

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY FRONTIER)
GAS, LLC FOR APPROVAL OF FINANCING) CASE NO.
2019-00379

ORDER

On October 14, 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 \$109,289 for the purchase of three service trucks¹ to replace three older service trucks that have significant mileage and insufficient cab space for sensitive electronic equipment needed for operations.² 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 two 2019 double cab utility trucks and one 2020 access cab utility truck. Kentucky Frontier proposes to finance the cost of the three trucks through either Community Trust Bank or Toyota Financial Services, depending on which is offering the most advantageous terms at the time of purchase.³ Both options offer 60-month financing, with Toyota Financial Services currently offering 4.9 percent

¹ Application, paragraph 4.

² *Id.*, paragraph 13.

³ *Id.*, paragraph 4.

interest⁴ while the Community Trust Bank's auto financing packages change almost weekly so interest rates cannot be known until the time of purchase.⁵

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

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

⁴ *Id.*, paragraph 13.

⁵ *Id.*, paragraph 4.

IT IS THEREFORE ORDERED that:

1. Kentucky Frontier is authorized to borrow \$109,289 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



ATTEST:


Executive Director

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