

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION KENTUCKY)	
FRONTIER GAS, LLC FOR AN ALTERNATIVE)	CASE NO.
RATE FILING PURSUANT TO 807 KAR 5:076)	2025-00277
AND OTHER GENERAL RELIEF)	

RESPONSES TO ATTORNEY GENERAL’S SECOND INFORMATION REQUEST
TO KENTUCKY FRONTIER GAS, LLC
DATED DECEMBER 3, 2025



KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 1

RESPONSIBLE PARTY: Steven Shute

Request 1. Dues. Refer to the Company's response to the Attorney General's First Request for Information No. 50(d) which asked the Company to identify each organization, that the Company pays dues to, that engages in lobbying, legislative or regulatory advocacy activities, attempts to influence public opinion, public relations, institutional or image building advertising, marketing, legislative policy research or regulatory policy research. The response refers to the Company's response to the Attorney General's First Request No. 22 which states that the Company pays dues to Kentucky Gas Association and that KGA does not participate in lobbying. Does KGA engage in any of the following activities: legislative or regulatory advocacy activities, attempts to influence public opinion, public relations, institutional or image building advertising, marketing, legislative policy research or regulatory policy research? If so, to what extent?

Response 1. KGA does not engage in the above-described activities as far as Frontier is aware. KGA's focus is primarily on conducting training seminars.

KENTUCKY FRONTIER GAS, LLC

CASE NO. 2025-00277

SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 2

RESPONSIBLE PARTY: Steven Shute

Request 2. Donations. Refer to the Company's response to the Attorney General's First Request for Information No. 47. Confirm that the 2024 amount of \$1,279 is the amount included in the Pro forma Period and provide the account number where it is recorded. If not, provide the amount of donations expense that is included in the Pro forma period. If it was removed, explain where it was removed.

Response 2. This is the correct amount, posted to Account 930.2.

KENTUCKY FRONTIER GAS, LLC

CASE NO. 2025-00277

SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 3

RESPONSIBLE PARTY: Steven Shute

Request 3. Insurance. Refer to the Company's response to the Attorney General's First Request for Information No. 91 Attachment (AG DR1-91 Ops Rev Exp.) Explain what the Insurance-Fees and Taxes of \$18,357 in Account 924.10 in 2024 is for and why none was paid in the other years shown. Explain why the Company expects this reoccur annually. Confirm that the \$18,357 is included in the Pro forma Period. If not, provide the amount included in the Pro forma period.

Response 3. Insurance Fees & Taxes were presumably embedded in earlier quotes, since these had not been itemized before.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 4

RESPONSIBLE PARTY: Steven Shute

Request 4. Insurance. Refer to the Company's response to the Attorney General's First Request for Information No. 97(b). Provide documentation supporting the \$10,000 increase.

Response 4. As stated in the earlier response, the increase was estimated since no quotes were available. As of the date of this response, Frontier has quotes for 4 of 5 components at about 80% of the total expected cost. These quotes show a cost increase of 14% or about \$37,000, with the umbrella liability quote still to come.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 5

RESPONSIBLE PARTY: Steven Shute

Request 5. Auto Insurance. Refer to the Company's response to the Attorney General's First Request for Information No. 91 Attachment (AG DR1-91 Ops rev Exp). List the vehicles covered on the auto policies for each of the years shown and expected to be covered during the Pro forma period in Account 924.1 (Auto Insurance). Confirm that the 2024 amount is the amount included in the Pro forma period.

Response 5. Objection. Frontier objects to this request as being overly broad and unduly burdensome. Frontier is a small gas utility with limited administrative assistance to gather the information responsive to this request. KRS 278.192(2)(c) limits the amount of information that intervenors are entitled to receive to the twelve months immediately prior to filing the application. Without waiving these objections, the vehicles covered in the Test Year are attached. As shown on the same sheet, the fleet in the 2016 Test Year used in the last Frontier rate proceeding was substantially similar, with thirteen total trucks, mostly Toyotas, with a few big trucks for construction work. Each year, the fleet changed by 1-3 vehicles during the year, as the old ones were replaced. The 2024 Test Year figure was continued to the Pro Forma.

AG DR2-5 Truck fleet

Trucks		VIN	
Fleet Mar17			<i>mileage</i>
103	2012 Toyota Tundra 4wd	5TFUY5F16CX241886	118,700
104	2012 Toyota Tacoma 4wd	5TFPX4EN7CX011417	122,500
105	2012 Toyota Tacoma 4wd XC	5TFUX4EN6CX016062	124,400
106	2015 Chev Silv 2500HD 4wd	1GC2KUEGXFZ142988	49,700
107	2015 Ford F350 4wd SvB	1FDRF3H67FEC65828	36,500
108	2015 Toyota Tacoma XC 4wd	5TFUX4EN2FX036538	56,300
109	2012 Ford F150 4-door	1FTFW1EFXCFA38669	133,200
110	2013 Nissan Frontier 4dr	1N6AD0EV8DN747283	71,200
111	2006 Ford F350 4dr crew util	1FTFWW32Y26ED24527	30,200
112	2012 Ford F550 dump bed	1FDUF5HT7CEB80401	23,200
113	2016 Toyota Tacoma XC 4wd	5TFSX5EN2GX042385	-
115	2017 Toyota Tacoma 4wd XC	5TFSX5EN8HX047852	1,000
502	2005 Chevy Silv 2500 4wd SvB	1GBHK24U95E182771	172,400
		<i>13 trucks - ave miles</i>	<i>72,254</i>
Fleet Oct24			<i>mileage</i>
106	2015 Chev Silv 2500HD 4wd	1GC2KUEGXFZ142988	185,660
112	2012 Ford F550 dump bed	1FDUF5HT7CEB80401	57,938
116	2018 Chevrolet Silverado 2500	1GC2KUEG0JZ265269	119,664
117	2019 Toyota Tacoma	5TFSZ5AN5KX192483	134,106
119	2020 Toyota Tacoma	5TFSZ5AN8LX219371	123,189
120	2020 Toyota Tacoma	5TFSZ5AN7LX214632	129,785
121	2018 Chevrolet Silverado 2500	1GC1KUEGXJF255930	112,601
122	2019 Toyota Tacoma	3TMCZ5ANXKM265258	74,500
123	2021 Toyota Tacoma	3TYSZ5AN9MT032023	81,762
124	2022 Toyota Tacoma	3TMCZ5AN0NM463660	71,731
125	2022 Toyota Tacoma	3TYSZ5AN1NT076552	37,033
126	2023 Toyota Tundra	5TFKB5DB3PX101529	34,755
127	2023 Toyota Tacoma	3TMCZ5AN9PM638071	12,710
		<i>13 trucks - ave miles</i>	<i>90,418</i>

SvB = service body, XC = ext cab

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 6

RESPONSIBLE PARTY: Steven Shute

Request 6. Auto Insurance. Refer to the Company's response to the Attorney General's First Request for Information No. 97 (a). Explain the reason why the auto insurance increased so significantly in 2024 over the prior years shown in the response to the Attorney General's First Request for Information No. 91 Attachment.

Response 6. The auto insurance increased primarily due to lawsuits referenced in Frontier's response to the Attorney General's First Request for Information Nos. 64 and 97 including a minor collision for which Frontier disputes liability.

Auto insurance and general liability insurance both escalated wildly in the December 2023. Both policies were canceled as a direct result of the lawsuits that were discussed in the Attorney General's First Request for Information Item Nos. 64 and 97. The current Auto renewal quote is \$8,000 per vehicle, per year, for small trucks with an average of 90,000 miles and current value of \$20,000. For comparison, Pinedale Natural Gas has ten Wyoming-based trucks of nearly identical size and make, and pays about \$1,700 per vehicle, per year.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 7

RESPONSIBLE PARTY: Steven Shute

Request 7. Severance. Refer to the Company's response to the Attorney General's First Request for Information No. 124.

- a. Confirm that the \$12,000 is included in the Pro forma Period and provide the account number where it is recorded. If not, provide the amount of severance expense that is included in the pro forma period. If it was removed, explain where it was removed.
- b. Provide a detailed explanation regarding the termination (including but not limited to whether it was voluntary, the reason for the termination, the date of termination, etc.)

Response 7. The severance payment occurred in the Test Year period but was removed from the proposed wage adjustments. The termination in April 2024 was due to poor work performance and was paid at one week of regular pay for each year of employment. This was the first severance payment in Kentucky Frontier's history, and was made due to the worker's commitment to the company for many years. No other such terminations are contemplated.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 8

RESPONSIBLE PARTY: Steven Shute

Request 8. Outside Services. Refer to the Company's response to the Attorney General's First Request for Information No. 35. Explain why the Company books affiliate labor as outside services.

Response 8. Please see the response to the Attorney General's First Request for Information Item 1-1b. Again, Pinedale Natural Gas is not an affiliate of Frontier, and is not connected legally or financially in any way. The two companies only share ownership. There is no over-arching parent company that charges overhead to Frontier and others. Any charges from Pinedale Natural Gas to Frontier (or vice versa) are for outside services.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 9

RESPONSIBLE PARTY: Steven Shute

Request 9. Outside Services. Refer to the Company's response to the Attorney General's First Request for Information No. 94 Attachment. Explain what "ARF" represents and where the ARF amounts are recovered. If they are recovered elsewhere, have they been removed from the Pro forma year? Explain where they were removed.

Response 9. "ARF" represents the expenses incurred for the preparation, filing and litigating this ARF proceeding. These expenses are estimated allocations of the time spent on the ARF proceeding in 2025. These estimates will change as the case moves along.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG’S REQUEST DATED DECEMBER 3, 2025

REQUEST 10

RESPONSIBLE PARTY: Steven Shute

Request 10. Pension Expense. Refer to the Company’s response to the Attorney General’s first Request for Information No. 96. Provide the calculations showing how the \$143,200 Pro forma amount was derived.

Response 10. Frontier does not offer a company pension. Frontier contributes to each employee’s Simplified Employee Pension (“SEP”) investment account, based on annual salary. The SEP contribution is projected at 15% of salary, as it was in Test Year and has been for the last several years.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 11

RESPONSIBLE PARTY: Steven Shute

Request 11. Benefits. Refer to the Company's response to the Attorney General's First Request for Information No. 53. Explain why pension and benefits in Account 926 went up in 2024 when payroll went down in Attachment 108.

Response 11. Frontier switched health insurance carriers for 2024, at higher premiums. Also, in 2023, a charge of \$9,245 was incorrectly booked to account 918, instead of 926, which makes 2023 appear lower than it should have been.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 12

RESPONSIBLE PARTY: Steven Shute

Request 12. GCA. Refer to the Company's response to the Attorney General's First Request for Information No. 48.

- a. Is the 12% LAUF based on Company specific percentages? Explain.
- b. Refer also to the Company's response to the Attorney General's First Request No. 60.
Explain whether the Company is made whole for the margins and LAUF paid to EKP through the GCA mechanism.

Response 12.

- a. EKM charged Frontier an automatic 12% LAUF since inception. Early on, EKM told Frontier that they do not charge West Liberty a 12% LAUF.
- b. Over time, Frontier is made whole on all exorbitant charges from EKM. Frontier has challenged the unregulated utility status of EKM from the beginning, because of the massive impact those charges have on every customer of Frontier, including the remaining 2/3 of Frontier customers that are *not* supplied gas by EKM.

KENTUCKY FRONTIER GAS, LLC

CASE NO. 2025-00277

SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 13

RESPONSIBLE PARTY: Steven Shute

Request 13. Training/Qualification Expenses. Refer to the Company's response to the Attorney General's first Request for Information No. 66. Are the costs for qualification and training for the 12 operating annually recurring or one-time expenses? Provide the total amount included in the Pro forma year for Frontier and Auxier broke out by between training and qualification.

Response 13. Training and OQ are ongoing every year. Auxier has no employees and therefore, Auxier has no training or OQ expense. There is no breakout or distinction; training is required as part of the qualification process.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 14

RESPONSIBLE PARTY: Steven Shute

Request 14. Management Fees. Refer to the Company's response to the Attorney General's first Request for Information No. 81(c).

- a. Provide a detailed explanation of how the management fees are derived annually.
- b. Provide copies of the year end journal entries for 2023 and 2024.

Response 14.

- a. The Auxier management fee is estimated each month at 9% of non-gas operating expenses paid by Frontier. The final year-end entry is determined by the company CPA based on several factors, but is normally about \$400,000. The Frontier and Auxier numbers don't exactly match after the CPA adjustments, but are usually close.
- b. Year-end general journal entries are attached for 2023-2024.

3:39 PM

12/08/25

Accrual Basis

Kentucky Frontier Gas, LLC
General Journal Transaction
December 31, 2023

Num	Name	Memo	Account	Class	Debit	Credit
ADJ18...	AUXIER ROAD GA...	TO REC REC...	143.2 · DUE FROM ...		389,000.00	
	AUXIER ROAD GA...	TO REC REC...	405.1 · Management...			389,000.00
					389,000.00	389,000.00
TOTAL					<u>389,000.00</u>	<u>389,000.00</u>

3:50 PM

12/08/25

Accrual Basis

AUXIER ROAD GAS COMPANY, INC.
Transaction Detail By Account
 January through December 2023

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
751 · Intco Mgmt Fee - KFG								
General Journal	12/31/2023	ADJ14...		TO REC INTE...		145 · N/R from...	400,267.64	400,267.64
General Journal	12/31/2023	ADJ#6...	KY FRONTIER GAS...	TO ADJ N/R -...		23202 · Accou...	-11,551.56	388,716.08
Total 751 · Intco Mgmt Fee - KFG							388,716.08	388,716.08
TOTAL							388,716.08	388,716.08

AUXIER ROAD GAS COMPANY, INC.

General Journal Transaction

December 31, 2024

Num	Name	Memo	Account	Class	Debit	Credit
ADJ#1...		TO ADJ INTE...	751 · Intco Mgmt Fe...		385,219.52	
		TO ADJ INTE...	145 · N/R from Asso...			385,219.52
					385,219.52	385,219.52
TOTAL					385,219.52	385,219.52

2:27 PM

12/08/25

Accrual Basis

Kentucky Frontier Gas, LLC
General Journal Transaction
December 31, 2024

Num	Name	Memo	Account	Class	Debit	Credit
ADJ#2...		TO ADJ INTE...	405.1 Management...		325,000.00	
		TO ADJ INTE...	233.5 N/P - AUXIER			325,000.00
					325,000.00	325,000.00
TOTAL					325,000.00	325,000.00

KENTUCKY FRONTIER GAS, LLC

CASE NO. 2025-00277

SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 15

RESPONSIBLE PARTY: Steven Shute

Request 15. Miscellaneous Service Revenues. Refer to the Company's response to the Attorney General's first Request for Information No. 83.

- a. Explain the reason for the decrease in penalties and forfeited discounts in 2024 and why this expected to continue.
- b. Confirm that the amounts in 487 include late fees which are shown in the response to Staff's First Request No. 15.
- c. Did the Company stop assessing late fees during and after the Covid-19 pandemic? If so, Provide the stop and restart dates of assessing these fees.

Response 15.

- a. Part of the large increase in 2022-2023 late penalties was due to persistent late payments by the Federal prison, one of only two large commercial customers. Payment was historically on time, but some wrinkle in the payment chain resulted in late payment, weeks past the deadline. Frontier offered to waive the late fees, but was instructed to leave them active. The late payments eventually resolved.
- b. Late fees are in Account 487.
- c. Frontier stopped assessing late fees in March 2020 and resumed in October 2020.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 16

RESPONSIBLE PARTY: Steven Shute

Request 16. Late Payment Penalties. Refer to the Company's response to the Attorney General's first Request for Information No. 15.

- a. Provide the same information for 2020, 2021, 2022, 2023 and the Pro forma period.
- b. Explain what the adjustments shown represent.

Response 16.

a. AG DR-1 Request 15 is on union labor. Late payment penalties were addressed in Staff DR1-15. Late penalties for 2019 to 2024 were:

2019	2020	2021	2022	2023	2024
\$83,062	\$30,856	\$55,829	\$131,915	\$141,357	\$73,284

b. Adjustments on the right side of the spreadsheet are all negative or credits to customers. These were made by the billing CSRs using their judgement on which customers were not frequent late-payers (e.g. less than 1 incident per year) and deserved a grace period on the late fee.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 17

RESPONSIBLE PARTY: Steven Shute

Request 17. Auxier Revenues and Expenses. Refer to the Company's response to the Attorney General's first Request for Information No. 84.

- a. The response states that Auxier pays much of the gas revenue it collects as a management fee to Frontier. Explain what portion is retained by Auxier.
- b. Provide the annual amount collected by Auxier and the annual amount paid to Frontier for each year 2020, 2021, 2022, 2023, 2024, and the amount forecasted for the Pro forma year.

Response 17. See Response 14. The management fee has no effect on rates. It is a wash between two corporate parts of the same combined utility enterprise.

KENTUCKY FRONTIER GAS, LLC

CASE NO. 2025-00277

SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 18

RESPONSIBLE PARTY: Steven Shute

Request 18. Travel Expenses. Refer to the Company's response to the Attorney General's first Request for Information No. 91 Attachment. Explain the nature of the travel in each of the Accounts 880.2, 880.5 and 921.11.

Response 18. Account 880.2 is travel for technician training including fuel, lodging, and meals for employees attending KGA conferences and damage prevention summits.

Account 880.5 is travel for LLC members.

Account 921.11 is travel by office personnel to the Jackson office and other travel for various administrative tasks.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 19

RESPONSIBLE PARTY: Steven Shute

Request 19. Fines. Refer to the Company's response to the Attorney General's first Request for Information No. 91 Attachment. Confirm that the fine of \$270.86 in Account 880.11 is included in Pro-forma year. If not, explain where it is removed. Explain what the fine relates to.

Response 19. This was a fine paid to the Commission under the Damage Prevention program. Frontier had mis-marked a PE pipeline because it was installed without locate wire and was hit by a contractor. The \$1,250 fine was reduced by a Frontier employee attending a locating class.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 20

RESPONSIBLE PARTY: Steven Shute

Request 20. Penalties. Refer to the Company's response to the Attorney General's first Request for Information No. 91. Confirm that the penalty and interest of \$1,651.97 and \$1,643.23 in Accounts 408.21 and 408.22 respectively are included in Pro forma year. If not, explain where they are removed. Explain what the penalty and interest relates to.

Response 20. These expenses are included in the Pro Forma. These were penalties and interest paid to the IRS on the Auxier Road income tax return for 2023, for which there was no specific account. This expense will not likely continue in the future.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 21

RESPONSIBLE PARTY: Steven Shute

Request 21. Computer Software Expense. Refer to the Company's response to the Attorney General's first Request for Information No. 91. Explain the reason for the increase to computer software in Account 921.4 in 2024 over the prior years and why it is expected to continue.

Response 21. The increase to computer software in Account 921.4 in 2024 was due to the first part of a substantial website upgrade. Expenses were \$12,000 higher in 2025, with more website development and work on the central server, and upgrades to the broadband services at both office locations. Data management expenses are expected to continue at the 2024 level.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 22

RESPONSIBLE PARTY: Steven Shute

Request 22. Meter Deposit Expense. Refer to the Company's response to the Attorney General's first Request for Information No. 91. Explain what the meter deposit expense represents in Account 981. Explain the reason for the significant increase in 2024 and why it is expected to continue.

Response 22. Meter Deposit Expense is interest credited annually to customers on their meter deposits held by the utility as required by the Commission. The interest rate changes annually. In review of this Request, it appears that the 2024 figure was correct and that the 2023 calculations may have been in error at 1/10 of the actual interest rate. These calculations are automated within the billing software but could have been an error in the interest rate entry. Frontier is investigating this matter for 2023, but 2024 figures are verified.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 23

RESPONSIBLE PARTY: Steven Shute

Request 23. Uncollectible Expense. Refer to the Company's response to the Attorney General's first Request for Information No. 91. Explain the reason for the large increase in uncollectible expense account 904 in 2022 and 2023.

Response 23. See Response 24.d; often the end-of-year uncollectibles are written off in the following year, so can skew the annual total. In that period, Frontier wrote off about \$10,000 for three accounts tied up in litigation for years. The producer and former owner of BTU Gas promised free gas to many landowners in exchange for pipeline ROW. Frontier had accrued actual charges against these three accounts, who refused to pay and filed a lawsuit in September 2012, not long after Frontier took over BTU. The suit drags on without resolution, and Frontier will not recover its charges.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 24

RESPONSIBLE PARTY: Steven Shute

Request 24. Uncollectibles. Refer to the Company's response to the Attorney General's first Request for Information No. 130.

- a. Provide descriptions for each of the account titles listed.
- b. Are the amounts shown strictly write-offs? If not, provide the actual write-offs for each of the years 2020, 2021, 2022, 2023, and 2024.
- c. Confirm that the AMR and PRP amounts are not included in base rates.
- d. Explain why the "Total" amounts are different than the uncollectible expense amounts in Account 904 in the Response to the Attorney General's First Request No. 91 Attachment for the years 2020-2023.
- e. Does the Company use the accrual or direct write off method for uncollectibles? Explain.

Response 24.

- a. The "# of accounts" header in the spreadsheet is the number of accounts written off.
- b. Yes.
- c. AMR and PRP are not included in base rates.

- d. Account 904 in AG DR1-91 tab seems to be the correct level of actual write-offs. The data in Response 130 come from the billing system, and is apparently the *accrued* amount of uncollectibles. These may be written off in the subsequent year, so don't exactly match up.
- e. Direct Write-off method is used for uncollectibles (bad debts).

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 25

RESPONSIBLE PARTY: Steven Shute

Request 25. Payroll.

- a. What month are wage increases typically approved by management?
- b. What month are the wage increases typically implemented?
- c. Have the wage increases requested in this case been approved by management? If not, state when they will be approved.

Response 25. Payroll changes were last made in May 2024 and Frontier believes that wage increases are now overdue. Previous wage changes made in December 2022, April 2021, April 2019, and August 2017 were not covered by general rates, and are part of the reason for a significant rate increase.

Because of the delay in this rate case, Frontier must act now on salary increases. Half of the proposed substantial increase will be given in December 2025, which is (yet again) completely uncovered by rates. When and if the final rates are approved, and are close to the proposal, the rest of the wage increases will be implemented.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG’S REQUEST DATED DECEMBER 3, 2025

REQUEST 26

RESPONSIBLE PARTY: **Steven Shute**

Request 26. Payroll Expense. Refer to the Company’s response to the Attorney General’s first Request for Information No. 9. Provide all documentation the Company relied on for the statement that “Frontier believes that in order to retain its qualified, skilled and competent work force that it needs to increase wages closer to those paid by the other similar companies in its service territory.”

Response 26. Frontier has experienced the loss of employees to competitors who are able to offer double the pay that Frontier is able to offer. Frontier views this as a serious market disadvantage and wants to be able to retain its valued employees. In order to retain its qualified, skilled and competent work force, Frontier needs to be able to increase wages so that employees do not continue to be poached by competitors. As an example, Frontier lost a young employee to a large local producer in September. This employee received a 63% increase upon hiring by the large local producer, with the promise of a bump to 90% in six months. The new job requires fewer of the OQ tasks he was trained for with Frontier. A regional utility starts gas workers at 33% more than Frontier, and at 5 years a worker with the same skills and experience makes 35% more. Frontier must raise wages to hire and retain qualified gas workers, but any such wage adjustment must be covered by increased rates.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 27

RESPONSIBLE PARTY: Steven Shute

Request 27. Payroll. Refer to the Company's response to the Attorney General's first Request for Information No. 9. Provide documentation supporting the new rates used for the Pro forma increase. (i.e., what information did the Company utilize to determine the employee hourly rate increases it is requesting?)

Response 27. See Response 26. Frontier has compared wages to a regional gas utility willing to share general wage and benefit data. Frontier would have to increase its starting wage for gas technicians by 33% to match the larger company and its 5-year average by 35%. With the proposed rate increase, the proposed average wages for gas techs would increase 24%, but would still be 9% lower than the larger utility.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 28

RESPONSIBLE PARTY: Steven Shute

Request 28. Outside Services-Legal Expenses. Refer to the Company's response to the Attorney General's first Request for Information No. 91 Attachment. Explain the reason for the large increases to Account 923.4 in 2022, 2023, and 2024 over the prior years. Explain why the Company expects the 2024 level to continue going forward.

Response 28. Frontier has been compelled to litigate several issues in this period. The Commission prescribes a Gas Cost Recovery procedure that has produced wild fluctuations in the gas account balance of purchases and recoveries. Frontier suggested a less complicated, more timely and accurate method, without success. The dispute with EKM over excessive charges and non-regulation has dragged on since 2021. Frontier had numerous spurious personal injury lawsuits, mostly covered by insurance, but some for which coverage was denied. The 2024 level of legal expense is expected to continue and will likely increase.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 29

RESPONSIBLE PARTY: Steven Shute

Request 29. Benefits. Refer to the Company's response to the Attorney General's first Request for Information No. 14.

- a. Provide the 2024 and the Pro forma Period total expense for individual health coverage broken out by the amount paid by employees and the amount paid by the Company.
- b. Provide the 224 and the Pro forma Period total expense for family health coverage broken out by the amount paid by employees and the amount paid by the Company.

Response 29.

- a. Health coverage expense for 2024 is given at Staff DR1-10 Benefits tab in the Excel file. These figures are used in the Pro Forma.
- b. One employee has family health coverage, which is entirely paid by the employee, as shown on the same tab.

KENTUCKY FRONTIER GAS, LLC
CASE NO. 2025-00277
SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 30

RESPONSIBLE PARTY: Steven Shute

Request 30. Gains. Refer to the Company's response to the Attorney General's first Request for Information No. 91 Attachment Account 420.

- a. Provide details regarding the gains in each year shown. (including but not limited to purchase price, sales prices, gain/loss, description of asset, etc.)
- b. Confirm that the 2024 gains are not reflected in the Pro forma Period and explain why not.

Response 30.

- a. Gains averaged \$18,000 per year, mostly for sales of old vehicles and recapture of depreciation. The 2024 was higher with the sale of two trucks and a propane dispenser in Jackson for \$5,000.
- b. Gains are not included in the Pro Forma since no sales are anticipated.

KENTUCKY FRONTIER GAS, LLC

CASE NO. 2025-00277

SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 31

RESPONSIBLE PARTY: Steven Shute

Request 31. Property Taxes. Refer to the Company's response to the Attorney General's first Request for Information No. 91 Attachment Account 408 Taxes Other Than Income Taxes – Other and AUX. Is this line solely property taxes? If not provide a breakdown by tax type for each year shown.

Response 31. Account 408 has several other taxes shown on the Excel file at tab AG DR1-91 line 91. These include the annual Commission assessments, business license tax and net profits tax in Jackson, filing fees, and others.

KENTUCKY FRONTIER GAS, LLC

CASE NO. 2025-00277

SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 32

RESPONSIBLE PARTY: Steven Shute

Request 32. Property Taxes. Refer to the Company's response to the Attorney General's first Request for Information No. 117. Provide support for the \$68,500 increase.

Response 32. As stated in Response to the Attorney General's First Request for Information Item 117, property taxes have been wildly askew for several years. The pro forma figure of \$77,821 is 10% more than the 2021-24 average. This is Frontier's best estimate of the amount if the chaos is settled.

KENTUCKY FRONTIER GAS, LLC

CASE NO. 2025-00277

SECOND REQUEST FOR INFORMATION RESPONSE

AG'S REQUEST DATED DECEMBER 3, 2025

REQUEST 33

RESPONSIBLE PARTY: Steven Shute

Request 33. Property Taxes. Refer to page 5 of the Additional Reasons for Application which states that Property Taxes have recently run about \$70,000 among the 13 counties in which Frontier operates. Explain why the Company is requesting \$77,821 in the Pro forma Period as stated in the response to 117.

Response 33. Please see Response 32 above.