It is further ordered that this Court strongly admonishes the Defendants from any further violations of this Courts orders.

ENTERED THIS 22nd DAY OF Jan 2013

Hon Kimberly Childers
Judge, Magoffin Circuit Court

CLERKS CERTIFICATE

This certifies that a true and accurate copy of the foregoing was mailed on this the 22nd day of January, 2013, to the following:

Hon. Brad R. Teeters
982 Broadway Plaza
Paintsville KY 41240

Kentucky Frontier Gas, LLC.
C/O CT Corporation System
306 W. Main Street
Suite 512
Frankfort, Kentucky 40601

Robert J. Oxford
4891 Independence St. Suite 200
Wheat Ridge, CO 80403

BY Pongo A. Wade

TONYA ARNETT WARD
CIRCUIT COURT CLERK
MAGOFFIN CIRCUIT & DISTRICT COURTS
MAGOFFIN COUNTY JUSTICE CENTER
101 EAST MAPLE STREET, P.O. BOX 147
SALYERSVILLE, KENTUCKY 41465-0147

LEXINGTON KY 405
22 JAN 2013 PM

02 1P $ 000.45⁰
0003078517 JAN 22 2013
MAILED FROM ZIP CODE 41465

CI 12-CI-00261
636228

KENTUCKY FRONTIER GAS, LLC,
SERVE: CT CORPORATION SYSTEM
306 W. MAIN STREET SUITE 512
FRANKFORT KY 40601

4060181840

FedEx Packing Slip

Package # : 5704681842
Created By : Anuj Mahajan
Created On : 01/23/2013 05:45 PM
FedEx Tracking # : 794587205900
Recipient :

Robert J Oxford

Title : –
Customer : Industrial Gas Services, Inc.
Address : 4891 Independence Street
Email : igsinc@att.net
Phone : 303-422-3400 Fax : 303-422-6105

FedEx Account : 347685534
Shipment Type : FedEx 2Day
Package Type : Envelope
Items shipped : 1

Log #	Case #	Entity Name	Assigned To
521994516	12CI00261	Kentucky Frontier Gas, LLC	Anuj Mahajan

COMMONWEALTH OF KENTUCKY
MAGOFFIN COUNTY CIRCUIT COURT
CASE NO. 12-CI-261

_____FILED ✓ _____ENTERED
_____TENDERED
THIS 10th DAY OF October, 2012
MAGOFFIN CIRCUIT COURT
TONYA ARNETT WARD, CLERK
BY: T.Q. D.C.

SAMUEL P. BAILEY
TERESA BAILEY — PLAINTIFF

vs.

KENTUCKY FRONTIER GAS, LLC — DEFENDANT

ORDER ENTERING
RESTRAINING ORDER/INJUNCTION
RULE 65.03

This matter having come before the Court on the Plaintiff's Motion for a Rule 65.03 Restraining Order/Injunction pertaining to the termination of gas services that are at issue in the above-styled action, and the Court having heard argument and being otherwise sufficiently advised, Plaintiff's motion is hereby **SUSTAINED**, the Defendant is ordered to restore the gas supply as dictated by the Agreement entered into by Defendants predecessor with Plaintiffs, the same Agreement which was assumed by the Defendant through its' acquisition of BTU Gas Company, Inc. Defendants **SHALL** restore the aforementioned gas service within forty-eight (48) hours of receipt of this Order until further instruction from this Court.

Entered this 4th day of October, 2012, at 1:35pm. Bond in the amount of $250.00 - Per Phone Conversation

K. Childers
Hon. Kimberly Childers
Magoffin Circuit Judge

CLERKS CERTIFICATE

This certifies that a true and accurate copy of the foregoing was mailed on this the 6th day of October, 2012, to the following:

Hon. Brad R. Teeters
227 College St.
Paintsville, KY 41240
606-264-5955

Kentucky Frontier Gas, LLC.
C/O CT Corporation System
306 W. Main Street
Suite 512
Frankfort, Kentucky 40601

Track & Confirm

GET EMAIL UPDATES PRINT DETAILS

YOUR LABEL NUMBER	SERVICE	STATUS OF YOUR ITEM	DATE & TIME	LOCATION	FEATURES
9405503699300158737796	Priority Mail®	Depart USPS Sort Facility	October 03, 2012	AURORA, CO 80011	**Expected Delivery By:** October 5, 2012 Delivery Confirmation™
		Processed at USPS Origin Sort Facility	October 02, 2012, 9:40 pm	AURORA, CO 80011	
		Dispatched to Sort Facility	October 02, 2012, 6:36 pm	WHEAT RIDGE, CO 80033	
		Acceptance	October 02, 2012, 4:44 pm	WHEAT RIDGE, CO 80033	
		Electronic Shipping Info Received	October 02, 2012		

Check on Another Item

What's your label (or receipt) number?

Find

October 1, 2012

Ms. Tonya A. Ward
Circuit Court Clerk
Magoffin County
P.O. Box 147
Salyersville, KY 41465

Re: Case No. 12-CI-00261

Dear Ms. Ward:

Kentucky Frontier Gas, LLC (Frontier) has received the attached documents related to the subject case from the Magoffin County Circuit Court. The purpose of this letter is to answer the Complaint of Plaintiffs Samuel P. and Teresa Bailey, concerning their claim under a contract with BTU Gas Company.

Frontier purchased the assets of BTU Gas Company, Inc. from the Trustee of the U.S. Bankruptcy Court for the Eastern District of Kentucky, Pikeville Division, in Case No. 10-70767, on July 13, 2012. The Bill of Sale for this transaction is attached hereto. Frontier did not buy the stock of BTU Gas Company, Inc., only the assets. The map (a poor copy of the original map) attached to the Bill of Sale shows the pipelines which were conveyed to Frontier. I have attached a better copy of the map showing the portion of the BTU Gas Company, Inc. system in the vicinity of Plaintiff's property, marked on the map as a blue triangle. Plaintiff's house is connected by a 1" service line to the 8" pipeline owned by Fontaine-Williams. Frontier has a transportation agreement with Fontaine-Williams that allows Frontier to deliver gas to Plaintiff's house under the terms of Frontier's tariff approved by the KPSC. There is no provision to charge $20 per month for gas service available under this tariff to any Frontier customer. Frontier ceased deliveries of gas to Plaintiffs when they refused to pay for gas that had been delivered after Frontier assumed the operation of the pipeline system.

The two eight inch pipelines described in Plaintiff's complaint are owned individually by Fontaine-Williams and by O&G. Neither pipeline was a part of the BTU Gas Company, Inc.'s gas system assets purchased by Frontier. A map showing the location of these two pipelines relative to Plaintiff's property is attached

Frontier respectfully requests that the complaints against Kentucky Frontier Gas, LLC listed in Case No. 12-CI-00261 be dismissed because:

1. Frontier did not purchase the stock of BTU Gas Company, Inc., but only the assets, "specifically excluding any and all debts, contracts, commitments, liabilities, or other

Kentucky Frontier Gas, LLC
4891 Independence Street, Suite 200, Wheat Ridge, CO 80033
igsinc@att.net 303-422-3400 Fax 303-422-6105

obligations, whether known, accrued or contingent of BTU Gas Company, Inc., its predecessor companies and Richard Dow and Pamela Jean Williams individually, jointly and as owners and operators of those companies," as described in the attached Bill of Sale from the Bankruptcy Trustee.

2. Frontier did not construct nor purchase the eight inch pipelines located on Plaintiff's property and has no obligation to receive any payment of $20 per month for gas from the Plaintiff in lieu of a payment for Right of Way on the old Inland G-39 gas right of way.

3. Frontier cannot legally provide gas to Plaintiff for $20 per month as consideration for the easement of the two eight inch pipelines, or for any other reason. It would be in violation of the tariff approved by the Kentucky Public Service Commission.

KENTUCKY FRONTIER GAS, LLC

By: 

Robert J. Oxford
Member Manager
4891 Independence St., Suite 200
Wheat Ridge, CO 80403

Cc: Director, Kentucky Public Service Commission

Kentucky Frontier Gas, LLC
4891 Independence Street, Suite 200, Wheat Ridge, CO 80033
igsinc@att.net 303-422-3400 Fax 303-422-6105

CT Corporation

Service of Process Transmittal

09/26/2012
CT Log Number 521294345

TO: Robert J Oxford
Industrial Gas Services, Inc.
4891 Independence Street, Suite 200
Wheat Ridge, CO 80033

RE: **Process Served in Kentucky**

FOR: Kentucky Frontier Gas, LLC (Domestic State: CO)

ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:

TITLE OF ACTION:	Samuel P. Bailey and Teresa Bailey, Pltfs. vs. Kentucky Frontier Gas, LLC, Dft.
DOCUMENT(S) SERVED:	Summons, Verified Complaint, Easement Agreement, Deed
COURT/AGENCY:	Magoffin County Circuit Court, KY Case # 12CI00261
NATURE OF ACTION:	The plaintiff states that the defendant has profited from the benifit received and the wrongful retention of the gas owed to plaintiff
ON WHOM PROCESS WAS SERVED:	C T Corporation System, Frankfort, KY
DATE AND HOUR OF SERVICE:	By Certified Mail on 09/26/2012 postmarked on 09/25/2012
JURISDICTION SERVED :	Kentucky
APPEARANCE OR ANSWER DUE:	Within 20 days following the day this paper is delivered
ATTORNEY(S) / SENDER(S):	Tony Arnett Ward, Circuit Court Clerk 101 East Maple Street Salyersville, KY 41465-0147
ACTION ITEMS:	SOP Papers with Transmittal, via Fed Ex Standard Overnight , 799062631796
SIGNED: **PER:** **ADDRESS:** **TELEPHONE:**	C T Corporation System Amy McLaren 306 W. Main Street Suite 512 Frankfort, KY 40601 800-592-9023

28,2012

Generated: 09/25/2012

AOC-S-105 Sum Code: CI
Rev. 7-99

Commonwealth of Kentucky
Court of Justice
CR 4.02; Cr Official Form 1

Civil Summons

Case Number **12-CI-00261**
Court CI
County MAGOFFIN

Plantiff, BAILEY, SAMUEL P. , ET AL VS. KENTUCKY FRONTIER GAS, LLC, ***Defendant***

KENTUCKY FRONTIER GAS, LLC,
SERVE: CT CORPORATION SYSTEM
306 W. MAIN STREET SUITE 512
FRANKFORT KY 40601

The Commonwealth of Kentucky to the above-named Defendant(s):

You are hereby notified that a legal action has been filed against you in this court demanding relief as shown on the document delivered to you with summons. Unless a written defense is made by you or by an attorney on your behalf within twenty (20) days following the day this paper is delivered to you, judgement by default may be taken against you for the relief demanded in the attached complaint.

The name(s) and address(es) of the party or parties demanding such relief against you or his/her (their) attorney(s) are shown on the document delivered to you with this summons.

Circuit/District Clerk, TONYA WARD

By _____, DC

Date: 09/25/2012

Proof of Service

[ ] This Summons was served by delivering a true copy and the Complaint (or other initiating document)
To: _____

[ ] Not Served because: _____

Date: _____, 2____ _____
Served by

CI 12-CI-00261
BAILEY, SAMUEL P. , ET AL VS. KENTUCKY FRONTIER GAS, LLC,

COMMONWEALTH OF KENTUCKY
MAGOFFIN COUNTY CIRCUIT COURT
CASE NO. 12-CI-261

FILED ✓ ENTERED
TENDERED
THIS 24th DAY OF Sept, 2012
MAGOFFIN CIRCUIT COURT
TONYA ARNETT WARD, CLERK
BY: D.C.

SAMUEL P. BAILEY
TERESA BAILEY

PLAINTIFF

vs.

VERIFIED COMPLAINT

KENTUCKY FRONTIER GAS, LLC

DEFENDANT

SERVE: CT CORPORATION SYSTEM
306 W. MAIN STREET
SUITE 512
FRANKFORT, KENTUCKY 40601

Comes the Plaintiffs, Samuel and Teresa Bailey (hereinafter "Plaintiffs") by and through counsel, and for their Complaint against the Defendant, Kentucky Frontier Gas, LLC, (hereinafter "Frontier"), states:

JURISDICTION AND VENUE

1. Kentucky Frontier Gas, LLC is a foreign limited liability corporation that was duly organized under the laws of the Commonwealth of Kentucky on August 25th, 2005, with its principal place of business at 4891 Independence Street, Suite 200, Wheatridge, Colorado with its' principle registered agent listed as CT Corporation System, 306 W. Main Street, Suite 512, Frankfort, Kentucky.

2. The Plaintiff's are private residents and currently reside at Salyersville, Magoffin County, Kentucky.

3. The promise and agreement at issue was made by and between Samuel P. Bailey, Teresa Bailey and BTU GAS COMPANY and provided that, "For the privilege of being allowed to lay two 8' gas lines on the old Inland G-39 gas right of way. It is hereby agreed upon between Samuel P. & Teresa Bailey and BTU Gas Co., Inc., that BTU Gas, its assignees and successors shall set in place on the bank below the house one gas hook up and furnish with no restrictions gas at a flat rate of $20.00 per month. This shall continue as long as said lines run through the Samuel P. Bailey and Teresa Bailey farm; and so long as they or a member of their immediate family occupies this residence..."

4. Kentucky Frontier Gas, LLC., acquired BTU Gas Company, Inc., and assumed all of its' liabilities, including the agreement with the Plaintiffs.

5. The damages sustained by the Plaintiffs are ongoing and exceed the minimum jurisdictional limits of this Court.

COUNT I

Promissory Estoppel / Detrimental Reliance

5. On or about April 29th, 2007, Plaintiffs entered into an Agreement, (hereinafter referred to as the "Agreement"), (attached as Exhibit 1) with BTU Gas Company, Inc., the terms of which are described in paragraph 3 above.

6. The Defendants have subsequently raised the Plaintiffs gas rates and ultimately cut the supply of gas off breaching the aforementioned agreement and causing an ongoing harm.

7. Plaintiffs, pursuant to their promise, complied with all of the terms of the duties and obligations as set-forth under the terms of the "Agreement" and continue to do so.

COUNT II

Unjust Enrichment

8. The Plaintiff restates, re-alleges and reaffirms all allegations set forth in numerical paragraphs 1 – 7, the same as if set forth herein at length.

9. The Plaintiff conferred a benefit and had a reasonable expectation of receiving valuable consideration for such benefits rendered under the terms of the "Agreement".

10. That the Defendant has wrongfully retained the benefits granted through the Agreement without payment or compliance with said Agreement, which has proximately caused monetary damages to the Plaintiff.

11. The Defendant has profited from the benefit received and the wrongful retention of gas owed to the Plaintiff and ultimately converted use of the Plaintiffs land to that of their own causing an ongoing trespass.

12. As a result, the Plaintiff is entitled to damages against the Defendant in an amount to be determined at trial, plus prejudgment and post-judgment interest, and the Defendant should be required to compensate the plaintiff in this amount for such unjust enrichment.

13. Plaintiff relied upon those representations and promises and suffered damages as a result.

COUNT IV

Breach of Contract

14. The Plaintiff restates and incorporates herein by reference each and every allegation set forth in Paragraphs 1 through 13 above as if fully set forth herein.

15. By virtue of the agreement entered into between the Plaintiffs and the

Defendant an enforceable contract with definite terms exists between the Plaintiff and Defendant.

16. Pursuant to the agreement, the Defendant is obligated to provide gas service to the Plaintiffs as set forth by the terms of the "Agreement".

17. That by virtue of the above-described conduct, the Defendant has breached its duties and contract with the Plaintiffs by converting the use of land for its own gain.

18. As a result of the Defendants' breach of contract, the Plaintiffs has suffered and continue to suffer damages in an amount to be determined by the evidence presented at trial, but in excess of the jurisdictional limits of this Court.

COUNT V

Breach of Duty of Good Faith and Fair Dealing

19. The Plaintiff restates and incorporates herein by reference each and every allegation set forth in Paragraphs 1 through 18 above as if fully set forth herein.

20. The Defendant had an implied duty to perform its contractual duties and obligations with the utmost good faith and to deal fairly with the Plaintiffs in carrying out each and every obligation arising thereunder.

21. The conduct of the Defendant, as described above, constitutes a breach of the Defendant's duty of good faith and fair dealing owed to the Plaintiffs.

22. As a direct and proximate result of the Defendant's breach of its duty of good faith and fair dealing, the Plaintiffs has suffered and continues to suffer damages in an amount in excess of the jurisdictional limits of this Court and to be determined by the evidence presented at trial.

COUNT VI

23. The allegations contained in numerical paragraphs 1-22 are hereby adopted and incorporated herein by reference as if fully set forth.

24. The Plaintiffs states that their gas service has been discontinued by the Defendant.

25. That the Defendant continues to exercise control over their property in contradiction to the Agreement and thereby benefits financially from the same while harming the Plaintiffs.

26. That unless the Defendant is retrained and enjoined from doing so and that the Plaintiff will be irreparably harmed by trespass to their property, the cessation of service agreed upon under the terms of the Agreement causing them to be forced to convert services in their home to electric

27. The Plaintiff asserts that they are entitled to a temporary restraining order pursuant to CR. 65.03, pending this litigation. A verified motion and affidavit will follow the filing of this complaint setting the date, time and place of the hearing as well as provide any bond which the Court may deem appropriate.

WHEREFORE, the Plaintiff, prays:

1. It be awarded an amount to be determined by a trier of fact, representing the amount promised it by Frontier, and for those funds converted as a result of its' trespass;
2. Punitive Damages;
3. Damages for breach of contract;
4. Specific performance under the agreement;
5. Attorney fees and costs herein expended;
6. Its taxable costs;

7. A trial by jury; and

8. All other relief to which it appears entitled.

VERIFICATION

I, Samuel P. Bailey and Teresa Bailey, verify that the above statements are true and correct to my knowledge and belief.

Samuel P. Bailey
Samuel P. Bailey, Plaintiff

STATE OF KENTUCKY

COUNTY OF JOHNSON

Subscribed and sworn to before me, a notary public, by Samuel P. Bailey this 23rd day of September, 2012, to be their free act and deed.

My Commission expires: 8-21-2016.

Michelle Risner

NOTARY PUBLIC

VERIFICATION

I, Teresa Bailey, verify that the above statements are true and correct to my knowledge and belief.

Teresa Bailey
Teresa Bailey, Plaintiff

COMMONWEALTH OF KENTUCKY
MAGOFFIN CIRCUIT COURT
C.A. NO. 05-CI-00097

BTU, INC. PLAINTIFF

VS. AGREED ORDER

DAVE BAILEY AND JOAN BAILEY DEFENDANTS

******

This matter having been brought before this court upon the agreement of the parties hereto; and the Court having been fully and sufficiently advised on all matters;

IT IS HEREBY ORDERED AND ADJDUGED, that an Agreed Order is entered in which the Defendants, Dave Bailey and Joan Bailey, their employees, agents, assignees, heirs and/or assign's grant access to gas lines which run on, through or under the Defendants' property to BTU, Inc. The property affected by this Right of Way being the same property in which Dave and Joan Bailey, conveyed a Right of Way Agreement to Inland Gas Company and which was subsequently sold by Assignment and Bill of Sale by Inland Gas Company to BTU, Inc. The property subject of this right of way easement being bounded and described as follows:

On the North by the lands of Wolverine Mining;
On the East by the lands of the Carpenter Heirs
On the South by the lands of Walter Conley and the Arnett's;
On the West by the William Shepherd Heirs, Et Al

IT IS FURTHER AGREED, ORDERED AND ADJUDGED, that the Complaint and all claims made by the Plaintiff against Defendants Dave Bailey and Joan Bailey are

hereby dismissed, with prejudice as settled, with each party responsible for their own costs. There being no just reason for delay, this is adjudicated a FINAL ORDER.

THIS THE 22nd DAY OF AUGUST, 2007

HON. KIMBERLEY CHILDERS
JUDGE, OF MAGOFFIN CIRCUIT COURT

Read and approved for entry

Gordon B. Long
Attorney for Plaintiff

Dave Bailey
Dave Bailey (Defendant)

Joan Bailey
Joan Bailey (Defendant)

CLERK'S CERTIFICATION

This is to certify that a true and correct copy of the foregoing was mailed, postage prepaid, to Hon. Gordon B. Long, Attorney at Law, P.O. Box 531, Salyersville, KY 41465; and to Dave and Joan Bailey, P.O. Box ~~426~~ 51, Royalton, KY 41464; on this the 24 day of August, 2007.

MAGOFFIN CIRCUIT COURT CLERK

By: Angela Watson D.C.

STATE OF KENTUCKY
MAGOFFIN, COUNTY

I, Renee Arnett-Shepherd Clerk of the County and State aforesaid certify that the foregoing Agreed order was on the 11 day of Sept 2007 lodged to record, whereupon the same with the foregoing and this certificate have been duly recorded in my office

Given under my hand, this 11 day of Sept 2007
Book 37 Page 32 RENEE ARNETT-SHEPHERD
Time A.M. 8:00 P.M. By Michelle Spurlock D.C.

Misc

BTU GAS COMPANY
RIGHT OF WAY EASEMENT AGREEMENT

For the privilege of being allowed to lay two 8" gas lines on the old Inland G-39 gas line right of way.

It is hereby agreed upon between Dave and Joan Bailey and BTU Gas Co., Inc., that BTU Gas, its assignees and successors shall set in place on the bank below the house one gas hook up and furnish with no restrictions gas at a flat rate of $20.00 per month. This shall continue as long as said lines run through the Dave and Joan Bailey farm; and so long as they or ~~a member of their immediate~~ DB JB heirs family of DB JB occupies this residence. This agreement is limited to one dwelling. To be accepted at will by the land owner. This gas is to be furnished as soon as the new 8" gas lines are put into operation.

If said gas lines are placed up the ditch line on Higgins Branch Road BTU Gas Company, Inc. agrees to gravel the road and to immediately dissolve the Restraining Order against Dave Bailey and Joan Bailey, his wife.

This granted right-of-way shall not interfere or override the present right-ofway.

In witness whereof, the undersigned has/have caused this instrument to be executed on the 17 day of June 2005.

Owner: Dave Bailey
Dave Bailey

Owner: Joan Bailey
Joan Bailey

Pam Williams
Pam Williams, President BTU Gas Co., Inc.

LODGED FOR RECORD
MAGOFFIN COUNTY CLERK

JUN 18 2005

TIME 8:50 a.m.

STATE OF Kentucky

COUNTY OF Magoffin

Personally came before me Dave + Joan Bailey and _____ being the person and/or persons who executed this instrument and acknowledged the same.

This 17th day of June, 2005

Josephine Bailey
Notary Public

My commission expires: 12/13/2007

STATE OF Kentucky

COUNTY OF Magoffin

Personally came before me Pam Williams as President of BTU Gas Co., Inc., being the person executing this instrument and acknowledging the same.

This 17 day of June, 2005.

Sandra K Long
NOTARY PUBLIC

My Commission Expires:

April 24, 2007

STATE OF KENTUCKY
MAGOFFIN COUNTY

I, Haden B. Arnett, Clerk of the County and State aforesaid certify that the foregoing Row was on the 18th day of June 2005 lodged for record, whereupon the same with the foregoing and this certificate have been duly recorded in my office.

Given under my hand this 18th day of June 2005

deed Book 182 Page 467 HADEN B. ARNETT Clerk

Time A.M. 8:50 P.M. By Josie Bailey D.C.

This instrument prepared by:

Pam Williams

Sam + Teresa

BTU GAS COMPANY
RIGHT OF WAY EASEMENT AGREEMENT

For the privilege of being allowed to lay two 8" gas lines on the old Inland G-39 gas line right of way.

It is hereby agreed upon between Samuel P. & Teresa Bailey and BTU Gas Co., Inc., that BTU Gas, its assignees and accessors shall set in place on the bank below the house one gas hook up and furnish with no restrictions gas at a flat rate of $20.00 per month. This shall continue as long as said lines run through the Samuel P. and Teresa Bailey farm; and so long as they or a member of their immediate family occupies this residence. This agreement is limited to one dwelling. To be accepted at will by the land owner. This gas is to be furnished as soon as the new 8" gas lines are put into operation.

In witness whereof, the undersigned has/have caused this instrument to be executed on the 6 day of June 2005.

Owner: Samuel P. Bailey
Samuel P. Bailey

Owner: Teresa Bailey
Teresa Bailey

Pam Williams
Pam Williams, President BTU Gas Co., Inc.

388

STATE OF Kentucky

COUNTY OF Magoffin

Personally came before me Samuel P. Bailey and Teresa Bailey being the person and/or persons who executed this instrument and acknowledged the same.

This 6 day of June, 2005

Claudia K. Long
Notary Public

My commission expires: April 29. 2007

STATE OF Kentucky

COUNTY OF Magoffin

Personally came before me Tan Williams as President of BTU Gas Co., Inc., being the person executing this instrument and acknowledging the same.

This 6 day of June, 2005.

Claudia K Long
NOTARY PUBLIC

My Commission Expires:
April 29. 2007

This instrument prepared by:
Tan Williams

STATE OF KENTUCKY
MAGOFFIN COUNTY

I, Haden B. Arnett, Clerk of the County and State aforesaid certify that the foregoing Row was on the 6th day of June 2005 lodged for record whereupon the same with the foregoing and this certificate have been duly recorded in my office.

Given under my hand this 6th day of June 2005

Deed Book 187 Page 387 HADEN B. ARNETT Clerk

Time A.M. 11:15 P.M. By Jan Bailey D.C.

DR1-7

Rudd

COMMONWEALTH OF KENTUCKY
MAGOFFIN CIRCUIT COURT
CIVIL ACTION NO. 12-CI-00261

JAMES MELVIN RUDD, ET AL. PLAINTIFFS

VS.

KENTUCKY FRONTIER GAS, LLC DEFENDANT

MOTION TO DISSOLVE TEMPORARY INJUNCTION

Comes now the Defendant, by and through counsel, and moves the Court to Dissolve the Temporary Injunction issued by this Court, which directed the Defendant to provide natural gas to the Plaintiff at no cost.

The Defendant would point out that it acted in good faith in this matter in agreeing to a Temporary Injunction, pending discovery in the underlying case. Even though the caselaw is squarely against the Plaintiff, in that there is no writing to memorialize the claimed sale of an easement, which would be a legal requirement to make a claim, the Defendant has provided natural gas service to the Plaintiff since March, 2013. No action has been taken on this matter since the deposition of Larry Rich was taken on April 30, 2013.

In making the request, the Defendant relies on the weakness of the Plaintiff's underlying case, and further states that there can be no showing of irreparable harm in requiring the Plaintiff to pay for their natural gas service during the pendency of this action. Should the Court rule favorably for the

Plaintiff, against the Defendant, the Plaintiff would have a remedy to collect any monies paid from the Defendant in this action.

Wherefore, the Defendant prays for appropriate Orders from the Court.

Respectfully submitted,

TIMOTHY A. PARKER
15 NORTH HALL ALLEY
PRESTONSBURG, KY 41653
(606) 886-2573

NOTICE

All parties to this action will please take notice that the foregoing Motion will be heard before the Hon. Kimberly Childers, Judge, Magoffin Circuit Court, Magoffin County Justice Center, Salyersville, Kentucky, on Thursday, September 5, 2013, at the hour of 9:00 a.m., or as soon thereafter as counsel may be heard.

TIMOTHY PARKER

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing document has been served by U. S. Mail upon the following parties:

Hon. Gordon Long
P.O. Box 531
Salyersville, KY 41465

This the 26th day of August, 2013.

TIMOTHY PARKER

COMMONWEALTH OF KENTUCKY
MAGOFFIN FAMILY COURT
C.A. NO. 12-CI-00215

JAMES MELVIN RUDD, ET AL — PETITIONER

VS. — NOTICE OF DEPOSITION

KENTUCKY FRONTIER GAS, ET AL — RESPONDENT

****

The Defendant and its attorney will hereby take notice that the Plaintiffs and their attorney will take the deposition of the following person at the time and place hereinafter stated. Said Deposition is being taken for purposes of Discovery on behalf of the Defendants in the trial of this action now pending in the Magoffin Circuit Court, and for any and all purposes as permitted by the Rules of Civil Procedure.

NAME: Robert J. Oxford

DATE: Tuesday, February 26, 2013

PLACE: Law Office of Gordon B. Long
100 East Maple St.
Salyersville, KY 41465

TIME: 2:00 p.m.

GORDON B. LONG LAW OFFICE, P.S.C.

By: _____
HON. GORDON B. LONG
ATTORNEY AT LAW
P.O. BOX 531
SALYERSVILLE, KY 41465
(606) 349-1558 – FAX – 349-2441

CERTIFICATION

This is to certify that on the 11 day of January, 2013, a true and correct copy of the foregoing was mailed, postage prepaid, to: Robert Oxford, Kentucky Frontier Gas, 4891 Independence St., Ste. 200, Wheat Ridge, CO 80403.

GORDON B. LONG LAW OFFICE, P.S.C.

By: _____
HON. GORDON B. LONG

October 1, 2012

Ms. Tonya A. Ward
Circuit Court Clerk
Magoffin County
P.O. Box 147
Salyersville, KY 41465

Re: Case No. 12-CI-00215

Dear Ms. Ward:

Kentucky Frontier Gas, LLC (Frontier) has received the attached documents related to the subject case from the Commonwealth of Kentucky, Secretary of State's office. The purpose of this letter is to answer the Complaint of Plaintiff James Melvin Rudd, etal, concerning his claim under a contract with BTU Gas Company, Inc. and Richard Williams.

Frontier purchased the assets of BTU Gas Company, Inc. from the Trustee of the U.S. Bankruptcy Court for the Eastern District of Kentucky, Pikeville Division, in Case No. 10-70767, on July 13, 2012. The Bill of Sale for this transaction is attached hereto. Frontier did not buy the stock of BTU Gas Company, Inc., only the assets. The map (a poor copy of the original map) attached to the Bill of Sale shows the pipelines which were conveyed to Frontier. I have attached a better copy of the map showing the portion of the BTU Gas Company, Inc. system in the vicinity of Mr. Rudd's property, marked on the map as a red triangle. Mr. Rudd's house is connected by a 1" service line to Frontier's Oakley gas distribution line. Gas service is available to the house under the terms of Frontier's tariff approved by the KPSC. There is no free gas available under this tariff to any Frontier customer.

The two eight inch pipelines described in Mr. Rudd's complaint are owned individually by Fontaine-Williams and by O&G. Neither pipeline was a part of the BTU Gas Company, Inc.'s gas system assets purchased by Frontier. A map showing the location of these two pipelines relative to Mr. Rudd's property is attached

Frontier respectfully requests that the complaints against Kentucky Frontier Gas, LLC listed in Case No. 12-CI-00215 be dismissed because:

1. Frontier did not purchase the stock of BTU Gas Company, Inc., but only the assets, "specifically excluding any and all debts, contracts, commitments, liabilities, or other obligations, whether known, accrued or contingent of BTU Gas Company, Inc., its predecessor companies and Richard Dow and Pamela Jean Williams individually, jointly

Kentucky Frontier Gas, LLC
4891 Independence Street, Suite 200, Wheat Ridge, CO 80033
igsinc@att.net 303-422-3400 Fax 303-422-6105

and as owners and operators of those companies," as described in the attached Bill of Sale from the Bankruptcy Trustee.

2. Frontier did not construct nor purchase the eight inch pipelines located on Plaintiff's property, and has no knowledge of the exact location of the two eight inch lines or the location of the old Inland Gas Line Right of Way.

3. Frontier cannot legally provide free gas to Plaintiff for consideration for the easement of the two eight inch pipelines, or for any other reason. It would be in violation of the tariff approved by the Kentucky Public Service Commission.

KENTUCKY FRONTIER GAS, LLC

By: Robert J. Oxford

Robert J. Oxford
Member Manager
4891 Independence St., Suite 200
Wheat Ridge, CO 80403

Cc: Hon. Gordon B. Long, Attorney for Plaintiff
Director, Kentucky Public Service Commission

Kentucky Frontier Gas, LLC
4891 Independence Street, Suite 200, Wheat Ridge, CO 80033
igsinc@att.net 303-422-3400 Fax 303-422-6105

Alison Lundergan Grimes
Secretary of State

Commonwealth of Kentucky
Office of the Secretary of State

Summons Division
PO BOX 718
FRANKFORT, KY 40602-0718

September 21, 2012

KENTUCKY FRONTIER GAS, LLC
4891 INDEPENDENCE ST., #200
WHEAT RIDGE, CO 80033-6714

FROM: SUMMONS DIVISION
SECRETARY OF STATE

RE: CASE NO: 12-CI-00215

COURT: Circuit Court Clerk
Magoffin County
PO Box 147
Salyersville, KY 41465
Phone: (606) 349-2215

Legal action has been filed against you in the captioned case. As provided under Kentucky law, the legal documents are enclosed.

Questions regarding this action should be addressed to:

(1) Your attorney, or
(2) The attorney filing this suit whose name should appear on the last page of the complaint, or
(3) The court or administrative agency in which the suit is filed at the clerk's number printed above.

The Kentucky Secretary of State has NO POWER to make a legal disposition of this case. Your responsive pleadings should be filed with the clerk of the court or agency where the suit is filed and served directly on your opposing party.

No copy of future pleadings need be sent to this office unless you wish us to serve the pleading under a particular statute or rule and pay for said service.

SEP 24, 2012

12-CI-0015 2/5

AOC-105 Doc. Code: CI Rev. 1-07 Page 1 of 1 Commonwealth of Kentucky Court of Justice www.courts.ky.gov CR 4.02; CR Official Form 1	 **CIVIL SUMMONS**	Case No. _____ Court [✔] Circuit [ ] District Magoffin County _____

PLAINTIFF

James Melvin Rudd, Et Al

VS.

DEFENDANT

Kentucky Frontier Gas, LLC
4891 Independence St., # 200
Wheat Ridge, CO 80033-6714

RECEIVED
SEP 21 2012
BY: _____

Service of Process Agent for Defendant:
Kentucky Secretary of State

THE COMMONWEALTH OF KENTUCKY
TO THE ABOVE-NAMED DEFENDANT(S):

You are hereby notified a **legal action has been filed against you** in this Court demanding relief as shown on the document delivered to you with this Summons. **Unless a written defense is made by you or by an attorney on your behalf** within **20 days** following the day this paper is delivered to you, judgment by default may be taken against you for the relief demanded in the attached Complaint.

The name(s) and address(es) of the party or parties demanding relief against you are shown on the document delivered to you with this Summons.

Date: Sept 18, 2012

Tonya A. Ward Clerk
By: Angela Renee D.C.

Proof of Service

This Summons was served by delivering a true copy and the Complaint (or other initiating document) to:

_____

this _____ day of _____, 2_____.

Served by: _____

_____ Title

COMMONWEALTH OF KENTUCKY
MAGOFFIN CIRCUIT COURT
C.A. NO. 12-CI-215

JAMES MELVIN RUDD PLAINTIFF

VS. COMPLAINT

FILED ENTERED
TENDERED
THIS 9th DAY OF August, 2012
MAGOFFIN CIRCUIT COURT
TONYA ARNETT WARD, CLERK
BY: D.C.

KENTUCKY FRONTIER GAS DEFENDANT
Serve: CT Corporation System
306 W. Main St., Ste. 512
Frankfort, KY 40601

****

Comes the Plaintiff, by counsel, and for his cause of action states as follows:

1. That the Plaintiff is a resident of Magoffin County, Kentucky, and that the Defendant, Kentucky Frontier Gas (hereinafter referred to as "Frontier") is a foreign corporation licensed to do business in Kentucky.

2. That the Plaintiff Melvin Rudd is the owner of real estate in Magoffin County, Kentucky and being the same real estate conveyed by Skid Montgomery and Eliza Montgomery, his wife, to James Melvin Rudd and Flora Sue Rudd, his wife by general warranty deed dated August 3, 1960, and recorded in Deed Book 88, Page 598, of the Magoffin County Court Clerk's office.

3. That BTU Gase and/or Richard Williams, predecessor in title to the gas company that is now Defendant Frontier, located a gas pipeline on Plaintiff's property. The consideration for said pipeline was free gas to the Plaintiff.

4. That Richard Williams and/or BTU Gas and the Defendant Frontier honored this agreement until a couple of months ago when Defendant Frontier cut off the Plaintiff's gas.

COPY ATTEST
MAGOFFIN CIRCUIT COURT
TONYA ARNETT WARD, CIRCUIT CLERK
BY: Angela Reese D.C.
DATE: 9-18-12

5. That as a result of the Defendant's failure to provide free gas, the consideration for the easement has failed and the Defendant should be required to remove said gas line.

6. The above mentioned gas line was not located on the old Inland Gas Line Right of Way, to which the Plaintiff's property is subject, but rather was run through Plaintiff's bottom, destroying the value of said bottom.

WHEREFORE, the Plaintiff respectfully demands as follows:

1. That an injunction be issued by this Court requiring the Defendant to relocate the gas line in question to the old Inland Gas Line or in the alternative, the Defendant be required to provide free gas to Plaintiff's residence as agreed upon by BTU Gas and/or Richard Williams;

2. A trial by jury;

3. Cost of prosecuting this action; and

4. Damages in an amount of less than $75,000.00, including cost and interest in the event Defendant is not required to relocate said line or provide free gas.

GORDON B. LONG LAW OFFICE, P.S.C.

By: Gordon B. Long

HON. GORDON B. LONG
ATTORNEY AT LAW
P.O. BOX 531
SALYERSVILLE, KY 41465
(606) 349-1558 – FAX – 349-2441
E-Mail Address – Attlong@foothills.net

The foregoing is true and correct to the best of my knowledge and belief.

James M Rudd

James Melvin Rudd

COMMONWEALTH OF KENTUCKY

COUNTY OF MAGOFFIN

The foregoing was signed and sworn to before me, a Notary Public, by James Melvin Rudd, on this the 8 day of August, 2012.

My commission expires:

3-30-14

Notary Public

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 8

RESPONSIBLE PARTY: Steven Shute

Request 8. Refer to the Application, page 6, regarding the vandalization of the FWGGS pipeline. Explain Kentucky Frontier's plans to address the potential for vandalism or possible obstruction of the FWGGS pipeline by "free gas" users should service be terminated and the planned improvements take place.

Response 8. As related in Response 4, the progress for these pipeline improvements is unknowable, since it is unknown how many known or clandestine gas users are taking gas without paying for it. It will not be possible to pressure test any segment until all the known gas and unknown "free" users are shut off. There are about a dozen gas users mostly around Long Creek and Salt Lick, who have not paid for gas in over 20 years, but Frontier has identified only a handful who might have a written and signed agreement.

Frontier should get to the Long Creek section in December and then will have a better grasp of the pushback and possible obstruction or vandalism Frontier will face. In past incidents, Frontier knows of locals who took and sold pipe, turned off valves, removed and hid meters. Frontier will move all meters to the mainline to avoid taking over unknown service lines and risk the resident bypassing the meter near their house, but cannot guarantee a problem-free transition.

This task will be nearly impossible without the support of the Commission, to declare that Frontier cannot be forced to provide free gas to anybody. In the long-running Bailey & Rudd cases now 20 years in, the local county court has stalled and obstructed any possible reasonable outcome, while Frontier's other customers pay the cost of gas to these two through the GCA mechanism. The actual value of the impacted land of Bailey & Rudd (which was already covered by the valid old G-39 Inland Oil pipeline easement) was arguably less than $1,000, which has now been

compensated multiple times with "free" gas. Bailey & Rudd neighbors have threatened to join the suit. Frontier cannot litigate another dozen or two of these cases for multiple deals made by Richard Williams.

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 9

RESPONSIBLE PARTY: Steven Shute

Request 9. Refer to the Application, page 6, paragraph 2. Confirm that the parallel pipeline owned by DLR will remain operational.

a. If not confirmed, explain why not;
b. If confirmed, explain the need and function of the parallel pipeline;
c. State if Kentucky Frontier is currently operating and maintaining the parallel pipeline for compliance; and
d. State if Kentucky Frontier is responsible for responding to a report of the discovery of a break in the line or a line locate request is received on the parallel pipeline.

Response 9: a-b. As related in Response 2, the twin line was used briefly by O&G to transport gas, sometimes sour gas, in various configurations, but has not been operational in over 10 years. TCE will never again allow gas off this line into P-20, simply because there is no gas from Magoffin County, but also since O&G caused a serious H_2S contamination of P-20 with sour gas. The O&G line was conveyed to a local producer first owner and was conveyed again in September 2025 to a larger producer-investor, who has stated to Frontier that it has no interest in reviving the line. The O&G pipeline has no gas supply anywhere along the alignment, and no apparent strategic use for any entity.

c. Neither DLR nor Frontier have any interaction with the twin line, other than moving it out of the way of work on FWG if needed.

d. There cannot be a line break on a dead line. Any outside or natural damage to one line would almost certainly impact the other. Any locate request would go to Frontier for response, and locating the former FWG line would also find the O&G line.

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 10

RESPONSIBLE PARTY: Steven Shute

Request 10. Refer to the Application, page 5, paragraph 1. Referring to the 10-20 "clandestine" gas users off FWGGS Kentucky Frontier identified.

a. Identify the specific users claiming entitlement to free gas;
b. Explain how Kentucky Frontier identified the free gas users;
c. Explain if Kentucky Frontier anticipates free gas users that it has not yet identified; and
d. Explain if all the referenced users will become part of the Kentucky Public Service Commission regulated portion of the FWGGS pipeline.

Response 10. a-b. Frontier believes that most clandestine users off FWG are in the Salt Lick and Long Creek areas. Frontier has a list, from 2012, of 11 gas users in this segment, and has updated the current occupants and addresses, which changed with 911 re-numbering. Those residents will receive the required notice of this Application.

Frontier updated the list of landowners along FWG, and searched county deed records. As discussed in Response 8, Frontier identified only a handful (less than 5) who might have a written, signed, and recorded agreement with Richard or Pam Williams for free gas. If any exist, these would be recorded in Magoffin County; and Frontier found no such agreements recorded in Floyd County.

c. Nearly every landowner, occupant, or gas user along FWG claims to have the right to Free Gas, as an oral promise from Richard Williams. Nobody has produced a written agreement. Frontier expects more to be discovered.

d. All those gas users along the part of FWG that was energized and providing gas will be part of the regulated Frontier utility system.

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 11

RESPONSIBLE PARTY: Steven Shute

Request 11. State specifically the names of any individuals, not mentioned in the application, receiving "free gas" that claim an entitlement to "free gas" and the reason for entitlement.

Response 11. Frontier recreated a list of addresses where Frontier installed 11 meters in 2012, and briefly billed gas users. Frontier has continued to review available documents to update the list of possible residences that could be connected to the FWG line. This list has also been updated for the apparent current occupants; and is being filed under seal pursuant to a motion for confidential treatment. Virtually every landowner, occupant, or gas user along FWG may claim to have the right to free gas, as promised by Richard Williams in his dealmaking, in compensation for the FWG line crossing their property, although already covered by a valid, ancient G-39 easement.

ATTACHMENT FILED UNDER SEAL PURSUANT TO A MOTION FOR CONFIDENTIAL TREATMENT

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 12

RESPONSIBLE PARTY: Steven Shute

Request 12. Refer to the Application, page 4, paragraph 2 regarding "the 12.5 miles of FWGGS from David to Sublett with free gas users on it."

a. State the proposed date that individuals receiving "free gas" will become utility customers of Kentucky Frontier;

b. State approximately how many customers will be connected to the pipeline once the line is incorporated into Kentucky Frontier;

c. Explain if any customers on the above referenced portion of the pipeline will remain farm tap customers;

d. State whether the customers on the above referenced pipeline will be located on the PSC regulated portion of the pipeline; and

e. Explain what portion of the FWGGS pipeline will not be incorporated into Kentucky Frontier.

Response 12. See earlier responses on the split of DLR and Frontier ownership, which is as yet not precisely knowable, until the improvement project progresses.

a. Not knowable. Frontier is hopeful that most can be converted by end of 2025.

b. Not knowable. Frontier has a 2012 list of eleven addresses served in Salt Lick and Long Creek, but believes three of these may now be abandoned.

c. No farm taps. All these are expected to be Frontier utility customers.

d. These customers would be on a regulated Frontier utility system.

e. See Response 2. Frontier expects that Martin to Long Branch will remain as DLR.

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 13

RESPONSIBLE PARTY: Steven Shute

Request 13. Explain if Kentucky Frontier anticipates charging any individual a back payment for gas provided at free or discounted rates once the identified portion of the FWGGS pipeline is incorporated into Kentucky Frontier and those individuals become utility customers.

Response 13. Frontier already has an uphill battle against the expected right to free gas. The gas takers removed or stole Frontier's meters and got free gas for another dozen years. Frontier has no basis for knowing who took what, and the past value of the gas is not worth making the situation worse. Frontier also has no way to accurately charge anyone for gas that may or may not have been received without payment.

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25

REQUEST 14

RESPONSIBLE PARTY: Steven Shute

Request 14. Refer to the Application, page 4 paragraph 1 regarding the "identified sustainable source of gas on the existing Kentucky-West Virginia line." Specify the name of the supplier and state if Kentucky Frontier will be contracting with the identified gas supplier once the identified portion of the FWGGS pipeline is incorporated into Kentucky Frontier.

Response 14. A large Diversified or DGO line (formerly KWV) crosses FWG near Martin, and Frontier started discussions with Diversified, expecting that to be the supply point. DGO later identified the potential delivery point more than a mile south, with cliffs and timber and 4-lane highway and railroad to cross on the way; and the line carries unprocessed gas with high NGL value.

After Frontier made this critical declaratory filing in February, TC Energy (former Columbia) has worked to rejuvenate an existing nearby delivery point on their P-20 line near Martin. This is processed pipeline-quality gas and much easier to connect to FWG.

Frontier already has 3 delivery points off P-20 and works with a marketer off TCE. This gas will be added to the Frontier gas supply contract with the marketer, since DLR has not purchased gas off TCE and has not established credit. DLR will pay Frontier for all gas delivered to the FWG pipeline, then will meter gas to Frontier near David.

KENTUCKY FRONTIER GAS, LLC

PSC CASE NO. 2025-00277

RESPONSE TO REQUEST FOR INFORMATION

STAFF'S FIRST REQUEST FOR INFORMATION – 11/3/25
REQUEST 15

RESPONSIBLE PARTY: Steven Shute

Request 15. Explain who performs operation and maintenance work on the FWGGS pipeline, and how the FWGGS pipeline is currently treated in relation to Kentucky Frontier's broader distribution system.

Response 15. See Responses 2 and 6. Some 24% of FWG has been incorporated into Frontier BTU for 13 years. Some 22% of FWG has delivered gas to unknown users around Long Creek without much interaction. Over half or 54% of FWG was never energized or used. Frontier has operated the active middle segment of FWG for DLR.