

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF KENTUCKY)
FRONTIER GAS, LLC FOR AN ALTERNATIVE) CASE NO.
RATE FILING PURUSANT TO 807 KAR 5:076) 2025-00227
AND OTHER GENERAL RELIEF)

MOTION FOR DEVIATION

Comes now Kentucky Frontier Gas, LLC (“Kentucky Frontier”) by and through the undersigned counsel, pursuant to KRS 278.2207(2) and respectfully requests the Kentucky Public Service Commission (“Commission”) grant a deviation from the Commission’s July 2, 2021 final Order in Case No. 2017-00263¹ for the prior transactions, since the July 2, 2021 Order between Pinedale and Kentucky Frontier. Kentucky Frontier also requests a deviation for all future transactions for the use of the financial analyst that is the part-time employee of Pinedale. As grounds for its Motion for Deviation in the above-styled proceeding Kentucky Frontier respectfully states as follows:

1. On August 29, 2025, Kentucky Frontier filed an application for an alternative rate adjustment pursuant to 807 KAR 5:076.
2. At the public hearing on Tuesday, February 3, 2026, Commission Staff directed Kentucky Frontier’s witness, Steve Shute to the Commission’s final order in Case No. 2017-00263, paragraph 5, and in Staff’s post hearing data requests, Staff asked why Kentucky Frontier

¹ Case No. 2017-00263, *Electronic Application of Kentucky Frontier Gas, LLC for Alternative Rate Adjustment*, Order, (Ky. PSC July 2, 2021).

did not consider requesting a deviation or waiver of a particular transaction or class of transactions involving Pinedale under KRS 278.2207(2) in this proceeding.

3. Kentucky Frontier filed a motion for deviation on affiliate rules after the July order and argued:

As the Commission stated in the final order in Administrative Case 369, February 18, 2000, p. 2:

The result of imposing these regulatory requirements on all utilities may not be in the best interest of the customers the Code of Conduct is designated to protect. To avoid such unintended consequence, the Code of Conduct will not be applicable to non-profit utilities, cooperatives, associations, districts, and small for-profit utilities. Due to the size of these utilities, it may not be feasible for them to comply with the provisions of the Code of Conduct and the cost of complying with the code may outweigh any benefits to the customers. These smaller utilities have a minimal level of nonregulated activity at this time.

4. The conditions impacting Kentucky Frontier and Pinedale's affiliate status have changed since the July 21, 2017 Order. Kentucky Frontier and Pinedale used to share a directional boring machine and accessories for road and water crossings. For several years, Pinedale supplied its expert to teach Frontier operators how to run the equipment. In addition, employees of Pinedale would travel to Kentucky Frontier to assist in GIS mapping of the system, DOT compliance, and other tasks. Frontier now owns the drilling rig and all Pinedale operations assistance has ceased since the July 2, 2021 Order.

5. The interactions between Pinedale and Kentucky Frontier now merely include the use of one, part-time financial analyst who works on routine monthly reports and expands when Kentucky Frontier is filing a rate case before the Commission. Kentucky Frontier compensates the financial analyst for his time and chooses to use him due to his familiarity with Kentucky Frontier and his ability to complete the necessary tasks as a much lower rate than it would cost for Kentucky

Frontier to hire an outside consultant. Kentucky Frontier is still paying the same hourly rate for the financial analyst as it did for the 2017 rate case.

6. The part-time Pinedale financial analyst works a fraction of the time for Kentucky Frontier and is billed at \$75 per hour, which is the approximate “fully distributed cost” of actual cost to Pinedale with a small allocation of overhead. At the time Frontier’s 2017 ARF was being prepared, Kentucky Frontier reviewed recent rate proceedings for the hourly rates being charged by rate consultants to other utilities in Kentucky. Those ranged from \$150 to \$300 per hour. Kentucky Frontier has also looked at recent rate cases before the Commission and those hourly rates remain far more than the \$75 per hour that is billed to Kentucky Frontier from Pinedale. This \$75 per hour is the same rate that Kentucky Frontier was paying in the 2017 case.

7. Kentucky Frontier requests the Commission for a deviation for the prior transactions (since the 2017 case) involving Kentucky Frontier and Pinedale and for all future transactions involving the financial analyst at the same \$75 per hour rate.

WHEREFORE, based on the foregoing, Kentucky Frontier respectfully requests a deviation pursuant to KRS 278.2207 from the Commission’s July 2, 2021 final Order in Case No. 2017-00263.

Dated this the 16th day of February 2026.

Respectfully submitted,



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CERTIFICATE OF SERVICE

This is to certify that foregoing electronic filing was transmitted to the Commission on February 16, 2026; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, no paper copies of the filing will be made.



Counsel for Kentucky Frontier Gas, LLC