

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 14 2019

PUBLIC SERVICE
COMMISSION

In the Matter of:

The Application of)
Kentucky Frontier Gas, LLC) Case No.
for Approval of Financing) 2019- 00379

APPLICATION

Kentucky Frontier Gas, LLC (Kentucky Frontier), by counsel, petitions the Commission for an order approving the assumption of debt for the financing of three trucks as required by KRS 278.300.

1. Kentucky Frontier Gas, LLC is a Colorado company in good standing authorized to do business in Kentucky. It was organized in Kentucky on August 25, 2005. A copy of its articles of organization was filed in Case No. 2005-00348. Frontier attests that it is in good standing to operate and transact business in Kentucky.

2. Kentucky Frontier is a natural gas utility as defined by KRS 278.010(3). Managing partners are Robert Oxford and Steven Shute.

Its address is:

Independence St., Suite 260,
Wheat Ridge CO 80033.

Its Prestonsburg office address is:

2963 KY Rt. 321
P. O. Box 408
Prestonsburg, KY 41653
Phone (606) 886-2431
Fax (606) 889-9196
www.kyfrontiergas.com
steve@kyfrontiergas.com

3. A description of the original cost of Frontier's property is in the PSC Annual Report, incorporated by reference.

4. The proceeds of the financing will be used for the acquisition of three new service trucks. The approximate total cost of the three vehicles is expected to be \$109,289.00. Terms and conditions of the purchases are stated in exhibit1. Frontier will finance through Toyota or Community Trust Bank, depending on the most favorable terms available at the time of closing. The terms and conditions are time sensitive and may vary at the time of closing of the purchases. The financing is for 60 months at approximately \$1,900.00 per month. No amortization schedule or interest rate is available until the loan is approved.

Frontier will take the best financing package available at the time of purchase. Financing might be through Toyota Financial Services or directly through the dealer and a local bank. Several auto loans have been purchased from auto dealers by Frontier's primary financier Community Trust. The finance packages offered by auto manufacturers vary by model and change almost weekly as do the terms offered by banks.

Frontier is a small company and cannot risk making an open-ended commitment to a dealer before the PSC approves a purchase. The specifics of which exact truck is purchased, the sale price, the amount financed, who is the lender, the APR and monthly payments etc. are all unknowable, due to the uncertainty of when, or even whether, the PSC will give approval.

5. The proceeds of the financing are not being used to refund any outstanding obligations.
6. Kentucky Frontier is an LLC and has no stock. There is no preferred stock issued. No stock is to be issued in conjunction with this financing.
7. No other debt is to be issued
8. There are no trust deeds.
9. The current mortgages, notes and other debt are listed in exhibit 2. Mortgages were previously filed in Case Nos. 2005-00348; 2005-00426; 20008-00394; 2009-00492; 2010-00076; 2012-00099; and 2015-00299.
10. No dividends have been paid by Kentucky Frontier in the last five years.
11. A balance sheet and income statement are included in exhibit 3.
12. The USoA account is 392 – motor truck.
13. 807 KAR 5:001: Section 18 (1) (c) – If Bonds or Notes or Other

Indebtedness is proposed requires:

- (1) If Bonds or Notes or Other Indebtedness is proposed: Full description of all terms; Interest rates(s); whether the debt is to be secured and if so a description of how it is to be secured.
- (2) 807 KAR 5:001: Section 18 (1) (e) - If proceeds will be used to acquire, construct, improve, or extend property, provide a detailed description and all contracts

The terms and interest rate for the proposed notes to finance three trucks cannot be known until the loans are executed. The notes cannot be executed until Frontier has received approval to incur the debt as required by KRS 278.300. The proposed terms were included in exhibit 1 of the application.

Frontier cannot obtain the final terms and interest rate unless and until it executes the notes. Toyota does not have a sales contract that is contingent on third party approval. The purchase contract is final when signed. Toyota is offering 4.9% interest rate. This rate is subject to change at the time the loans are signed. Because Frontier cannot execute the notes prior to Commission approval, it cannot provide the information requested.

These trucks replace two 2012 Toyota Tacoma's with 168,000 and 178,000 miles respectively and a 2015 Tacoma with 142,000 miles. The extra cab or access cab for these vehicles provide space needed to keep sensitive electronic equipment like pipe locators and leak detectors and radio meter readers out of the weather, both for temperature and moisture.

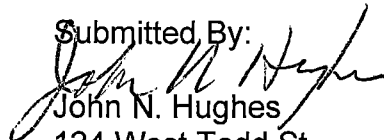
The contracts for the purchase of the trucks cannot be provided until executed. The final sales documents will not be available until Frontier is authorized to incur the debt associated with the purchase of the trucks. Frontier will submit the final documents when the sales are finalized.

If the information provided is inadequate to meet the requirements of the regulations, Frontier requests a deviation from 807 KAR 5:001(18)(1) (c) and (e) pursuant to 807 KAR 5:001(22).

Based on this information, the Applicant believes the financing is in the public interest, for a lawful purpose, is necessary for the proper performance of the utility to serve its customers and is reasonably necessary as required by KRS 278.300. Frontier was granted approval for similar loans in Case No. 2019-00046.

For these reasons, Kentucky Frontier requests that the Commission issue an order approving the financing of approximately \$109,289.00 and any other approvals necessary to complete the transactions related to the financing of the two vehicles.

Submitted By:



John N. Hughes

124 West Todd St.

Frankfort, KY 40601

502 227 7270

jnhughes@johnnhughespsc.com

Attorney for

Kentucky Frontier Gas, LLC

DECLARATION OF STEVEN SHUTE

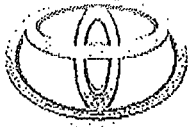
I, Steven Shute, am a Member of Kentucky Frontier Gas, LLC, the Applicant in the referenced matter. I have read the responses and I have full authority to sign this declaration. The facts set forth therein are true and correct to the best of my knowledge, information and belief. Pursuant to KRS 523.020-040,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

Dated this 10th day of October 2019.

A handwritten signature in black ink, appearing to read 'S. Shute', is written over a horizontal line.

Steven Shute, Member,
Kentucky Frontier Gas, LLC

EXHIBIT 1



TOYOTA

Mann Toyota
 1811 U.S. Highway 23 North,
 Prestonsburg, KY 41653
 (606) 886-3861

2019 TUNDRA 4X4 SR DBL CAB 4 6L V8

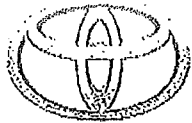
50 State Emissions	\$0.00
All Weather Liners/Door Sill	\$239.00
Black Emblem Overlay	\$160.00
PREFERRED OWNER'S PORTFOLIO	\$0.00
Spray-On Bedliner	\$0.00
Stainless Steel Door Edge Guard	\$140.00
Total Optional Equipment	\$1,118.00
Vehicle Base Model	\$34,720.00
Delivery Processing and Handling	\$1,495.00
Total MSRP*	\$37,333.00

\$35,827
 + 2015.98
 499 } TAX & Lic

 \$38,341.98
 \$639.03

60 months @ 0% NO money Down

Disclaimer: This document is only representative of some of the information contained on an actual window sticker, and is not meant to replace or substitute for the actual window sticker on the vehicle. Please see your retailer for further information.



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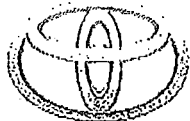
2019 TUNDRA 4X4 SR DBL CAB 4 6L V8

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TOYOTA

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1811 U.S. Highway 23 North,
Prestonsburg, KY 41653
(606) 886-3861

2020 TACOMA SR 4X4 ACCESS CAB

Model: 7552A
 Year: 2020
 Interior Color: CEMENT
 Exterior Color: SUPER WHITE
 Number of Cylinders: 6
 VIN: 5TFSZ5AN7LX214632
 Stock No.:

Total MSRP*:
\$34,623.00

18 CITY MPG	22 HWY MPG
----------------	---------------

Standard Equipment

MECHANICAL & PERFORMANCE

3.5L V6 Atkinson Cycle with Dual VVT-i
 278hp @ 6000rpm/265 lb-ft @ 4600rpm
 6-Spd Automatic Transmission
 4WDemand: Part-Time 4x4 Sys w/2-Speed
 Electronically Controlled Transfer Case
 Automatic Limited-Slip Differential
 Towing Receiver Hitch, Eng Oil Cooler,
 Pwr Steering Cooler, 130-Amp Alt,
 4/7-Pin Connector, & Trailer Sway Cntrl

SAFETY & CONVENIENCE

Toyota Safety Sense P: Pre-Collision Sys
 w/Pedestrian Detection; Dynamic Radar
 Cruise Control, Lane Departure Alert
 Automatic High Beams
 Star Safety System: Vehicle Stability
 Control, Traction Control, Anti-Lock
 Brake System with EBD, Brake Assist

Optional Equipment

50 State Emissions

\$0.00

and Smart Stop Technology

Dr & Fr Pass Advanced Airbag System

Seat-Mounted Side & Side Curtain Airbags

EXTERIOR

16" Styled Steel Wheel

Intermittent Wipers

INTERIOR

Fabric Trim Seats w/Dr Lumbar Support

Audio - 7" Touch Screen, 6 Speakers,

HandsFree Bluetooth Phone/Music,

USB Media Port, USB Charge-Ports

SiriusXM w/3-Month All Access Trial

Android Auto & Apple CarPlay Compatible

Connected Services: Safety Connect with

1-year Trial, Wi-Fi Connect with up to

2 GB within 3-mo Trial

Rear Backup Camera

* 2020 Manufacturer's Suggested Retail Price, excludes the Delivery, Processing and Handling Fee, taxes, license, title and available or regionally required equipment. Actual Dealer price may vary. Pricing, specifications, standard features and available equipment are based on information available when this page was produced and subject to change without notice.

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18	CITY	22	HVY
MPG		MPG	

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3.5L V6 Atkinson Cycle with Dual VVT-i
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 6-Spd Automatic Transmission
 4WDemand: Part-Time 4x4 Sys w/2-Speed
 Electronically Controlled Transfer Case
 Automatic Limited-Slip Differential
 Towing Receiver Hitch, Eng Oil Cooler,
 Pwr Steering Cooler, 130-Amp Alt,
 4/7-Pin Connector, & Trailer Sway Cntrl

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 w/Pedestrian Detection, Dynamic Radar
 Cruise Control, Lane Departure Alert
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 Star Safety System: Vehicle Stability
 Control, Traction Control, Anti-Lock
 Brake System with EBD, Brake Assist

Optional Equipment

50 State Emissions

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and Smart Stop Technology

Dr & Fr Pass Advanced Airbag System

Seat-Mounted Side & Side Curtain Airbags

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Intermittent Wipers

INTERIOR

Fabric Trim Seats w/Dr Lumbar Support

Audio - 7" Touch Screen, 6 Speakers,

HandsFree Bluetooth Phone/Music,

USB Media Port, USB Charge-Ports

SiriusXM w/3-Month All Access Trial

Android Auto & Apple CarPlay Compatible

Connected Services: Safety Connect with

1-year Trial, Wi-Fi Connect with up to

2 GB within 3-mo Trial

Rear Backup Camera

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EXHIBIT 2

Form M: Customer Debt Schedule

Customer Name: Kentucky Frontier Gas LLC

Date: 10/11/2019

Lender	Loan Type ¹	Commitment/Loan Balance	Interest Rate	Fixed/Variable	Payment Frequency ²	Scheduled Payment Amount ³
CTB-SBA#2	T	\$ 146,720.99	6.75%	V	Monthly	\$ 2,058.92
CTB-SBA#3	T	\$ 1,254,111.17	7%	V	Monthly	\$ 13,511.40
CTB-USDA #1	T	\$ 752,393.92	6%	V	Monthly	\$ 13,274.99
CTB-USDA #2	T	\$ 83,597.95	6%	V	Monthly	\$ 1,474.98
CTB-2015 F350	T	\$ 3,048.00	2.99%	F	Monthly	\$ 614.22
CTB-2015 Tacoma	T	\$ 2,887.11	2.99%	F	Monthly	\$ 364.73
CTB-2016 Tacoma	T	\$ 6,259.04	2.99%	F	Monthly	\$ 376.53
CTB-2017 Tacoma	T	\$ 12,946.28	2.99%	F	Monthly	\$ 496.43
CTB-2018 Chevy 2500	T	\$ 27,201.08	4.25	F	Monthly	\$ 654.92
CTB-2015 Cevy Silverado	T	\$ 3,034.26	2.99	F	Monthly	\$ 610.30
TOYOTA FINANCIAL-19 Tacoma	T	\$ 19,801.56	3.9	F	Monthly	\$ 387.36
TOYOTA FINANCIAL-19 Tundra	T	\$ 35,451.13	0.9	F	Monthly	\$ 646.70
TOTALS		\$ 2,347,452.49				\$ 34,471.48

1. Enter one of the following choices:
 T-Term Loan
 L-Line of Credit
 D-Demand

2. Enter monthly, quarterly, annually, etc.

3. Enter N/A for demand notes, lines of credit, and floor plans.

Provided By:
 Credit Administration

Form: LN-00014

CRAD-0014-02

Last Revised: 2007/04/19

EXHIBIT 3

Kentucky Frontier Gas, LLC
Balance Sheet
 As of August 31, 2019

Aug 31, 19

ASSETS

Current Assets

Checking/Savings

131 · Cash - Bank Accounts

131.0 · Petty Cash	707.18
131.10 · CTB PRP Surcharge Account	11,404.71
131.2 · Comm Trust Bank Oper 4002506337	32,002.25
131.3 · Comm Trust Payroll #4002507509	885.17
131.7 · CTB Savings #5001856760	110,119.59
131.8 · Citizens Bank of Jackson	2,398.28

Total 131 · Cash - Bank Accounts 157,517.18

Total Checking/Savings 157,517.18

Accounts Receivable

142 · Customer Accounts Receivable	158,152.30
143 · Other Accounts Receivable	1,647.00

Total Accounts Receivable 159,799.30

Other Current Assets

108.09 · CC - Accum Deprec	-166,978.00
108.11 · BTU-Accumulated Depr	-93,693.00
115.0 · Consol - Acc Depreciation	-39,878.00
147 · N/R - Fontaine Williams	984.54
173 · Organizational Account	
Start Up Costs	
SBA Origination Fees	95,056.13
USDA Origination Fees	17,464.00
115 · Accumulated Amort - Start Up	-62,134.00
Start Up Costs - Other	298.98

Total Start Up Costs 50,685.11

Total 173 · Organizational Account 50,685.11

Total Other Current Assets -248,879.35

Total Current Assets 68,437.13

Fixed Assets

101 · Utility Plant

101.0 · Utility Plant - consolidated

376 · Meters - Consolidated	102,285.96
376.0 · Itrons	
376.001 · CIAC/Itrons -Contrib in Aid Con	-200,781.00
376.0 · Itrons - Other	193,704.30

Total 376.0 · Itrons -7,076.70

377 · Meter Sets 55,338.43

378 · Regulators 13,133.84

379 · Odorant System 36,385.64

381 · ESRI SYSTEM 7,109.40

382 · TD4 METER 1,378.00

Total 101.0 · Utility Plant - consolidated 208,554.57

101.1 · East Kentucky Utility Plant

General Plant

394.1 · Tools, Shop & Garage Equip 891.00

Total General Plant 891.00

108.1 · Accumulated Depreciation

101.5 · Baine-Accum Dep -435.00

Total 108.1 · Accumulated Depreciation -435.00

11:00 AM
 10/11/19
 Accrual Basis

Kentucky Frontier Gas, LLC
Balance Sheet
 As of August 31, 2019

	Aug 31, 19
114.1 · Gas Plant Acquisition Adj	
376.01 · Mains	9,515.91
376.01 · Meas & Reg Station Eq	5,980.39
380.01 · Services	16,220.74
380.02 · EKV-CIAC(Contrib In aid Constr)	-6,630.00
381.01 · Meters	17,868.69
382.01 · New Meter Install	589.97
382.02 · EKV - Line Replacement	650.00
114.1 · Gas Plant Acquisition Adj - Other	955,369.74
Total 114.1 · Gas Plant Acquisition Adj	999,565.44
115.1 · Accumulated Provision for Amort	-519,138.00
Total 101.1 · East Kentucky Utility Plant	480,883.44
101.12 · Blaine Utility Plant	
380.04 · Meters	6,393.29
380.12 · Services	653.39
380.120 · Blaine-CIAC(Contrib In aid con)	-1,200.00
Total 101.12 · Blaine Utility Plant	5,846.68
101.2 · Mike Little Gas Plant	
General Plant Assets	
394.2 · Tools, Shop & Garage Equip	9,258.56
Total General Plant Assets	9,258.56
Transmission Plant	
369.2 · Meas & Reg Sta Equip	4,984.97
Total Transmission Plant	4,984.97
114.2 · Gas Plant Acquisition Adj	
376.22 · Mains	28,484.44
380.22 · Services	10,216.10
380.23 · MLG-CIAC(Contrib In aid of const)	-2,800.00
381.22 · Meters	17,766.95
381.23 · Line Replacement	2,060.52
114.2 · Gas Plant Acquisition Adj - Other	481,044.76
Total 114.2 · Gas Plant Acquisition Adj	536,772.77
115.2 · Accum Prov for Amort of Gas Pl	-270,802.00
Total 101.2 · Mike Little Gas Plant	280,214.30
101.3 · Belfry Utility Plant	
114.3 · Gas Plant Acquisition Adj	
376.33 · Mains	118,607.16
376.331 · Mains - Comp Const	28,661.96
376.34 · Mains Belf - Line Replacement	545,702.80
380.33 · Services	14,367.14
380.34 · BUP-CIAC(Contrib In aid const)	-545,019.42
381.32 · Regulators	3,075.00
381.33 · Meters	36,394.86
381.34 · Meter & Regulator - FSM	4,675.82
382.22 · New Meter Installation	2,423.84
114.3 · Gas Plant Acquisition Adj - Other	480,342.00
Total 114.3 · Gas Plant Acquisition Adj	689,231.16
115.3 · Accum Prov for Amort of Gas Pl	-466,729.00
Total 101.3 · Belfry Utility Plant	222,502.16
101.4 · Alert Farm Taps Utility Plant	
Distribution Plant	
381.4 · Meters	130.00

Kentucky Frontier Gas, LLC
Balance Sheet
 As of August 31, 2019

	Aug 31, 19
Total Distribution Plant	130.00
114.4 · Gas Plant Acquisition Adj	
376.44 · Mains	2,600.29
380.44 · Services	2,950.40
381.44 · Meters	312.42
382.44 · New Meter Installation	111.00
Total 114.4 · Gas Plant Acquisition Adj	5,974.11
115.4 · Accum Prov for Amort of Gas Pl	-2,930.00
Total 101.4 · Alert Farm Taps Utility Plant	3,174.11
101.8 · Peoples Gas Utility Plant	
114.81 · Gas Plant Acq Adj - KFG	
376.88 · Mains	14,279.82
377.88 · Main Replacement - Phelps	20,837.63
380.88 · Services	1,196.90
382.88 · New Meter Install	114.75
114.81 · Gas Plant Acq Adj - KFG - Other	25,541.00
Total 114.81 · Gas Plant Acq Adj - KFG	61,970.10
115.8 · Accum Amortization - Acquisitio	-23,818.00
Total 101.8 · Peoples Gas Utility Plant	38,152.10
Total 101 · Utility Plant	1,239,327.36
101.11 · BTU Purchase	
380.10 · Mains	15,105.65
380.11 · Services	14,536.81
380.121 · BTU-CIAC(contrib in aid constr)	-5,013.00
380.13 · Regulators	815.90
380.14 · Main Replacement - BTU	41,888.01
380.16 · Drip Tank	1,010.03
101.11 · BTU Purchase - Other	262,500.00
Total 101.11 · BTU Purchase	330,843.40
101.13 · Public Gas Utility Plant	
114.13 · PGUP- Util Plant-Other	4,074.00
115.13 · PGUP-Accum Depreciation	-191,566.00
154.13 · PGUP- Inventory	2,000.00
376.13 · Mains	1,350,264.00
376.14 · New Services	11,931.76
376.15 · Meters	189,023.34
376.16 · PGUP - Regulators	31,583.00
376.17 · Meter Installation	332.12
376.18 · PGUP-CIAC(contri in aid constr)	-27,772.62
376.35 · Line Replacement-PGUP	11,620.24
391.13 · PGUP- Office Equip	4,248.00
392.14 · Transp Equip- PGUP	53,273.00
Total 101.13 · Public Gas Utility Plant	1,439,010.84
101.9 · COW CREEK UTILITY PLANT	
376.09 · Mains	446,356.00
376.25 · LINE REPLACEMENT- CC	13,600.00
380.09 · Services	16,908.08
380.100 · CC-CIAC(contri in aid constr)	-12,640.00
381.09 · Meters	46,473.56
383.09 · Regulators/Detectors	21,815.00
101.9 · COW CREEK UTILITY PLANT - Other	16,699.00
Total 101.9 · COW CREEK UTILITY PLANT	549,211.64
154 · Inventory	14,140.52
380 · General Plant Assets	

11:00,AM
 10/11/19
 Accrual Basis

Kentucky Frontier Gas, LLC
Balance Sheet
 As of August 31, 2019

	Aug 31, 19
391 · Office Furniture & Equipment	
391.1 · Office Furniture & Equipment	50,794.45
391.11 · Office Equip - Folder/Inserter	10,270.34
Total 391 · Office Furniture & Equipment	61,064.79
392 · Transportation Equipment	
108 · Gen Utility Plant - Accum Depr	-594,358.00
392.11 · Transportation Eq- Other	3,657.00
392.13 · 2016 Tacoma SR 4X4 Access Cab	26,656.51
392.15 · 2017 Toyota Tacoma	27,322.68
392.16 · Homestead Traller 7x14	4,346.00
392.17 · 2018 2500 HD CHEV UTILITY	46,169.00
392.18 · Trailer 82x16	3,922.00
392.19 · 2019 TACOMA	36,351.36
392.20 · 19 TOYOTA TUNDRA	37,913.83
392.3 · 2012 Tacoma Access Cab	26,224.54
392.4 · 2012 Tacoma Reg Cab	23,655.24
392.5 · 2012 Tundra	29,687.00
392.6 · 2015 Chevy Silverado	33,695.08
392.7 · 2015 F350	41,338.81
392.9 · 2015 Tacoma	26,110.74
392 · Transportation Equipment - Other	4,913.83
Total 392 · Transportation Equipment	-222,394.38
394 · Tools, Shop & Garage Equip	21,486.59
396 · Power Operated Equipment	
396.3 · CAT Mini Excavator	33,780.90
396.4 · Boring Machine	25,000.00
396.5 · CAT MINI EXCAVATOR 303.5E CR	31,270.00
396.6 · CAT 303.5E CR MINI EXCAVATOR	31,270.00
Total 396 · Power Operated Equipment	121,320.90
397 · Tools & Equipment	17,245.82
Total 380 · General Plant Assets	-1,276.28
380.15 · Meter- H Thompson	8,222.69
394.13 · PGUP- Tools, Shop, & Garage Eq	125,363.58
398 · Leasehold Improvements	22,937.62
Total Fixed Assets	3,727,781.37
Other Assets	
123 · Investment in Subsidiary Compan	
123.1 · Investment - Auxler Rd	1,695,459.23
123.3 · Investment - DEMA	10,000.00
123.4 · Investment - Interstate FT	10,000.00
Total 123 · Investment in Subsidiary Compan	1,715,459.23
125 · CASELLE Billing Software	43,380.00
126 · Esri- GIS Software	2,500.00
155 · Utility Deposits	1,524.00
Total Other Assets	1,762,863.23
TOTAL ASSETS	5,559,081.73
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
232 · Accounts Payable	156,218.57
Total Accounts Payable	156,218.57

11:00 AM
 10/11/19
 Accrual Basis

Kentucky Frontier Gas, LLC
Balance Sheet
 As of August 31, 2019

	Aug 31, 19
Other Current Liabilities	
232.01 · Other Payables- Taxes/SEP	13,102.16
233 · Notes Payable - Assoc Co's	
233.1 · N/P IGS	27,602.80
233.2 · N/P DLR	21,673.25
233.9 · CC- N/P Auxier	240,467.33
Total 233 · Notes Payable - Assoc Co's	289,743.38
235 · Customer Deposits/Retainers	
235.1 · CC- Cust Deposits	17,115.00
235.13 · PGUP- Cust Deposits	86,625.00
235.131 · PGUP- Cust Credits	20,157.00
237 · Accrued Interest Deposits	0.44
235 · Customer Deposits/Retainers - Other	140,529.05
Total 235 · Customer Deposits/Retainers	264,426.49
241 · Sales Tax Payable	1,312.95
242 · Utility Tax Payable	2,721.90
Total Other Current Liabilities	571,306.88
Total Current Liabilities	727,525.45
Long Term Liabilities	
224 · Long Term Liability	
224.10 · 2015 F350 Loan CTBI	3,709.59
224.11 · CTB-2015 TACOMA	3,268.23
224.12 · CTB Loan - SBA #3	1,254,111.19
224.13 · CTB LOAN-2016 TACOMA SR 4X4	6,309.46
224.15 · 2017 Toyota Tacoma 4x4 Access	13,473.99
224.16 · CTB LOAN-2018 CHEVY 2500 HD	27,807.71
224.17 · 19 TACOMA-TOYOTA FINANCIAL SERV	19,986.00
224.18 · 19 TUNDRA-TOYOTA FINANCIAL SERV	36,005.51
224.2 · USDA Loan #1	761,356.15
224.3 · USDA Loan #2	84,593.77
224.8 · CTB Loan - SBA #2	148,761.90
224.9 · 2015 Chev Silverado Loan CTBI	3,669.33
Total 224 · Long Term Liability	2,363,052.83
Total Long Term Liabilities	2,363,052.83
Total Liabilities	3,090,578.28
Equity	
211.1 · Partner One Equity - RJO	
214.1 · Partner One Draws	-20,000.00
211.1 · Partner One Equity - RJO - Other	371,159.26
Total 211.1 · Partner One Equity - RJO	351,159.26
211.2 · Partner Two Equity - SS	
214.2 · Partner Two Draws	-61,000.00
211.2 · Partner Two Equity - SS - Other	1,407,055.15
Total 211.2 · Partner Two Equity - SS	1,346,055.15
211.3 · Partner Three Equity - LR	
214.3 · Partner Three Draws	-13,000.00
Total 211.3 · Partner Three Equity - LR	-13,000.00
211.4 · Partner Four Equity - IGS	
208.4 · Partner Four Investments	121,580.82
214.4 · Partner Four Draws	-6,000.00
211.4 · Partner Four Equity - IGS - Other	-8,385.00

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Accrual Basis

Kentucky Frontier Gas, LLC
Balance Sheet
As of August 31, 2019

	<u>Aug 31, 19</u>
Total 211.4 · Partner Four Equity - IGS	107,195.82
216 · Retained Earnings	310,429.49
Net Income	366,663.73
Total Equity	<u>2,468,503.45</u>
TOTAL LIABILITIES & EQUITY	<u>5,559,081.73</u>

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Kentucky Frontier Gas, LLC
Profit & Loss YTD Comparison
August 2019

	Aug 19	Jan - Aug 19
Income		
405 · Management Fee Income		
405.1 · Management Fee Income - Auxier	-14,160.51	316,586.17
405.3 · Management Fee Income- DLR	0.00	10,000.00
Total 405 · Management Fee Income	-14,160.51	326,586.17
419 · Interest Income	0.87	55.22
480 · Residential Sales	19,283.06	1,164,360.03
481 · Commercial & Industrial Sales	15,665.74	363,847.44
482 · Commercial Tax Exempt	5,488.00	338,458.66
485 · Sales-VMC	0.00	1,270.01
487 · Penalties & Forfeited Discounts	1,576.79	53,330.72
488 · Miscellaneous Service Revenues		
488.11 · Reconnection Fee	409.00	5,092.00
488.12 · Transfer Fee	360.00	2,370.00
488.3 · Reimbursed Expenses - Income	25.00	2,987.43
488.4 · Service Charges	600.00	12,175.00
488.6 · Relocate Meter Chg	0.00	300.00
488.7 · NSF	150.00	840.00
488.8 · Connection Fee	400.00	2,900.00
Total 488 · Miscellaneous Service Revenues	1,944.00	26,664.43
489 · Sales Tax Commission	22.53	289.19
490 · Other Income	2,150.05	3,978.36
491 · Customer Charge	56,134.00	460,863.00
Total Income	88,104.53	2,739,703.23
Cost of Goods Sold		
800 · Gas Supply Expenses		
804 · Natural Gas Purchases & Transp		
804.1 · Gas Purch - Quality	3,971.46	147,375.24
804.10 · Gas Purch-Hi Energy Gas	847.28	16,077.67
804.11 · Gas Purch - Jefferson Gas	9,018.54	482,076.84
804.12 · Gas Purch - Nytis Exploration	0.00	30,609.65
804.13 · Gas Purch - HTC Gas Company	0.00	6,347.73
804.14 · Gas Purch - Interstate Natural	0.00	772.46
804.15 · Transportation Expense-DLR	33,000.00	33,000.00
804.16 · Southern Energy, LLC	0.00	269,202.53
804.17 · Gas Purch - Spirit Energy	0.00	34,022.43
804.18 · Alternative Capital Partners	0.00	17,963.51
804.2 · Gas Purch - Columbia	2,976.30	47,244.58
804.23 · AEI-KAARS DRILLING	0.00	2,331.20
804.24 · Gas Purch-Diversified Energy	0.00	2,893.76
804.3 · Gas Purch - KLC	0.00	15,643.90
804.5 · Gas Purch - Slone Energy	0.00	8,688.86

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Kentucky Frontier Gas, LLC
Profit & Loss YTD Comparison
August 2019

	Aug 19	Jan - Aug 19
804.9 · Gas Purch - Magnum Drilling	0.00	22,785.00
Total 804 · Natural Gas Purchases & Transp	49,813.58	1,137,035.36
Total 800 · Gas Supply Expenses	49,813.58	1,137,035.36
Total COGS	49,813.58	1,137,035.36
Gross Profit	38,290.95	1,602,667.87
Expense		
408 · Taxes Other Than Income Taxes		
408.3 · Property Tax	8.35	8.35
408.4 · Annual PSC Assessment	0.00	7,588.01
408.7 · State Annual Filing Fee	0.00	15.00
408.8 · NET PROFITS RET-CITY OF JACKSON	0.00	1,212.24
Total 408 · Taxes Other Than Income Taxes	8.35	8,823.60
409 · Income Taxes		
409.4 · KY NONRESIDENT INCOME TAX WH	0.00	38,844.00
Total 409 · Income Taxes	0.00	38,844.00
426 · Interest Exp - CTB (Line of Cr)	0.00	260.56
427 · Interest on Long-Term Debt		
427.1 · Interest on SBA Loan	0.00	108.22
427.10 · Interest on 2015 F350 Loan	19.02	183.05
427.11 · Int Exp- CTB 2015 Tacoma	13.80	120.84
427.12 · Int Exp- CTB SBA #3	17,158.70	55,017.02
427.13 · Int Exp-2016 Tacoma Access	23.14	207.00
427.15 · Int Exp-CTB (2017 Tacoma)	43.58	373.33
427.16 · INT EXP- 2018 CHEVY 2500 HD	109.08	907.18
427.17 · INT EXP-2019 TACOMA	0.00	484.08
427.18 · INT EXP-2019 TUNDRA	0.00	678.48
427.2 · Interest on USDA Loan #1	0.00	3,979.01
427.3 · Interest on USDA Loan #2	436.09	3,567.01
427.8 · Interest on SBA Loan #2	907.72	8,465.56
427.9 · Interest on Silverado Loan	19.43	159.71
Total 427 · Interest on Long-Term Debt	18,730.56	74,250.49
768 · Contract Labor	250.80	1,003.20
806 · Gas Purch-Aei Kaars	657.20	1,441.50
809 · Gas Purch-Cumberland Valley	0.00	12,990.11
811 · Southern Energy	0.00	0.00
849 · TRANSMISSION EXPENSES		
849.1 · OPERATION		
859 · Other Expenses	0.00	254.00

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Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss YTD Comparison August 2019

	Aug 19	Jan - Aug 19
Total 849.1 · OPERATION	0.00	254.00
861 · MAINTENANCE		
865 · Maint of Meas & Reg Station Equ	0.00	0.00
867 · Maint of Other Equipment	0.00	1,571.21
Total 861 · MAINTENANCE	0.00	1,571.21
Total 849 · TRANSMISSION EXPENSES	0.00	1,825.21
870 · DISTRIBUTION EXPENSES		
871 · DISTRIBUTION OPERATION		
874 · Mains & Services Expenses	3,010.11	14,273.73
878 · Meter & House Regulator Exp		
878.2 · Uniforms	0.00	527.01
Total 878 · Meter & House Regulator Exp	0.00	527.01
880 · Other Expenses		
880.1 · DOT Physicals	0.00	535.80
880.10 · DIMP Program	359.45	359.45
880.2 · Travel for Tech Training	0.00	482.29
880.3 · Drug Testing	0.00	411.75
880.4 · Licenses & Permits	0.00	3,410.01
880.5 · Travel for Members	0.00	3,616.93
880.6 · Training	122.45	7,922.38
880.8 · Easements	0.00	414.55
Total 880 · Other Expenses	481.90	17,153.16
Total 871 · DISTRIBUTION OPERATION	3,492.01	31,953.90
884 · DISTRIBUTION MAINTENANCE		
893 · Maint of Meters & House Reg	446.61	893.22
894 · Maint of Other Equipment	-53.48	3,807.24
Total 884 · DISTRIBUTION MAINTENANCE	393.13	4,700.46
Total 870 · DISTRIBUTION EXPENSES	3,885.14	36,654.36
900 · CUSTOMER ACCOUNTS EXPENSES		
900.1 · CUSTOMER ACCT OPERATION		
905 · Misc Customer Accounts Exp		
905.2 · Postage and Delivery	1,579.79	16,265.93
905.3 · Printing and Reproduction	451.51	3,736.38
Total 905 · Misc Customer Accounts Exp	2,031.30	20,002.31
Total 900.1 · CUSTOMER ACCT OPERATION	2,031.30	20,002.31

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Accrual Basis

Kentucky Frontier Gas, LLC Profit & Loss YTD Comparison August 2019

	Aug 19	Jan - Aug 19
Total 900 · CUSTOMER ACCOUNTS EXPENSES	2,031.30	20,002.31
906 · CUSTOMER SERVICE & INFORMATION		
906.1 · C S & I OPERATION		
909 · Inform & Instruc Advert Exp		
909.1 · Web Support	163.83	1,278.72
Total 909 · Inform & Instruc Advert Exp	163.83	1,278.72
Total 906.1 · C S & I OPERATION	163.83	1,278.72
Total 906 · CUSTOMER SERVICE & INFORMATION	163.83	1,278.72
918 · ADMINISTRATIVE & GENERAL EXP		
919 · ADMIN & GEN OPERATION		
920 · Admin & General Salaries		
920.2 · Payroll Administration Expenses	476.72	4,887.80
Total 920 · Admin & General Salaries	476.72	4,887.80
921 · Office Supplies and Expenses		
921.11 · Travel	16.27	849.79
921.12 · Credit Cd Charges	2,040.45	22,293.12
921.2 · Office Supplies & Expense	1,106.51	16,031.30
921.3 · Bank Service Charges	8.00	163.00
921.4 · Computer Software	3,056.40	40,679.19
921.7 · Dues and Subscriptions	1,072.18	1,662.77
921.8 · Telephone and Fax	2,501.67	20,716.59
921.9 · Utilities	752.04	5,470.71
921 · Office Supplies and Expenses - Other	0.00	205.00
Total 921 · Office Supplies and Expenses	10,553.52	108,071.47
923 · Outside Services Employed		
923.2 · Outside Services - Accounting	0.00	4,309.50
923.3 · Outside Services - Engineering	0.00	1,456.00
923.4 · Outside Services - Legal	0.00	10,032.75
923.7 · Outside Serv-Consulting	0.00	1,280.82
Total 923 · Outside Services Employed	0.00	17,079.07
924 · Insurance		
924.1 · Auto Insurance	2,669.03	29,435.84
924.2 · General Liability Insurance	0.00	28,181.60
924.3 · Life Insurance	0.00	1,303.48
924.4 · Property Insurance	407.68	4,125.42
924.5 · Worker's Compensation	1,172.99	23,051.37
Total 924 · Insurance	4,249.70	86,097.71

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Kentucky Frontier Gas, LLC
Profit & Loss YTD Comparison
August 2019

	Aug 19	Jan - Aug 19
926 - Employee Pensions & Benefits	9,194.64	68,002.43
930.2 - Miscellaneous General Expenses	100.00	981.37
931 - Rents	2,730.00	22,110.00
Total 919 - ADMIN & GEN OPERATION	27,304.58	307,229.85
918 - ADMINISTRATIVE & GENERAL EXP - Other	53.12	53.12
Total 918 - ADMINISTRATIVE & GENERAL EXP	27,357.70	307,282.97
932 - MAINTENANCE OF GENERAL PLANT		
932.1 - Repairs		
Equipment Repairs		
Transportation Equipment	171.18	3,471.12
Equipment Repairs - Other	547.45	6,615.60
Total Equipment Repairs	718.63	10,086.72
Total 932.1 - Repairs	718.63	10,086.72
932.2 - Depreciation Expense	52,000.00	212,000.00
932.3 - Tools & Equipment	0.00	788.87
932.4 - Transportation Equipment Fuel	4,094.98	30,930.99
Total 932 - MAINTENANCE OF GENERAL PLANT	56,813.61	253,806.58
981 - Interest Expense-Meter Deposit	72.27	175.03
990 - PAYROLL		
Employer CO State Unemployment	30.88	280.88
991 - Employee Wages	74,444.14	436,635.68
992 - Employer Social Security	4,706.08	27,545.61
993 - Employer Medicare	1,100.64	6,442.28
994 - Employer FUTA	0.00	755.94
995 - Employer KY State Unemployment	32.71	3,614.11
996 - Garnishment	180.00	600.00
Total 990 - PAYROLL	80,494.45	475,874.50
999 - Loss on Sale of Assets	0.00	1,491.00
Total Expense	190,465.21	1,236,004.14
Net Income	-152,174.26	366,663.73