

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 PURSUANT TO 807 KAR 5:076) 2025-00277
AND OTHER GENERAL RELIEF)

COMMISSION STAFF'S POST-HEARING 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 no later than February 16, 2026. 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

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).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

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 or complete when made, is now incorrect or incomplete 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 and scanned 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 the Application, Schedule of Adjusted Operations. Kentucky Frontier reported approximately \$73,000 in forfeited discounts during the test year. Also refer to response to Commission Staff's First Request for Information (Staff's First Request), Excel Document, DR1-15 Late Fees Tab, which indicated that late fees through September 2025 were approximately \$99,000. Refer also to the February 3, 2026 Hearing Testimony of Steven Shute (Shute Hearing Testimony), Hearing Video Transcript

(HVT) at 10:36:44, wherein Kentucky Frontier stated it could provide the final 2025 late fee payments and previous year information to see if there were any trends. Provide the late fee occurrences and payments charged for the past 5 full calendar years, 2021 to 2025, by month.

2. Refer to Kentucky Frontier's response to Staff's First Request, Excel Document, DR1-9, Payroll Tab, starting at row 62. Provide a job description for each of the positions listed in the Calendar 2026 range.

3. Refer to Kentucky Frontier's response to the Attorney General of the Commonwealth of Kentucky, by and through the Office of Rate Intervention's (Attorney General) Second Request for Information, Item 5, which states Kentucky Frontier's truck fleet changes by 1-3 vehicles per year. Also refer to the February 3, 2026 Shute Hearing Testimony, HVT at 09:56:47, wherein Kentucky Frontier indicated some trucks were sold to Pinedale Natural Gas Co. (Pinedale).

a. Kentucky Frontier stated that trucks are usually sold around 180,000 miles but stated there were some vehicles sold to Pinedale at 100,000 miles. State how Kentucky Frontier determines when a vehicle should be sold and if that includes at what mileage a vehicle should be sold, identify that mileage amount.

b. State whether there are any other purchasers of vehicles, beside Pinedale, from Kentucky Frontier once it determines a truck should be sold. If yes, how does Kentucky Frontier determine to whom to sell the vehicle.

c. How does Kentucky Frontier determine the price it sells its trucks, whether to Pinedale or any other purchaser.

4. Refer to Kentucky Frontier's response to Commission Staff's Third Request for Information (Staff's Third Request), Item 14.

a. The response was unresponsive. Provide a response to Staff's Third Request, Item 14, in full. If Kentucky Frontier cannot provide a response in full then explain why.

b. Provide the full business name for each of the "Producers" listed and explain if these producers are the owners of the gathering lines that the farm tap customers are attached to. If not confirmed as an owner, then identify who owns the gathering lines that are not owned by these Producers.

c. Explain whether Kentucky Frontier pays the producer for the natural gas supplied to the farm tap customers or if Kentucky Frontier pays the gathering line owner(s) for the gas supplied to the farm tap customers.

d. Explain, in detail, how the cost of the natural gas used by the farm tap customer is billed to Kentucky Frontier by each producer listed. Identify whether the rate is based on a contract, NYMEX, another market-based rate, or some other determination. If Kentucky Frontier cannot provide a response for each producer listed, explain why.

5. Refer to Kentucky Frontier's response to Staff's Third Request, Item 14.

a. Confirm whether "wtd ave Index" stands for Weighted Average Index.

b. Explain the "wtd ave Index" provided in the response for each year and explain how it was calculated.

c. Explain whether Kentucky Frontier pays the “wtd ave Index” price for natural gas more often than the “\$ per Mcf” price for natural gas when servicing its Farm Tap customers.

6. Refer to Kentucky Frontier’s response to Staff’s Third Request, Item 16.

a. State whether the table provided already incorporates the actual usages for Daysboro Residential and Daysboro Commercial customers.

b. Provide an update to the original table with the actual month-to-month usage report for both Daysboro Commercial and Daysboro Residential customers for the test period. The Daysboro Commercial and Daysboro Residential customers’ actual usage should be provided separately from the current Residential and Commercial classes.

c. Explain how Kentucky Frontier distinguished between the Residential and Commercial customers when creating this table.

d. Provide a description for the types of meters and the estimated cost of those meters used for those customers considered to be Residential.

e. Provide a description on the types of meters and the estimated cost of those meters used for those customers considered to be Commercial.

7. Refer to Kentucky Frontier’s response to Staff’s Third Request, Item 16. Provide a version of the table with a monthly customer count by class (i.e., Industrial, Commercial, Residential, Farm Taps “paying,” Daysboro Residential, and Daysboro Commercial) for 2024 and 2025.

8. Refer to Kentucky Frontier’s response to Staff’s Third Request, Item 24(a).

For each of the projects referenced in the response, that include the replacement of pipe

that is not bare steel, explain when the project was incorporated into Kentucky Frontier's Pipeline Replacement Program (PRP) and identify the type of pipe that is being replaced.

9. Refer to Kentucky Frontier's response to Staff's Third Request for Information, Items 24(c) and 24(d). Provide complete responses to Items 24(c) and 24(d). If Kentucky Frontier cannot provide a response in full then explain why.

10. Refer to Kentucky Frontier's response to Staff's Third Request, Item 25(a).

a. Provide revised tariff sheets reflecting the proposed seven-year extension for Kentucky Frontier's PRP program.

b. Identify the primary lines or gas systems that would be the focus of the PRP program's seven-year extension and describe the expected investment in each system, including the estimated monetary amounts and labor hours.

11. Refer to Kentucky Frontier's response to Staff's Third Request, Item 36. Provide a copy of the filed annual reports for Kentucky Frontier's Automated Meter Reading (AMR) Program for the calendar-year period of 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024 to incorporate into this case record.

12. Refer to Kentucky Frontier's Response to Staff's Third Request, Item 37(a). For each year since Kentucky Frontier's AMR Program has been active up to and including the present day, provide, in detail, how many meters have been replaced and the remaining number of meters to be replaced. If Kentucky Frontier cannot provide a response in full, explain why.

13. Refer to Kentucky Frontier's response to Staff's Third Request, Items 37(b) and 37(c). Provide an updated chart which includes 2025, and the estimate for 2026 up to the proposed June 2026 billing cycle.

14. Refer to Kentucky Frontier's Response to Staff's Third Request, Item 37(c). Provide a yearly breakdown of all costs associated with Kentucky Frontier's AMR program. The response should distinguish between original budgeted amounts and actual expenditures for materials and labor. This response should include any supplemental documentation justifying the yearly expenditure amounts. If Kentucky Frontier cannot provide a response in full, explain why.

15. Refer to Kentucky Frontier's response to Staff's Third Request, Item 40(d).

- a. Explain how the "market rate for similar services" referenced by Kentucky Frontier was determined. Provide any supplemental documentation to support this response. If Kentucky Frontier cannot provide a response in full then explain why.
- b. Explain how Kentucky Frontier determined the transactions to be "paid at less than the market rate for similar services." Provide any supplemental documentation to support this response. If Kentucky Frontier cannot provide a response in full, explain why.
- c. Provide any written policies, procedures, or internal correspondence for determining the payment and cost for these services between Kentucky Frontier and Pinedale. If these do not exist, explain how the cost for these services between Kentucky Frontier and Pinedale are determined.

16. Refer to Kentucky Frontier's Corrected Rebuttal Testimony at pdf page 12, which states Kentucky Frontier has received actual insurance quotes that support an increase of \$42,917. Refer to the February 3, 2026 Shute Hearing Testimony, HVT at 10:56:35, wherein Kentucky Frontier stated that it had provided these insurance quotes.

Provide the location of all five insurance quotes in the case record or in the alternative, provide the insurance quotes as a response to this request.

17. Refer to Kentucky Frontier's Corrected Rebuttal Testimony, Labor Adjustments on pdf page 22. Specifically refer to 990 Payroll – Other adjustment to capitalize labor for the PRP as a reduction of \$79,363.56. Also, refer to the February 3, 2026 Shute Hearing Testimony, HVT at 10:48:56 the response indicated that there should be a similar adjustment made to pro forma amounts.

a. Confirm Kentucky Frontier did not include a test-year adjustment in its application for a similar adjustment to Pro Forma wages. If not, explain whether one should be included.

b. If Kentucky Frontier's wages are increasing, then explain if the adjustment should also be revised to account for the increase to wages. If yes, then state which types of position (i.e., field/office) the wages are being capitalized for and how much the adjustment should be increased.

18. Refer to the February 3, 2026 Shute Hearing Testimony, HVT at 09:42:00, Kentucky Frontier states that it will provide employees with gift cards and include those amounts as an employee benefit. State whether there is any written documentation (e.g., an employee handbook) that documents this employee benefit program. If yes, provide that documentation.

19. Refer to the February 3, 2026 Shute Hearing Testimony, HVT at 01:38:00, and at 01:40:00. Regarding Kentucky Frontier's Farm Tap Gas Cost Adjustment Tariff, Steven Shute states, "we've never invoked it." Please explain what was meant by "never invoked."

20. Refer to the February 3, 2026 Shute Hearing Testimony, HVT at 01:51:00. Also, refer to the Application, Cost of Service Allocation, unnumbered page 15. Kentucky Frontier states it has an average of 400 Farm Tap Meters. Refer to the Staff's Second Request, Response 13(b), which states, "Kentucky Frontier operates about 530 farm taps off the East Kentucky Midstream system (formerly Jefferson Gas)." The Shute Hearing Testimony states, "[Kentucky Frontier] would consider them farm taps, but they were always just merged into the utility customers that made up Public Gas."

a. Provide the customer count of the specific farm taps referred to in the testimony as "farm taps, but they were always just merged into the utility customers that made up Public Gas."

b. State whether the specific farm taps that are referenced in the testimony as "farm taps, but they were always just merged into the utility customers that made up Public Gas", are being included in the utility rate class of Residential & Commercial class in this proceeding. If some, but not all, are being included in the utility rate class, provide the reasoning for the distinction and how many of the number provided in response to Item 20a above are being included in the utility rate class of Residential & Commercial class in this proceeding.

21. Refer to the February 3, 2026 Shute Hearing Testimony, HVT at 01:53:00. Kentucky Frontier is stated to have no free-gas customers under its Farm Tap customers, but it also states that it operates 30 or 40 free-gas customers for another gathering line.

a. Provide the exact number of customers receiving "free gas."

b. Provide which customer class or classes those customers take service under.

c. Explain the rate these referenced “free gas” customers are being charged. (i.e., special contract, a tariff rate, etc.).

d. Explain if these referenced “free gas” customers are included in the customer count of this proceeding.

22. Refer to Case No. 2017-00263, the Commission’s December 22, 2017, Order,² pages 13–14. Confirm whether Kentucky Frontier continues to deposit PRP surcharge revenue into an escrow account in accordance with the Commission’s Order. If not, explain when Kentucky Frontier stopped placing the surcharge revenue into an escrow account and identify the current treatment of PRP surcharge revenues.

23. Refer to Case No. 2017-00263, the Commission’s July 2, 2021 final Order,³ page 3. Also, refer to the February 3, 2026 Shute Hearing Testimony, HVT at 10:22:09, discussing entities that have a common ownership, and an affiliate relationship with Kentucky Frontier as defined by KRS 278.010(18).

a. Explain whether there have been any substantial changes to the relationship between Kentucky Frontier, Pinedale, and DLR Enterprises, Inc. (DLR), since the issuance of the Commission’s final Order on July 2, 2021 final Order in Case No. 2017-00263.

b. Explain whether Kentucky Frontier, Pinedale, and DLR, continue to be under common control since the issuance of the Commission’s July 2, 2021 final Order in Case No. 2017-00263.

² Case No. 2017-00263, *Electronic Application Of Kentucky Frontier Gas, LLC For Alternative Rate Adjustment* (Ky. PSC Dec. 22, 2017), Order.

³ Case No. 2017-00263, *Electronic Application Of Kentucky Frontier Gas, LLC For Alternative Rate Adjustment* (Ky. PSC July 2, 2021), final Order.

c. Since the issuance of the Commission's July 2, 2021 final Order in Case No. 2017-00263, explain whether there have been any substantial changes to Kentucky Frontier, Pinedale, and DLR that may change the relationship between these entities, so they are no longer subject to the affiliate transaction rules contained in KRS 278.2201 to KRS 278.2213.

24. Refer to Case No. 2017-00263, the Commission's July 2, 2021 final Order, page 5, ordering paragraph 5. Explain why Kentucky Frontier 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 current case proceeding.

25. Refer to Kentucky Frontier's Farm Tap service Tariff, Ky. PSC No. 24, Sheet No. 6, Sheet No. 24, and Sheet No. 25. Confirm whether Kentucky Frontier charges its Farm Tap customers a Gas Cost Adjustment rate of \$ 0.360 per Ccf as set forth in its Tariff. If not, then provide an explanation as to why.

26. Provide Kentucky Frontier's annual Lost and Unaccounted-for gas,⁴ for 2024 and 2025, by month. Also, provide the determinates used to calculate the annual Lost and Unaccounted-For gas.

27. Provide updated rate case expenses along with invoices. Consider this to be an ongoing request until such time as an Order is issued.

28. Provide evidence that Kentucky Frontier has made attempts to seek alternative insurance carriers, whether that be requesting quotes or rejection letters.

⁴ Lost and Unaccounted-for gas can otherwise be referred to as Line Loss gas.

 

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DATED FEB 06 2026

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