

2008-00394. It is operating as a foreign corporation in Kentucky and attests that it is currently in good standing with the Kentucky Secretary of State.

3. Frontier purchased the assets and now serves gas customers of the former East Kentucky Gas (Floyd County Gas), Belfry Gas, Alert Gas Farm Tap System, Kinzer Farm Taps, Mike Little Gas Company pursuant to the order in Case No. 2008-00394 issued on November 25, 2008. It also owns the stock of Auxier Road Gas Company, which was approved in Case No. 2009-00442. It acquired the assets of Cow Creek Gas Company (formerly Sigma Gas Company) and Dema Gas Company in Case 2010-00076. It acquired the assets of People's Gas in Case No. 2009-00492 on January 29, 2010. Approval to acquire B.T.U. Gas Company was issued on June 1, 2012. It acquired the municipal gas system of Blaine effective August 1, 2012. Frontier has consolidated the farm tap customers of Interstate Gas Company, Kinzer Gas Company, Alert Oil and Gas Company, Quality Gas Company, and KLC Enterprises into its operations. Frontier acquired the assets of Public Gas effective December 1, 2015 in Case No. 2015-0299.

4. Frontier acquired the assets, but not the stock, of Belfry Gas in December, 2008, Case No 2008-00394. Before the asset sale, Belfry Gas provided service to the First Baptist Church of Forest Hills (the Church) pursuant to a pipeline lease and right of way agreement (ROW) dated October 4, 1971 (Agreement), attached as exhibit 1. Under that ROW agreement, Belfry Gas furnished gas to the church and parsonage at \$0.35 per Mcf. After buying the assets of Belfry Gas, Frontier assumed the obligation to serve the Church at the same rate due to Frontier's continuing use of segments of the original pipeline and ROW. The Church uses approximately 400 Mcf per year. Frontier's current tariff rate for this type of service is \$8.55 per Mcf.

5. Recently, Frontier replaced the bare steel gas pipeline located on the Church's property, which pipeline is the subject of the Agreement, and no longer flows gas through the pipeline. The new PE gas main is not on the Church's property. By letter dated July 13, 2016, Frontier notified the Church that it is no longer using that pipeline and that it was relinquishing and abandoning its rights to the pipeline and use of the Church's property for the pipeline. See exhibit 2.

6. Based on the terms of the Agreement with Belfry Gas Company, Inc., the Church is entitled to gas at the specified \$0.35 per Mcf rate. However, if gas ceases to be available through that pipeline, further gas service is not required and the pipeline reverts to the Church. Frontier is unaware of any current gas service by Belfry Gas to this area.

7. Frontier in its letter of July 13, 2016, offered to continue to provide gas to the Church at tariff rates. The current rate applicable to the Church is \$8.55 per Mcf. Based on the annual usage, if service continues at \$0.35 per Mcf, Frontier will lose \$3,280 per year in gas sales to the Church, much of which will be subsidized by its other customers.

8. On July 28, 2016, Frontier received a letter from the Church's attorney disputing the interpretation of the Agreement and demanding service at the \$0.35 per Mcf rate, exhibit 3.

9. Frontier may abandon the easement created by the agreement with the Church:

There is, of course, no question that an easement may be abandoned. In Ellis v. Brown, 177 F.2d 677, 678 (6th Cir.1949), the Court, correctly stating Kentucky law, defined "abandonment" as "the relinquishment of a right or of

property without the intention of reclaiming it or reassuming its ownership or enjoyment. In Kentucky, except in the case of a perfect legal title to a corporeal hereditament, every right or interest in, title to, or ownership of property may be lost by abandonment..." Illinois Central Railroad Company f/k/a Illinois Central Gulf Railroad, Appellant, v. H.W. Roberts, Jr.; Wilma Roberts; Thomas Dale Roberts; James E. Morrison, Jr.; David Samuel; Irvin Richart; Helen Stone Hayden; Eloise Allison; Thelma Cole; Jo Burgess; Virginia Ann Cobb; Johnny Cole; Helen Lee Hudson; Allan Cole; Connie Keene; Betty Sue Keene; David Dunnagan; Imogene Dunnagan; James Harper; and Hank Riley, 928 S.W.2d 822, 826 (Ky.App. 1996).

See also, City of Harrodsburg v. Cunningham et al. 184 S.W.2d 357 (Ky.App. 1944).

10. Having relinquished its interest in the pipeline ROW used to serve the Church, Frontier has no right to access the property or to use the pipeline or any obligation to serve the Church.

11. Frontier cannot provide service to the Church, except pursuant to the terms and conditions of service filed in its tariffs.

12. The Commission has jurisdiction to determine the rate to be charged customers by Frontier:

278.040 Public Service Commission -- Jurisdiction -- Regulations.

(2) The jurisdiction of the commission shall extend to all utilities in this state. The commission shall have exclusive jurisdiction over the regulation of rates and service of utilities, . . .

13. Frontier can only charge rates that have been filed and approved by the Commission:

278.160 Utilities to file and display general schedules of rates and conditions for service -- Adherence to schedules -- Exclusion from disclosure of confidential

or proprietary provisions in special contracts.

(1) Under rules prescribed by the commission, each utility shall file with the commission, within such time and in such form as the commission designates, schedules showing all rates and conditions for service established by it and collected or enforced. The utility shall keep copies of its schedules open to public inspection under such rules as the commission prescribes.

(2) **No utility shall charge, demand, collect, or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.** (Emphasis added).

14. Frontier cannot discriminate among customers as to rates charged:

278.170 Discrimination as to rates or service -- Free or reduced rate services.

(1) No utility shall, as to rates or service, give any unreasonable preference or advantage to any person or subject any person to any unreasonable prejudice or disadvantage, or establish or maintain any unreasonable difference between localities or between classes of service for doing a like and contemporaneous service under the same or substantially the same conditions.

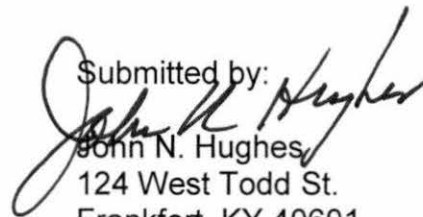
15. Contrary to the assertion in the Church's letter of July 28, Frontier is not the "successor" to Belfry Gas Company. Frontier acquired Belfry's assets only. The Purchase Agreement is attached as exhibit 4.

16. Belfry Gas Company, Inc. remains a separate, operating corporation. See attached Secretary of State confirmation of status, exhibit 5. If any contractual obligation to continued subsidized gas service inures to the Church based on the Agreement of October 4, 1971, it is an obligation of Belfry Gas.

17. Based on the termination of the Agreement with the Church, Frontier seeks a declaration by the Commission that it can only provide service pursuant to its filed tariffs and that continued service at the rate of \$0.35 per Mcf is a violation of its tariffs and discriminatory as to other customers in the same class of service.

18. A copy of this Petition has been mailed to the Church's attorney: Brian McCoy, Triplet and McCoy Law Office, Box 2128, Inez, KY 41224.

Submitted by:



John N. Hughes

124 West Todd St.

Frankfort, KY 40601

PH 502 227 7270

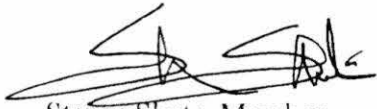
inhughes@johnnhughespsc.com

Attorney for Kentucky Frontier Gas, LLC

DECLARATION OF STEVEN SHUTE

I, Steven Shute, am a Member of Kentucky Frontier Gas, LLC, the Applicant in the referenced matter. I have read the Petition and I have full authority to sign this declaration. The facts set forth therein are true and correct to the best of my knowledge, information and belief. Pursuant to KRS 523.020-040, I certify under penalty of false swearing that the foregoing is true and correct.

Dated this 3rd day of August, 2016.

A handwritten signature in black ink, appearing to read 'S. Shute', with a stylized flourish at the end.

Steven Shute, Member,
Kentucky Frontier Gas, LLC

EXHIBIT 1

BELFRY GAS COMPANY, Inc.

POST OFFICE, BOX 155

ALLEN, KENTUCKY 41601

This agreement and assignment made and entered into, this the 4th day of October, 1971, by the First Baptist Church of Forest Hills, Kentucky, party of the first part, and Belfry Gas Company, Inc., party of the second part:

The First Baptist Church of Forest Hills, Kentucky, does hereby sell and assign to Belfry Gas Company, Inc. of Allen, Kentucky, a pipe line of two inch and one and one-half inch in diameter, from the First Baptist Church at Forest Hills, Kentucky, to a connection point on City Service Company pipe line a distance of approximately 3,000 feet for the price of \$1,100.00 cash in hand paid.

The Belfry Gas Company does hereby agree to furnish gas to the First Baptist Church and parsonage as long as they have service available in this area at a price of .35¢ per thousand cubic foot.

In the event that Belfry Gas Company does not have gas available in this area, said Belfry Gas Company does hereby agree to sell the same line back to the First Baptist Church for a price of \$500.00.

Signed: FIRST BAPTIST CHURCH OF
FOREST HILLS, KENTUCKY

By [Signature], CHAIRMAN OF TRUSTEES

By [Signature]

By [Signature]

BELFRY GAS COMPANY PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

By [Signature]
President

By [Signature]
Secy-Treasurer

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY [Signature]
SECRETARY OF THE COMMISSION

AUG 01 2007

EXHIBIT 2



July 13, 2016

First Baptist Church of Forest Hills
PO Box 157
Forest Hills, KY 41527

Re: Pipeline Easement & Gas Service

In October 1971, the Church made an agreement with Belfry Gas Company, Inc. (copy attached) to sell a natural gas gathering pipeline and right-of-way easement (ROW) across church property. In exchange for the connection to Cities Service, Belfry would furnish gas to the Church at the then-favorable rate of \$0.35 per MCF. Current gas rates are about \$8.55 per MCF.

In December 2008 our company Kentucky Frontier Gas LLC purchased the utility assets of Belfry Gas. Frontier did not assume any corporate liabilities or contracts from Belfry. Frontier considered this agreement with the Church as a ROW necessary for the pipeline through your property.

Frontier is systematically replacing uncoated steel pipelines, such as the one through your property with modern PE plastic pipe. Over the past few months, Frontier has replaced some pipelines along Forest Hills Road. In so doing, Frontier no longer has a need for the pipeline and has abandoned the pipeline across Church property. Frontier will no longer transport gas through that pipeline.

There is now no reason for Frontier to continue this ROW agreement, so it is void for Frontier purposes. Frontier specifically releases all rights related to the ownership and use of the pipeline and ROW agreement effective as of the date of this letter. We have no knowledge whether Belfry Gas Co. Inc. or another Kinzer entity has other active lines under this agreement, which requires Belfry to sell the line back to the Church for \$500 if unused. For the Frontier segment, we are not asking for any payment in exchange for the release of the pipeline back to the Church.

Because the agreement is void by its terms, the gas service and rates for gas to the Church pursuant to the ROW agreement are no longer applicable. However, Frontier will continue to provide gas to the Church, if desired, but under Frontier's regular, tariffed rates applicable to all customers.

To continue service with Frontier, please contact us no later than July 29, 2016 to complete an application for service (online-email-postal), or notify us of the date for termination of gas service. Frontier will not require a deposit. If we do not hear from you by that date, service will be disconnected on the next business day. Please call our office if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Shute".

Steven Shute
Member-Manager

Kentucky Frontier Gas LLC

PO Box 408 • 2963 Kentucky Rte 321N • Prestonsburg KY 41653 • 606-886-2431 • www.kyfrontiergas.com

ARTICLE VII. GAS SALES TO PURCHASER

7.01 Right of First Refusal. Purchaser, its successors, agents and assigns shall grant to Kinhag, LLC, Quality Natural Gas, LLC and/or Kinzer Business Realty, Ltd and their successors and assigns, the right of first refusal to sell gas to Purchaser at a price that equals any bona-fide offer received by Purchaser from a third party. An offer shall be deemed "bona-fide" only if made from a reputable offeror not related to Purchaser who demonstrates with certainty and in writing to both Purchaser and Seller an ability to provide market-ready, market-quality gas directly into the Belfry system. The price offered by the third party shall be calculated by including all costs (transportation etc) necessary to deliver the gas directly into the Belfry system. In exercising this right, Kinhag, LLC, Quality Natural Gas, LLC and/or Kinzer Business Realty, Ltd shall not be obligated to supply any given quantities, but shall have the option to supply all or any lesser quantity of gas required by Purchaser. This right shall extend in perpetuity to all gas purchased by Purchaser used to supply the Belfry system, and to any other gas to be sold by Seller in the state of Kentucky. Kinhag LLC, Quality Natural Gas, LLC and/or Kinzer Business Realty, Ltd shall have ten business days from the time the written third-party offer is presented to notify Purchaser of its intention to match the offer and what quantities it will be supplying.

As a material element to this contract, Purchaser covenants it will not sell, assign or in any manner convey any of the assets (including customers) contemplated under this agreement until said successor in ownership has expressed in writing its contractual obligation to honor the terms of this paragraph.

7.02 Price of Gas. Unless the price of gas is set under paragraph 7.01, it shall be sold in the Belfry System at an amount equal to 120% of Platt's Inside FERC Columbia Gas Transmission Corporation Appalachia Index ("Index Rate") (or successor index in event the named index is discontinued) at the first of the month plus \$.10 per mcf calculated at the customer meter. For other delivery points, the price shall be 80% of 120% of the "Index Rate" per mcf plus transportation costs.

ARTICLE VIII. CONDITIONS TO OBLIGATIONS OF SELLER.

Each and every obligation of Seller under this Agreement to be performed at the Closing shall be subject to the satisfaction, on or before the Closing Date, of each of the following conditions, unless waived in writing by Seller:

8.01. Representations and Warranties True. The representations and warranties of Purchaser shall be true, complete and accurate in all material respects as of the date when made and as of the Closing Date as though such representations and warranties were made at and as of such date.

8.02. Performance. Purchaser shall have performed and complied with all agreements, obligations and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

8.03. Purchaser's Certificate. Purchaser shall have delivered to Seller a certificate, dated the Closing Date, certifying to the fulfillment of the conditions specified in Sections 8.01 and 8.02.

8.04. No Injunction, Etc. On the Closing Date, (a) there shall be no effective injunction, writ, preliminary restraining order, or any order of any nature issued or threatened by a court or other governmental authority of competent jurisdiction directing that the transactions provided for or any of them not be consummated as so provided or imposing any conditions on the consummation of the transactions contemplated; and (b) no action, suit or proceeding shall be pending before any such court or other governmental authority seeking such relief.

8.05. Opinion of Purchaser's Counsel. Purchaser shall have delivered to Seller an opinion of counsel to Purchaser, dated as of the Closing Date, to the effect that:

(a) This Agreement has been duly executed and delivered by Purchaser and is the valid and binding obligations of Purchaser.

(b) Neither the execution and delivery of this Agreement, nor the consummation of the transaction contemplated, will violate or conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or give rise to any termination, cancellation or acceleration, under, any note, bond, mortgage, indenture, license, agreement, lease or other instrument to which Purchaser is bound.

8.06. Regulatory Approval. The Kentucky Public Service Commission shall have granted to the Purchaser the right to purchase and the right to operate the assets; and Purchaser shall have satisfied all terms, conditions and requirements pertaining to the granting of said right to operation.

8.07. Sale of Farm Taps. This Agreement is Contingent on the sale of Farm Taps as agreed in a separate "Farm Tap Sale Agreement" between the parties dated December 19, 2008.

ARTICLE IX. CONDITIONS TO OBLIGATIONS OF PURCHASER.

Each and every obligation of Purchaser under this Agreement to be performed at the Closing shall be subject to the satisfaction, on or before the Closing Date, of each of the following conditions, unless waived in writing by Purchaser:

9.01. Representations and Warranties True. The representations and warranties of Seller contained shall be true, complete and accurate in all material respects as of the date when made and as of the Closing Date as though such representations and warranties were made at and as of such date, except for changes expressly permitted by the terms of this Agreement.

9.02. Pay Off of Seller's Loans. On or before the Closing the Seller shall pay off any loans for the purpose of removing any liability of the Purchaser for the payment of or guaranty of performance of payment of such loans.

9.03. Regulatory Approval. Upon execution of this Agreement Purchaser will file with the KPSC a petition (the "Petition") requesting approval of the acquisition and transfer of Belfry. Purchaser shall pay all filing fees, attorney fees, costs and expenses of the Purchaser and the Seller incurred as a result of filing the Petition or seeking the regulatory approval of the KPSC. It is anticipated that KPSC approval will take sixty days.

9.04. Performance. Seller shall have performed and complied with all agreements, obligations and conditions required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

9.05. No Injunction, Etc. on the Closing Date.

(a) There shall be no effective injunction, writ, preliminary restraining order or any order of any nature issued or threatened by a court or other governmental authority of competent jurisdiction directing that the transactions not be consummated as so provided or imposing any conditions on the consummation of the transactions contemplated; and

(b) no action, suit or proceeding shall be pending before any such court, or other government authority seeking such relief.

9.06. Opinion of Seller's Counsel. Seller shall have delivered to Purchaser an opinion of its counsel, dated as of the Closing Date, in form and satisfactory to Purchaser, to the effect that:

(a) Seller is in good standing under the laws of the Commonwealth of Kentucky and is duly qualified and authorized to do business in the Commonwealth of Kentucky;

(b) Seller has the authority to carry on its business as it is now being conducted and to own the properties used in such business;

(c) This Agreement has been approved by owners of Seller as provided by law and has been executed and delivered by Seller acting by and through its President or Chief Executive Officer empowered to execute this Agreement in accord with applicable law and is the valid and binding obligation of Seller.

(d) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated will violate any provision of the Kentucky Revised Statutes governing utilities or conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or give rise to any right of termination, cancellation or acceleration under, any note, bond, mortgage, indenture, license, agreement, lease or other instrument known to Seller to which Seller is a party;

(e) To the best knowledge of Seller's counsel, there are no lawsuits pending or threatened which would in any way effect or impede the ability of the Seller to consummate this transaction or which would in any way effect the value of the assets.

ARTICLE X. SURVIVAL OF REPRESENTATIONS; INDEMNIFICATION.

10.01. Survival of Representations. The representations and warranties made by Seller and Purchaser under this Agreement shall survive the Closing.

10.02. Agreement of Seller to Indemnify Purchaser. Subject to the terms and conditions of this Agreement, Seller agrees to indemnify, defend and hold Purchaser harmless at any time after consummation of the Closing, from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including without limitation, interest, penalties and attorneys' fees and expenses (collectively "Damages") asserted against, resulting to, imposed upon or incurred by Purchaser, by reason of or resulting from (a) liabilities, obligations or claims whether absolute, accrued, contingent or other existing as of the Closing Date or arising out of facts or circumstances existing at or prior to, whether or not such liabilities or obligations were known at the time of the Closing, relating to or arising out of the ownership, possession or use of the assets, except those assumed in writing by Purchaser; (b) a breach of any representation, warranty or agreement of Seller contained in or made pursuant to this Agreement; (c) the employment or termination of each employment by Seller of any employees of Seller; and (d) any claim or liability occurring by reason of non-compliance by Seller with any federal, state or local laws (except for non-compliance with bulk sales laws as provided herein) and any rules and regulations relating to the Assets to be purchased.

10.03. Agreement of Purchaser to Indemnify Seller. Subject to the terms and conditions of this Agreement, Purchaser agrees to indemnify, defend and hold Seller harmless, at any time after consummation of the Closing, from and against all Damages asserted against, resulting to, imposed upon or incurred by Seller, directly or indirectly, by reason of or resulting from the following items after the closing Date (a) liabilities, obligations or claims (whether absolute, accrued, contingent or other) arising from and after the Closing Date relating to or arising out of the ownership, possession or use of the Assets by Purchaser following the Closing Date, except those expressly assumed or agreed to by Seller; (b) a breach of any representation, warranty or agreement of Purchaser contained in or made pursuant to this Agreement or any facts or circumstances constituting such a breach; (c) the employment or termination of employment of Employees by Purchaser (d) liability of Purchaser and/or Seller for unpaid federal, state or local, income, sales and intangible taxes; (e) and liabilities of Purchaser and/or Seller under laws governing workers' compensation, unemployment compensation, social security or income tax withholding..

10.04. Procedures Relating to Indemnification. The obligations and liabilities of the party making the indemnity pursuant to Sections 10.02 and 10.03 (the "Indemnitor") with respect to claims made by third parties against the party or parties being indemnified pursuant to such Sections (the "Indemnitee") shall be subject to the following terms and

conditions:

(a) The Indemnitee will give the Indemnitor prompt notice of any such claim, and Indemnitor shall have the right to undertake (at the Indemnitor's sole cost and expense) the defense by representatives chosen by it and reasonably acceptable to the Indemnitee;

(b) If the Indemnitor, within a reasonable time after notice of any such claim, fails to defend the Indemnitee against which such claim has been asserted, the Indemnitee will (upon further notice to the Indemnitor) have the right to undertake the defense, compromise or settlement of such claim on behalf of and for the account and risk of the Indemnitor, subject to the right of the Indemnitor to assume the defense of such claim at any time prior to settlement, compromise or final determination thereof;

(c) In connection with all claims defended, the Indemnitee will give the Indemnitor prompt written notice of all material developments in connection with all claims, will promptly supply the Indemnitor with all the papers, documents and evidence in the Indemnitee's possession and such other information within the Indemnitee's knowledge pertinent to such claims, and will produce at the appropriate place or places, at reasonable times, such witnesses under the Indemnitee's control as may reasonably be requested by the Indemnitor or its representatives.

ARTICLE XI. TERMINATION AND DEFAULT.

11.01 Methods of Termination. This Agreement may be terminated prior to the Closing:

(a) By mutual written agreement of Purchaser and Seller;

(b) By Purchaser if the Closing has not occurred by December 31, 2008 provided that a default by Purchaser is not responsible for the Closing not having occurred;

(c) By Seller if the Closing has not occurred by December 31, 2008, provided that a default by Seller is not responsible for the Closing not having occurred.

11.02 Default. In the event that Purchaser fails to satisfy its obligations under the Farm Tap Agreement between the parties, Purchaser may elect to retake all Assets conveyed pursuant to this Agreement without compensation to Purchaser.

ARTICLE XII. MISCELLANEOUS PROVISIONS.

12.01. Amendment and Modification. Subject to applicable law, this Agreement may be amended, modified and supplemented only by written agreement of the parties at any time prior to the Closing with respect to any of the terms contained herein.

12.02. Waiver of Compliance. Any failure of Purchaser or Seller to comply with any

obligation, covenant, agreement or condition may be expressly waived in writing by the Purchaser or Seller, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

12.03. Notices. All notices, requests, demands and other communications required or permitted shall be in writing and shall be deemed to have been given if delivered by hand or mailed, certified or registered mail with postage prepaid:

(a) If to Purchaser, to:

Robert J. Oxford
4891 Independence St., Suite 200
Wheat Ridge, CO 80033

With photocopy to:

John Hughes, Esq.
124 West Todd St.
Frankfort, KY 40601

(b) If to Seller, to:

Mr. J.W. Kinzer
Belfry Gas, Inc
P.O. Box 155
Allen, KY 41601

With photocopy to:

Curtis Bostic, Esq
Bostic Law Firm, PA
834 Wappoo Road
Charleston, SC 29407

or to such person or address as Seller shall furnish to Purchaser in writing.

12.04. Assignment. This Agreement and all of its provisions shall be binding upon and inure to the benefit of the parties and their respective successors and assigns

12.05. Governing Law. This Agreement and the legal relations among the parties shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky applicable to contracts made and to be performed in the Commonwealth.

12.06. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.07. Headings. The Headings of the Sections and Articles of this Agreement are inserted for convenience only and shall not constitute a part or affect in any way the meaning or interpretation of this Agreement.

12.08. Entire Agreement. This Agreement, including the Exhibits, and the other documents and certificates delivered pursuant to the terms of or referred to, set forth the entire agreement and understanding of the parties, and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party.

12.09. Third Parties. Except as specifically set forth, nothing expressed or implied is intended or shall be construed to confer upon or give to any person or corporation other than the parties and their successors or assigns, any rights or remedies under or by reason of this Agreement.

12.10. Cooperation. Seller and Purchaser agree to cooperate in effecting the lawful transfer of all contracts as are necessary to permit Purchaser to operate the Assets in substantially the same manner as it is now being conducted. The primary responsibility for the foregoing is that of the Purchaser.

12.11. Waiver. Any party may waive in writing compliance by another party with any of the covenants or conditions contained in this Agreement, except those conditions imposed by law.

12.12. Risk of Loss. Seller assumes all risk of destruction, loss or damage due to fire, storm, or any other casualty prior to the, Closing Date. Upon such destruction, loss, or damage of the facility, or a substantial part of Belfry or its inventory, Purchaser shall have the option to terminate this Agreement and, in the event of the exercise of such option, all rights of Purchaser and Seller shall terminate without liability to any party. Purchaser shall notify Seller within seven (7) days after receiving written notice of said destruction, loss or damage of the decision to terminate this Agreement. If Purchaser does not timely notify Seller of termination, this Agreement shall remain in full force and effect, provided, however, that the Purchase Price shall be adjusted to reflect such destruction, loss or damage, and if Purchaser and Seller are unable to agree upon the amount of such adjustment, the contract will stand terminated.

12.13. No Merger. This Agreement shall survive the execution and delivery of all documents of conveyance contemplated and no merger shall occur.

12.14. Full Disclosure. No representation or warranty made by either party contained in this Agreement nor any statement or certificate furnished or to be furnished contains or will contain any untrue statements of a material fact, or omits or will omit to state any material fact known to the representing party.

12.15. Arbitration. This Agreement and any disputes arising between the parties as a

result thereof shall be resolved by mandatory and binding arbitration in the Commonwealth of Kentucky in accordance with the rules of the American Arbitration Association.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

SELLER:



J.W. Kinzer

PURCHASER:

Kentucky Frontier Gas, LLC.

By: 

EXHIBIT A

Asset List

1. Distribution line – see attached maps for approximate description of pipeline
2. Customer list (attached)
3. Household Meters
4. Rights of Way currently used by Belfry distribution system

Exhibit B
Balance Sheet

N/A

EXHIBIT 5

BELFRY GAS, INCORPORATED**General Information**

Organization Number	0003571
Name	BELFRY GAS, INCORPORATED
Profit or Non-Profit	P - Profit
Company Type	KCO - Kentucky Corporation
Status	A - Active
Standing	G - Good
State	KY
File Date	2/10/1969
Organization Date	2/10/1969
Last Annual Report	5/20/2016
Principal Office	BOX 155 ALLEN, KY 41601
Registered Agent	J. W. KINZER BOX 155, KY. ROUTE 80 ALLEN, KY 41601
Common Par Shares	2000

Current Officers

President	J W Kinzer
Secretary	Terry Kinzer
Director	JW Kinzer
Director	Terry G Kinzer
Director	Jerry D Kinzer

Individuals / Entities listed at time of formation

Incorporator	J W KINZER
Incorporator	E F HAGANS

Images available online

Documents filed with the Office of the Secretary of State on September 15, 2004 or thereafter are available as scanned images or PDF documents. Documents filed prior to September 15, 2004 will become available as the images are created.

Annual Report	5/20/2016	1 page	PDF
Annual Report	6/18/2015	1 page	PDF
Annual Report	5/26/2014	1 page	PDF
Annual Report	6/27/2013	1 page	PDF
Annual Report	7/7/2012	1 page	PDF
Annual Report	6/21/2011	1 page	PDF
Annual Report	6/21/2010	1 page	PDF
Annual Report	6/26/2009	1 page	PDF
Annual Report	6/27/2008	1 page	PDF
Annual Report	6/18/2007	1 page	PDF
Annual Report	5/19/2006	1 page	PDF

EXHIBIT 3

TRIPLETT AND McCOY LAW OFFICE

HON. BRIAN P. McCOY

OF COUNSEL:
HON. JOHN R. TRIPLETT

P.O. Box 2128
Inez, Kentucky 41224
Phone: (606) 298-5140
Fax: (606) 298-7127
E-Mail: jtripllett@setel.com

www.triplettmccoy.com

P.O. Box 1294
McKee, Kentucky 40447
Phone: (606) 287-3280
Fax: (888) 236-7146
E-Mail: brian@triplettmccoy.com

July 28, 2016
Via Fax: 606-889-9196

Kentucky Frontier Gas, LLC
P.O. Box 408
Prestonsburg, KY 41653

RE: First Baptist Church of Forest Hill Gas Service

Dear Mr. Shute:

I am in receipt of your letter dated July 13, 2016. The letter indicates that your company intends to discontinue the service of gas at the rate of \$0.35 per MCF, simply because Frontier does not desire to continue using the pipe line across the church property. However, a review of the agreement attached to your letter, dated October 4, 1971, indicates that gas will be furnished to the First Baptist Church and parsonage at a price of \$0.35 per thousand cubic foot as long as there is service available in the area. Your letter does not indicate any intention of Frontier not to provide service in the area of the church. Kentucky Frontier Gas is a successor of Belfrey Gas Company, and as long as it provides service in the area of the church, it is the position of First Baptist Church of Forest Hills that gas should be provided at \$0.35 per cubic foot.

Sincerely,


Brian P. McCoy
072816 Ltr. to KY Frontier Gas/First Baptist Church/F/

EXHIBIT 4

THIS AGREEMENT IS SUBJECT TO MANDATORY AND BINDING ARBITRATION.

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of this 19th, day of December, 2008, by and between Kentucky Frontier Gas, LLC, ("Purchaser") and Belfry Gas, Inc, ("Seller").

This Agreement sets forth the terms and conditions pursuant to which Purchaser will purchase from Seller and Seller will sell and convey to Purchaser, certain Assets of Belfry Gas, Inc ("Assets") as listed on Exhibit A.

In consideration of the representations, warranties, covenants, and agreements contained herein, intending to be legally bound, the parties agree as follows:

ARTICLE I. TRANSFER OF ASSETS.

1.01. Assets to be Sold. Subject to the terms and conditions of this Agreement, Seller will, at the closing provided for in Section 1.03 (the "Closing"), sell, convey, assign, transfer and deliver to Purchaser certain Assets of Belfry as listed on Exhibit A.

1.02. Consideration. Subject to the terms and conditions of this Agreement in consideration of the transfer, conveyance and assignment of the Assets, Purchaser will deliver to Seller at the Closing the amount of One Thousand Dollars (\$1,000.00) per meter transferred. The number of active meters in November, 2008 is 502. Therefore it is agreed that the Purchase Price is Five Hundred Two Thousand dollars (\$502,000.00). The Purchase Price shall be paid in accordance with Sections 1.03 (a) and 1.05 and shall be in the form of a cashier's check or certified check.

1.03. Closing. The closing of the transaction contemplated in this Agreement shall take place at the offices of Seller, or at such other place as the parties shall agree, on or before December 31, 2008. The date on which the Closing occurs is referred to as the Closing Date. Purchaser shall be entitled to possession of the Assets and to begin operating the distribution system on the Closing Date.

(a.) After the closing, if Seller receives any payments or invoices from any third parties relating to the operations of the Assets and attributable to the period after the Closing, Seller shall promptly make delivery thereof to the Purchaser.

(b.) In the same manner, if Purchaser receives any payments or invoices from any third parties relating to the operations of the Assets and attributable to the period before the Closing, Purchaser shall promptly make delivery thereof to Seller.

1.04. Deliveries by Seller. At the Closing, Seller will deliver the following to Purchaser:

(a) The opinion of counsel referred to in Section 9.06; and

- (b) Copies of records related to customers conveyed to Purchaser.
- (c) Monies inclusive of interest accumulated currently held by Seller as deposits for customers being conveyed to Purchaser.
- (d) Such other documents as may be reasonably necessary to effect the transactions contemplated including but not limited to maps, permits, customer lists, and rate sheets;
- (e) A resolution by the proper governing Board of Seller indicating authority on behalf of the signatory below to effectuate the sale on behalf of the Seller.

1.05. Deliveries by Purchaser. At the Closing, Purchaser will deliver the following to Seller:

- (a) Cashier or Certified check as provided in Section 1.02.
- (b) The opinion of counsel referred to in Section 8.05;
- (c) A resolution by the proper governing Board of Purchaser indicating authority on behalf of the signatory below to effectuate the purchase on behalf of the Purchaser.
- (d) Such other documents as may be necessary to effect the transactions contemplated.

ARTICLE II. ADDITIONAL TERMS

2.01. Signage. All signs and placards on meters or pipelines of the Assets must be changed to reflect Purchaser's name and contact information (where required) within sixty (60) days of the close of this Transaction.

2.02. Rights of Way. Seller transfers to Purchaser any and all Rights of Way to access pipelines and meters along the Assets. Seller will sign a quitclaim deed to Purchaser to transfer any rights appurtenant to the Asset pipelines and meters.

ARTICLE III. REPRESENTATIONS AND WARRANTIES OF SELLER.

Seller represents, covenants and warrants to Purchaser the following:

3.01. Organization. Seller represents that Belfry, the current operator of the Assets, is a Kentucky utility in good standing under the laws of the Commonwealth of Kentucky and is duly qualified and authorized to do business as a utility in good standing in the Commonwealth of Kentucky.

3.02. Authority. Seller represents that Seller has full power and authority to sell the Assets of Belfry and that its interest constitutes one hundred percent (100%) of the ownership of the Assets. To the best of Seller's knowledge, Belfry has good and marketable title to the Assets.

3.03. Consents and Approvals; No Violations. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated will violate or conflict with, or constitute a default (or constitute an event which, with notice or lapse of time or both, would constitute a default) under, or give rise to any right of termination,

cancellation or acceleration under, any note, bond, mortgage, indenture, license, agreement, lease or other instrument or obligation to which Seller is a party or by which it may be bound, or violate any statute of law of any judgment, decree, order, regulation or rule of any court or governmental authority applicable to Seller. This representation is subject to Purchaser's duty to obtain the proper consent to transfer a utility in section 4.03. Seller has provided Purchaser with notice received from the Public Service Commission dated October 10, 2007.

3.04. Litigation. At the date of execution of this Agreement, continuing through the Closing, Seller has not received notice that it is or may be in violation of any material order, writ, injunction, rule, regulation or decree of any court or of any federal, state, municipal or other governmental authority or agency having jurisdiction with respect to Seller or the Assets. Seller is neither engaged in nor threatened with, any legal action or other proceeding which would have an adverse effect on the Purchaser or the Assets.

3.05. Brokers and Finders. The Seller has not taken any action with respect to any broker or finder which would give rise to any liability on the part of Purchaser or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transactions contemplated by this Agreement which would give rise to any liability on the part of Purchaser.

3.06. Seller's Financial Statement. Attached as Exhibit B is the June 30, 2008 Balance Sheet of Belfry Gas, Inc. Seller will deliver to the Purchaser prior to closing a letter from the President or of Belfry certifying that there has been no material adverse change or variation in its sales, royalties, rents, property taxes and utility costs since June 30, 2008.

3.07 Condition of System and Absence of Undisclosed Liabilities. The pipeline referenced in Exhibit A will be in good working order and condition to the best of Seller's knowledge as of the Closing Date and has no debts, liabilities or obligations (whether absolute, accrued, contingent or otherwise) of any nature associated with it. Seller knows of no condition which could materially and adversely affect its utilization as a distribution system. Seller has notified Purchaser of notices received from the PSC.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF PURCHASER.

Purchaser represents, covenants and warrants to Seller the following:

4.01. No Defaults. The execution, delivery and performance at the closing of this Agreement by the Purchaser will not (i) result in a breach of any of the terms or provisions of, or constitute a default under, any agreements of Purchaser or any indenture or other agreement or instrument to which Purchaser is a party or by which it is bound; (ii) constitute a default under any mortgage, deed of trust or encumbrance to which Purchaser is a party; or (iii) conflict with, or result in a breach of, any law, order, judgment, decree or regulation binding on Purchaser.

4.02. Brokers and Finders. The Purchaser has not taken any action with respect to any broker or finder which would give rise to any liability on the part of Seller or incurred any

liability for any brokerage fees, commissions, or finder's fees in connection with the transactions contemplated by this Agreement which would give rise to any liability on the part of the Seller.

4.03. Consents and Approvals. Except for the approval of the Kentucky Public Service Commission (KPSC) as described in Section 9.03, no consent, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority is required by Purchaser in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

4.04. Litigation. At the date of the execution of this Agreement, Purchaser has not received notice that it is or may be in violation of any material order, writ, injunction, rule, regulation or decree of any court or of any federal, state, municipal or other governmental authority or agency having jurisdiction over Purchaser. There is no decree or judgment of any kind in existence enjoining or restraining Purchaser from taking any action required or contemplated by this Agreement. Purchaser is not engaged in nor, to the best knowledge of Purchaser, threatened with, any legal action or other proceeding, nor has Purchaser incurred or been charged with nor, to the best knowledge of Purchaser, is Purchaser under investigation with respect to any violation of any federal, state or local law or administrative regulation with respect to which, if adversely determined, there is a reasonable probability of a material adverse effect on Purchaser's ability to acquire the assets or to service the customers contemplated in this sale in substantially the same manner as they are currently serviced by the Seller.

4.05. Knowledge. Purchaser has no knowledge of any present facts or circumstances relating to Purchaser which would materially adversely affect the ability of it to perform its obligations under this Agreement.

ARTICLE V. COVENANTS OF THE PARTIES.

5.01. Purchaser's Rights of Inspection. Before the date of the execution of this Agreement, Seller shall, from time to time, on business days, during business hours, make the Assets available to Purchaser or Purchaser's representatives for inspection. Seller may have a representative or employee of Seller accompany the Purchaser or the Purchaser's representative during any such inspection.

5.02. Sales and Transfer Taxes and Fees. All sales, ad valorem, and transfer, recording, filing and similar taxes and fees (including any penalties or interest), including but not limited to, any sales or use taxes assessed for the purchase of the Assets, incurred in connection with this Agreement and the transactions contemplated will be borne solely by Purchaser. The parties will assist each other in the filing of all necessary tax returns and other documentation, with respect to all such sales, ad valorem, transfer and recording taxes and fees and, if required by applicable law, will join in the execution of any such tax returns or other documentation.

5.03. Expenses. If Purchaser fails to satisfy any of the "Conditions to Obligations of Purchaser" in Article VIII, all legal fees, costs and expenses incurred by the Seller shall be borne by the Purchaser. In addition, all legal fees, costs and expenses of any hearing or administrative filing with any governmental agency required for the approval of the transactions contemplated by this Agreement, shall be borne by the Purchaser.

5.04. Notices. The parties shall immediately inform the other parties in writing of the occurrence of any events or the existence of any circumstances the effect of which would constitute a breach of any covenant or warranty in this Agreement, or which would result in any representation in this Agreement being or becoming untrue or misleading.

5.05. Maintenance of Assets Pending Closing. Seller agrees that from the date of the execution of this Agreement until the Closing Date, unless otherwise consented to by Purchaser in writing, Seller will maintain the customer list and pipeline contemplated in Exhibit A in substantially the same manner as normally maintained in the ordinary course of business and consistent with past practice.

5.06. Licenses. Seller will not enter into any agreement or contractual arrangement, nor will Seller take any action or forbear from taking any action, which would result in the termination of any license, franchise or other distribution agreement, contract or insurance policy which Seller holds, owns or to which it is a party and which are necessary or efficacious to the operation of the pipeline in the ordinary course.

5.07. Compliance. Seller will duly comply with all applicable laws, rules and regulations as may be required for the valid and effective sale of the Assets.

5.08. Access to Purchaser. Seller will provide Purchaser and the authorized representatives of Purchaser with full access during normal business hours to all properties, books records, contracts, operating statements and documents of Seller and will allow Purchaser and the authorized representatives of Purchaser to perform such audit work as may be deemed appropriate. Seller will provide such access from the date of the execution of this Agreement until the Closing Date.

Seller has already provided Purchaser and the authorized representatives of Purchaser with access, and will continue to do so during normal business hours, commencing upon the execution date of this Agreement and ending on the Closing Date, to examine the title and condition of the contemplated assets; provided, however that Purchaser's examination will not disrupt the operation of Belfry. Purchaser shall notify Seller in writing prior to closing of any defects known to it, and Seller shall have a reasonable time to cure such defects.

ARTICLE VI. EMPLOYEES.

6.01. Hiring of Seller's Employees. It is agreed that the current Belfry employees will not transfer with this sale. Employees of Belfry Gas, Inc will be available to train staff of Purchaser for sixty (60) days after closing at the hourly rates of such employees.