

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY FRONTIER GAS, LLC FOR APPROVAL OF FINANCING)	CASE NO. 2019-00046
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ORDER

On February 6, 2019, Kentucky Frontier Gas, LLC (Kentucky Frontier), filed an application, pursuant to KRS 278.300, seeking Commission approval for financing of a loan in the amount of \$57,000 for the purchase of two service trucks¹ to replace two older service trucks that have significant mileage and insufficient cab space for sensitive electronic equipment needed for operations.² On February 14, 2019, the Commission issued a letter finding that the application was deficient. On February 19, 2019, Kentucky Frontier filed its response to the deficiency letter curing the deficiencies and its application was accepted as filed. There are no intervenors in this case and the matter is now submitted to the Commission for a decision based upon the evidentiary record.

Kentucky Frontier intends to purchase one 2019 double cab utility truck and one 2019 access cab utility truck. Kentucky Frontier will contribute approximately \$15,256, and proposes to finance the remainder of the cost with a \$57,000 loan from Community Trust Bank for 60 months at an interest rate of 5.75 percent³ for a total cost of \$72,256.

¹ Application, paragraph 4.

² Kentucky Frontier Gas, LLC Response to Commission Staff Initial Request for Information, Response to Question 1.

³ Kentucky Frontier Gas, LLC Response to Deficiency Letter, paragraph 1.

Kentucky Frontier also has the option to finance the truck purchases through Toyota Financial Services,⁴ which was offering interest rates of zero percent on the double cab truck and 3.90 percent on the access cab truck for 60 months. These offers are subject to change and expire.⁵ Kentucky Frontier has stated it intends to secure the lowest cost financing available at the time of purchase.⁶

The Commission has reviewed the proposed financing and finds Kentucky Frontier's proposal to be reasonable. The Commission, after consideration of the evidence of record and being sufficiently advised, finds that:

1. The proposed loan from Community Trust Bank or Toyota Financial Services is for lawful objects within the corporate purposes of Kentucky Frontier, is necessary and appropriate for and consistent with the proper performance by the utility of its service to the public, will not impair its ability to perform that service, is reasonable, necessary, and appropriate for such purposes, and should be approved.

2. Kentucky Frontier should execute its note as security for the proposed loan in the manner described in its application.

3. Within ten days of the execution of the new loan, Kentucky Frontier should file with the Commission one copy in paper medium and an electronic version of the loan documents.

4. The proceeds from the proposed loan should be used only for the lawful purposes set out in Kentucky Frontier's application.

⁴ Kentucky Frontier Gas, LLC Response to Commission Staff Initial Request for Information, Response to Question 2.

⁵ *Id.*

⁶ Application, paragraph 4.

5. The terms and conditions of the loan should be consistent with the terms as described in Frontier's application.

IT IS THEREFORE ORDERED that:

1. Kentucky Frontier is authorized to borrow \$57,000 from either Community Trust Bank or Toyota Financial Services, whichever has the lowest cost financing at the time of the purchase. The loan maturity date and interest rate shall be in accordance with the terms as described in Frontier's application.

2. Kentucky Frontier shall execute the loan documents as authorized herein.

3. Kentucky Frontier shall comply with all matters set out in finding paragraphs 3 through 5 as if they were individually so ordered.

4. Any documents filed in the future pursuant to finding paragraph 3 shall reference this case number and shall be retained in the post-case correspondence file.

5. Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

6. This case is hereby closed and will be removed from the Commission's docket.

By the Commission

ENTERED
APR 12 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2019-00046

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