

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT) CASE NO.
FILING OF KENTUCKY FRONTIER GAS, LLC) 2021-00408

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO KENTUCKY FRONTIER GAS, LLC

Kentucky Frontier Gas, LLC (Kentucky Frontier), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on May 31, 2024. The Commission directs Kentucky Frontier to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

Kentucky Frontier shall make timely amendment to any prior response if Kentucky Frontier obtains information that indicates the response was incorrect or incomplete when made or, though correct when made, is now incorrect in any material respect.

For any request to which Kentucky Frontier fails or refuses to furnish all or part of the requested information, Kentucky Frontier shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Frontier shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Kentucky Frontier's response to Commission Staff's First Request for Information (Staff's First Request), Item 1a.

a. Explain whether Kentucky Frontier was given notice from its Farm Tap natural gas suppliers effecting the change in rate or a statement relative to the effective date of such proposed change. If so, provide the notice given to Kentucky Frontier.

b. Provide the supplier invoices related to gas purchased for Kentucky Frontier's Farm Tap customers as received from "Kinzer-Quality-AOG" or any additional supplier for the 28-month period ended April 30, 2024.

c. Regarding the statement, “The Nytis gas cost is based on TCO Appalachian Index per the original agreement with Interstate in 2010,” provide the agreement referenced in the response.

d. Explain if the natural gas purchased for Kentucky Frontier’s Farm Tap customers overlap with the natural gas purchased for Kentucky Frontier’s other Local Distribution Company (LDC) customers.

2. Refer to Kentucky Frontier’s response to Staff’s First Request, Item 2. Also, refer to Kentucky Frontier’s response to Staff’s First Request, Item 11.

a. Explain how Kentucky Frontier acquired the rights to serve these Farm Tap customers and explain if it was done under contract. If so, provide the contract.

b. List each customer served by Kentucky Frontier under its Farm Tap rates that is not connected to a producing gas well or gas gathering pipeline owned by Kentucky Frontier.

c. List each customer served by Kentucky Frontier under its Farm Tap rates that is connected to a producing gas well or gas gathering pipeline owned by Kentucky Frontier.

3. Refer to Kentucky Frontier’s response to Staff’s First Request, item 3. Notably the supplemental to the response filed December 13, 2021.

a. Provide the associated source and ownership of gas supply and transmission for each Farm Tap customer.

b. Provide the type of pipeline each Farm Tap customer is metered to and the distance of the meter to the line.

c. Provide a list of Kentucky Frontier Farm Tap customers by their address.

4. Refer to the second paragraph of Kentucky Frontier's response to Staff's First Request, Item 6.

a. Explain if there were any Kentucky Frontier LDC customers impacted by the July 2021 shut off of the Hurricane pipeline.

b. Explain in detail how Kentucky Frontier helped to resolve the issue of the Hurricane Pipeline by providing assistance with leak surveys and triage and whether the assistance cost Kentucky Frontier any amount of money. If so, provide the amount.

5. Refer to Kentucky Frontier's response to Staff's First Request, Item 7. Explain what Kentucky Frontier means by "foreign pipelines."

6. Refer to Kentucky Frontier's response to Staff's First Request, Item 7, stating, regarding the following line: "With the next general rate proceeding, Kentucky Frontier plans to combine all small volume customers into a single rate class."

a. Explain what current LDC customer classes would be included under "small volume customers" and if Kentucky Frontier's Farm Taps would be included.

b. Explain whether Kentucky Frontier considers the costs of operation and maintenance for its Farm Tap customer and LDC small volume customers to be similar.

7. Refer to Kentucky Frontier's response to Staff's First Request, Item 14, Item 15, and Item 16. Explain whether Kentucky Frontier is able to separate the operational and maintenance costs and revenue of its Farm Taps from its LDC operations.

8. Refer to the Commission's final Order in Case No. 2011-00513,² page 6. The final Order states, "Because [Kentucky Frontier] will acquire gas under fixed price contracts, it will file [Gas Cost Adjustment (GCA)] adjustments only when it enters into a new contract." Also, refer to Kentucky Frontier's response to Staff's First Request, Item 1a, and item 10.

a. Provide all contracts related to the acquisition of natural gas for Farm Tap service from present until May 30, 2012, when the Commission issued the final Order in Case No. 2011-00513, including any contracts that were in effect at the time the order was issued.

b. Provide the dates in which Kentucky Frontier stopped having firm contracts, if applicable.

c. If Kentucky Frontier has no current firm contracts, state what periods Kentucky Frontier proposes as reasonable to update the GCA and explain whether Kentucky Frontier contends that it is reasonable to adjust its GCA.

9. Refer to the Kentucky Frontier Farm Tap Tariff, Gas Cost Adjustment Clause, Sheet No. 24, regarding the filing requirements for a change in a supplier's wholesale gas rate. The tariff states:

The rates for Farm Tap service authorized herein are based on the wholesale cost of gas to Kentucky Frontier Gas as computed using rates of its wholesale supplier currently in effect. In the event there is an increase or decrease in wholesale gas cost, Kentucky Frontier shall file with this Commission the following information within 30 days:

1. A copy of the contract or wholesale supplier notification effecting the change in rate and a statement relative to the

² Case No. 2011-00315, *Application of Kentucky Frontier Gas Company, LLC For Approval of Adjustment Of Farm Tap Rates* (Ky. PSC May 30, 2012), at 6.

effective date of such proposed change. [...]State the reason that Kentucky Frontier did not file a copy of the contract or wholesale supplier notification with the Commission when there was a change in the firm contracts between May 12, 2012 and the initial filing of this proceeding.

a. Identify all changes in wholesale rates related to the acquisition of natural gas for Farm Tap service from May 12, 2012, to present, and provide documentation of such rate changes, including any amended contracts and notifications.

10. Provide a statement setting out the monthly Farm Tap gas sales for the 28-month period ended April 30, 2024.

11. Provide the monthly total amount of gas purchased from suppliers for Kentucky Frontier's Farm Tap customers for the 28-month period ended April 30, 2024.

12. Provide a statement setting out the details of gas purchased for the 28-month period ended April 30, 2024, showing billing from the supplier under the most recent rate and under the proposed supplier rate.

13. State the base rate, usage rate, and GCA rate that Kentucky Frontier is currently charging its Farm Tap customers and when Kentucky Frontier began charging that rate.

14. State whether Kentucky Frontier does includes the gas purchases and sales from its Farm Tap customers in the calculation of its Gas Cost Recovery (GCR) rate that is charged to Kentucky Frontier's LDC customers.

15. Explain whether Kentucky Frontier considered rolling the gas purchases and gas sales from its Farm Tap customers into its LDC's GCR rate report and having

both the Farm Tap rate class and its LDC's rate classes be charged the combined Gas Cost Rate.³



FCR

Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED APR 26 2024

cc: Parties of Record

³ For an existing example of a combined Farm Tap and LDC gas cost rate consider Delta Natural Gas Company, Inc. Tariff Sheets: P.S.C. No. 13, Original Sheet No. 6.1; Ninth Revised Sheet No. 6.2; Original Sheet No. 13; and Original Sheet No. 14.

*Dennis R Horner
Kentucky Frontier Gas, LLC
2963 Ky Rte 321 North
PO Box 408
Prestonsburg, KY 41653

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2963 Ky Rte 321 North
PO Box 408
Prestonsburg, KY 41653