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Governor

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Commonwealth of Kentucky  
**Public Service Commission**  
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David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

May 16, 2012

## PARTIES OF RECORD

Re: Case No. 2012-00099

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Virginia Gregg at 502-564-3940, Extension 407.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen  
Executive Director

VG/kar  
Attachment

## INTRA-AGENCY MEMORANDUM

### KENTUCKY PUBLIC SERVICE COMMISSION

**TO:** Case File  
**FROM:** Virginia Gregg, Staff Attorney  
**DATE:** May 15, 2012  
**RE:** Case No. 2012-00099

APPLICATION OF KENTUCKY FRONTIER GAS COMPANY, LLC FOR APPROVAL OF TRANSFER OF ASSETS OF THE FORMER B.T.U. GAS COMPANY AND APPROVAL OF FINANCING OF ACQUISITION

On May 14, 2012, Commission Staff held an informal conference to obtain clarification regarding several issues in the above matter. A list of attendees is attached to this memorandum.

There was a discussion regarding Kentucky Frontier Gas Company, LLC's ("Frontier") having obtained a commercial loan commitment from Community Trust Bank, Inc. of Pikeville, Kentucky for the purchase of the assets of B.T.U. Gas Company ("BTU"). Frontier presented an Adoption Notice of BTU's rate schedule by Dema Gas ("Dema"), one of the gas distribution systems it had acquired, and explained that Dema would be adopting BTU's rates for the purpose of billing those rates to the customers on the BTU system. Both the commercial loan commitment letter and the Adoption Notice were to be filed with the Commission following the conference. Also discussed were Frontier's gas supply agreements that are currently in place. There was clarification that BTU's 2011 Assessment would be based on \$94,787.00 annual revenue. The conference was then adjourned.

Attachment: Sign-In Sheet

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY FRONTIER	)	CASE NO.
GAS, LLC FOR APPROVAL OF TRANSFER OF	)	2012-00099
ASSETS OF THE FORMER B.T.U. GAS	)	
COMPANY AND APPROVAL OF FINANCING	)	
OF ACQUISITION	)	

May 14, 2012

Please sign in:

NAME	REPRESENTING
<u>Dennis Warner</u>	<u>Telephone - KFB</u>
<u>Margaret Boston</u>	<u>"</u>
<u>Steve Shute</u>	<u>"</u>
<u>Rab Oxford</u>	<u>"</u>
<u>Harry Rich</u>	<u>"</u>
<u>Jack Hughes</u>	<u>KFB</u>
<u>Gene Schless</u>	<u>OAG</u>
<u>[Signature]</u>	<u>KY PSC</u>
<u>GARY GLOVER</u>	<u>KY PSC</u>
<u>Leah Faulkner</u>	<u>Ky PSC FA</u>
<u>Virginia Gregg</u>	<u>Ky PSC - legal</u>
<u>JEFF CLINE</u>	<u>Ky PSC</u>
<u>Jeff Shaw</u>	<u>PSC - FA</u>