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September 6, 2012

Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

**RECEIVED**

SEP 06 2012

PUBLIC SERVICE  
COMMISSION

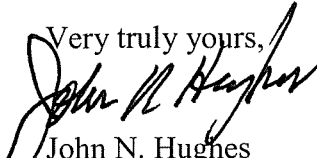
Re: KY Frontier Gas  
Case No. 2011-00443

Dear Mr. Derouen:

Attached is the response of Kentucky Frontier Gas, LLC to the letter of August 28, 2012:

1. The tariff sheet included with the application was incorrect. Attached is the corrected sheet showing the special charges which were included in the newspaper notice to customers.
2. The debt schedule has been revised to include the origination date of the notes and mortgages.
3. A declaration of verification of Steve Shute was attached to the cover letter with the application. To assure compliance with the August 28<sup>th</sup> letter, an affidavit is attached.

Please contact me if you have any questions about this matter.

Very truly yours,  
  
John N. Hughes  
Attorney for KFG

Attachments

FOR \_\_\_\_\_  
community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Kentucky Frontier Gas LLC

\_\_\_\_\_  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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RATES AND CHARGES

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communities of Cliff, Auxier, Wayland, Estill, Lackey, Garrett, Hueysville, Allen, Dwale, Melvin, Bypro, Weeksbury, Langley, Goble Roberts, Salyersville, Magoffin County, Johnson, Knott, Letcher, Martin, Perry and Pike counties and surrounding areas.

MONTHLY RATES:

	<u>Base Rate</u>	<u>GCCR Gas Cost</u>	<u>Total</u>	<u>C</u>
All MCF	\$4.18			
Monthly Customer charge	\$10.00			
Industrial Rate:	\$3.35			
Monthly Customer charge	\$50.00			

**C. OTHER CHARGES**

**C**

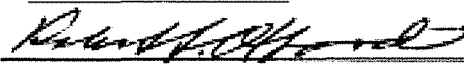
Pipeline Replacement Program rate:	\$1.50 per customer per month (excludes Farm Tap)
Turn on fee	\$100.00 to initiate service at a location for seasonal/temporary turn on.
Reconnection Fee	\$100.00 to restore service within 12 months of disconnection/termination for non-payment;
Relocate meter	\$35.00 hr, plus costs – move meter at customer request.
Transfer Service Fee	\$30.00 to change tenants (change to new customer).
Returned Check Charge	\$30.00 for a check returned for insufficient funds, plus any fees assessed by the bank.
Late Payment Charge	12% of the current monthly charges.
Service (trip) Charge	\$100.00 for any special trip made to collect delinquent bills/terminate service.
Farm Tap Fee	\$200 to initiate a farm tap off a high-pressure pipeline.
Special meter reading charge	\$100.00 for reread
Meter test fee	\$35.00/hr. plus costs

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DATE OF ISSUE August 15, 2012  
Month / Date / Year

DATE EFFECTIVE September 15, 2012  
Month / Date / Year

ISSUED BY Robert Oxford

  
\_\_\_\_\_  
(Signature of Officer)

TITLE Managing partner

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Kentucky Frontier Gas LLC  
Debt Schedule

7/26/2012

	Maturity Date	Origination Date	Interest Rate	Original Balance	Current Balance	Payment Amount
Community Trust Bank:						
SBA Loan	12/30/2018	12/30/2008	3.75%	\$1,525,000.00	\$1,047,151.68	\$15,322.11
USDA Loan #3	4/13/2025	4/13/2010	6.00%	\$1,571,760.00	\$1,412,391.83	\$13,500.00
USDA Loan #4	4/13/2025	4/13/2010	6.00%	\$160,430.59	\$156,932.43	\$1,500.00
Excavator	4/14/2013	4/14/2011	5.00%	\$25,500.00	\$9,868.76	\$1,119.67
2012 Tundra	5/17/2016	5/16/2012	3.50%	\$29,761.00	\$28,604.32	\$666.06
2012 Tacoma	5/28/2016	5/27/2012	3.50%	\$23,655.24	\$22,805.23	\$531.02
SBA Loan - BTU	7/23/2027	7/23/2012	5.00%	\$237,000.00	\$237,000.00	\$1,883.00
2012 Tacoma	8/13/2016	8/14/2012	3.50%	\$26,246.54	\$26,246.54	\$587.29

Affidavit

County of Garfield

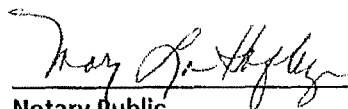
State of Colorado

Affiant Steve Shute after being sworn states that he is a managing Partner of Kentucky Frontier Gas, LLC and that the statements in the Application are true and correct to the best of his knowledge.



Steve Shute

Subscribed and sworn before me by Steve Shute, the 4<sup>th</sup> day of September, 2012.



Notary Public

My commission expires: 2/27/16

