

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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FEB 06 2019

PUBLIC SERVICE
COMMISSION

In the Matter of:

The Application of)
Kentucky Frontier Gas, LLC) Case No.
for Approval of Financing) 2019-00046

APPLICATION

Kentucky Frontier Gas, LLC (Kentucky Frontier), by counsel, petitions the Commission for an order approving the assumption of debt for the financing of two 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 two new service trucks. The approximate total cost of the two vehicles is expected to be \$72,256.00. Terms and conditions of the purchases are stated in exhibit 1. Frontier will contribute approximately \$15,256.00 toward the purchases, leaving approximately \$57,000.00 to 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 \$950.00 per month. No amortization schedule or interest rate is available until the loan is approved.

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.

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.

For these reasons, Kentucky Frontier requests that the Commission issue an order approving the financing of approximately \$57,000.00 and any other approvals necessary to complete the transactions related to the financing of the two vehicles.

Submitted By:

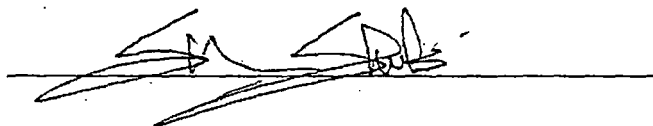
John N. Hughes
124 West Todd St.
Frankfort, KY 40601
502 227 7270
jnhughes@johnnhughespsc.com

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 5th day of February 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

Model: 8339A
 Year: 2019
 Interior Color: GRAPHITE
 Exterior Color: SUPER WHITE
 Number of Cylinders: 8
 VIN: 5TFUM5F14KX079802
 Stock No.: 28874

Total MSRP*:

\$38,668.00

14 CITY MPG	18 HWY MPG
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Standard Equipment

MECHANICAL & PERFORMANCE

4.6L i-FORCE V8 DOHC 32V with Dual
 Independent VVT-i 310 hp/327 lb-ft
 6-Spd Automatic Trans w/Sequential Shift
 4WDemand Part-Time 4WD w/Elec Controlled
 Transfer Case, A-TRAC & Auto LSD
 Tow Rcvr Hitch, 4/7-Pin Connector
 3.91 Rear Differential w/9.5" Ring Gear
 Dbl Wishbone Frnt Susp w/Stabilizer Bar
 Trap Leaf Rr Susp, Staggered O/B Shocks
 Power-Assisted 4 Wheel Disc Brakes
 18" Wheels w/ P255/70R18 Tires

SAFETY & CONVENIENCE

Halogen Headlights with LED DRLs
 Manual Headlight Level Control
 Trailer-Sway Control
 Star Safety System
 3-Point Seatbelts for All Positions
 8 Total Airbags (Incl Fr & Rr RSCA)
 Tire Pressure Monitor System (TPMS)

Toyota Safety Sense P: Pre-Collision Sys
 w/ Pedestrian Detection, Dynamic Radar
 Cruise Control, Lane Departure Alert w/
 Sway Warning Sys, Automatic High Beams

EXTERIOR

6.5' Double-Walled Bed w/Rail Caps
 Easy Lower and Lift Tailgate

INTERIOR

40/20/40 Split Fold-Down 4-Way Driver &
 4-Way Passenger Adj Front Bench Seat
 Single Zone Air Conditioning
 Entune Audio 6.1" Touch Screen
 w/Backup Camera, AM/FM/CD,
 BT Phone/Music, Siri Eyes Free
 Power Windows/Door Locks/Heated Mirrors
 Remote Keyless Entry System
 Engine Immobilizer
 Tilt Steering Wheel with Column Shifter
 Engine Immobilizer

*MSRP includes destination charge. Dealer price may vary. Pricing, specifications, standard features, and available equipment are based on information available when this page was printed and subject to change without notice.

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TOYOTA

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

Optional Equipment

50 State Emissions	\$0.00
All Weather Liners/Door Sill	\$239.00
Bedliner w/Deck Rail	\$365.00
Deck Rail System	\$210.00
Predator Drop Step	\$749.00
PREFERRED OWNER'S PORTFOLIO	\$0.00
Stainless Steel Door Edge Guard	\$140.00
TRD Performance Dual Exhaust System	\$1,100.00
Total Optional Equipment	\$2,803.00
Vehicle Base Model	\$34,470.00
Delivery Processing and Handling	\$1,395.00
Total MSRP*	\$38,668.00

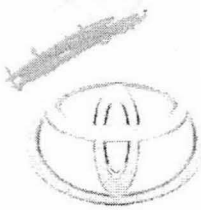
TUNDRA ACC. CAB

\$ 36,339 (with 0.9% Through Toyota)
+ Tax & Lic
OR

\$ 34,839 (NO special Rate)
+ Tax & Lic

*MSRP Manufacturer Suggested Retail Price, includes the Dealer, Processing and Handling Charge. Dealer Price on 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.

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



TOYOTA

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

2019 TACOMA SR 4X4 ACCESS CAB

Model:	7552A	Total MSRP*: \$33,588.00
Year:	2019	
Interior Color:	CEMENT GRAY	18 CITY MPG 22 HWY MPG
Exterior Color:	SUPER WHITE	
Number of Cylinders:	6	
VIN:	5TFSZ5AN6KX171268	
Stock No.:	29008	<i>V6-ACC CAB</i>

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
- Coil Spring Double Wishbone Fr &
- Leaf Spring Rr Suspension
- 16" Styld Steel Wheel w/P245/75R16 Tires

SAFETY & CONVENIENCE

- Toyota Safety Sense P: Pre-Collision Sys w/Pedestrian Detection, Dynamic Radar
- Cruise Control, Lane Departure Alert w/ Sway Warning Sys, Automatic High Beams
- Rear Backup Camera

Optional Equipment

- Dr & Fr Pass Advanced Airbag System
- Seat-Mounted Side & Side Curtain Airbags
- 3-Pt Seatbelts for All Seating Positions
- Tire Pressure Monitor System

EXTERIOR

- Projector Beam Headlights
- Pwr Side Mirrors
- 6' Composite Bed
- Deck Rail System w/4 Adj Tie-Down Cleats
- Easy Lower, Lockable & Removable Tailgate

INTERIOR

- Fabric Trim Seats w/Dr Lumbar Support
- Urethane Steering Wheel w/ Audio Cntrls
- Pwr Wndws w/Dr Auto Dwn and
- Pwr Door Locks
- Entune Audio, 6.1" Touch Screen, AM/FM/CD
- 1 USB Media Port, 2 USB Chg-Ports,
- HandsFree BT Phone/Music

*2019 MSRP includes destination charge, freight, and processing fees. Actual dealer price may vary. Dealer price does not include taxes, license, and optional equipment. Dealer price is subject to change without notice.

Disclaimer: This document is only representative of some of the information contained on our website. Dealer price and options are subject to change without notice. Please visit our website for further information.

EXHIBIT 2

**Kentucky Frontier Gas LLC
Long Term Debt Financing**

Loan Description	Issue Date	Maturity Date	Interest Rate	Original Balance	Loan Balance	Monthly Prin+Int Payment	Current Monthly Interest Pmt
System Loans with Community Trust Bank:			5.50%	<i>WSJ APR</i>	<i>projected for March 2019 pmts</i>		
SBA #1 Bel-EKU-MLG	12/30/2008	12/30/2018	6.00%	\$ 1,525,000	<i>paid off Jan19</i>		
USDA #1 Aux-Sig	4/13/2010	4/13/2025	6.00%	\$ 1,571,760	\$ 835,459	\$ 13,277	\$ 4,177
USDA #2 Aux-Sig	4/13/2010	4/13/2025	6.00%	\$ 160,431	\$ 92,827	\$ 1,475	\$ 464
SBA #2 - BTU	7/23/2012	7/23/2027	7.25%	\$ 237,000	\$ 157,617	\$ 2,041	\$ 952
SBA #3 - Public	11/2/2015	11/2/2030	7.25%	\$ 1,500,000	\$ 1,301,326	\$ 13,688	\$ 7,862
Totals				\$ 4,994,191	\$ 2,387,229	\$ 30,482	\$ 13,456 / mo
						\$ 328,778	\$ 161,471 / yr
						<i>wtd ave</i>	6.76%
Auto Loans with Community Trust Bank:					<i>projected for March 2019 pmts</i>		
2015 Chevy 2500	1/31/2015	1/31/2020	2.99%	\$ 33,695	\$ 7,804	\$ 610	\$ 19
2015 Tacoma	4/22/2015	5/22/2020	2.99%	\$ 20,000	\$ 5,717	\$ 365	\$ 14
2015 Ford F350 svc	2/2/2015	2/2/2020	2.99%	\$ 33,951	\$ 8,440	\$ 614	\$ 21
2016 Tacoma	1/14/2016	1/14/2021	2.99%	\$ 20,935	\$ 10,170	\$ 377	\$ 25
2017 Tacoma	12/6/2016	12/6/2021	2.99%	\$ 27,323	\$ 17,072	\$ 496	\$ 43
2018 Chevy 2500 svc	5/28/2018	5/28/2023	4.25%	\$ 35,000	\$ 31,602	\$ 655	\$ 112
Totals				\$ 170,903	\$ 80,805	\$ 3,117	\$ 235 / mo
						\$ 37,407	\$ 2,814 / yr

Form M: Customer Debt Schedule

Customer Name: Kentucky Frontier Gas LLC

Date: 1/5/2018

Lender	Loan Type ¹	Commitment - Loan Balance	Interest Rate	Fixed or Variable	Payment Frequency ²	Scheduled Monthly Pmt Amount ³	Total Annual Payments
CTB-SBA orig	T	\$ 270,243	4.75%	V	Monthly	\$ 19,870	\$ 238,440
CTB-USDA #1	T	949,009	6%	V	Monthly	13,277	159,327
CTB-USDA #2	T	105,444	6%	V	Monthly	1,475	17,703
CTB-SBA #2 BTU	T	172,743	6%	F	Monthly	1,973	23,682
CTB SBA #3 Public	T	1,372,379	6.00%	V	Monthly	12,738	152,856
CTB-2015 Tacoma	T	10,157	2.99%	F	Monthly	365	4,377
CTB-2015 Ch Silver	T	15,282	2.99%	F	Monthly	610	7,324
CTB-F350	T	14,880	2.99%	F	Monthly	614	7,371
CTB-2017 TACOMA	T	21,655	2.99%	F	Monthly	496	5,952
CTB-2016 Tacoma	T	13,302	2.99	F	Monthly	377	4,524
TOTALS		\$ 2,945,094	7.15%			\$ 51,796	\$ 621,555

1. Enter one of the following choices: 2. Enter monthly, quarterly, annually, et 3. Enter N/A for demand notes, lines of credit, and floor plans.

- T - Term Loan
- L - Line of Credit
- D - Demand

EXHIBIT 3

Kentucky Frontier Gas, LLC

Balance Sheet

As of December 31, 2018

02/01/19
Accrual Basis

	Dec 31, 18
ASSETS	
Current Assets	
Checking/Savings	
131 · Cash - Bank Accounts	
131.0 · Petty Cash	707.18
131.10 · CTB PRP Surcharge Account	2,614.57
131.2 · Comm Trust Bank Oper 4002506337	113,511.20
131.3 · Comm Trust Payroll #4002507509	37.47
131.7 · CTB Savings #5001856760	30,072.27
131.8 · Citizens Bank of Jackson	563.06
Total 131 · Cash - Bank Accounts	147,505.75
Total Checking/Savings	147,505.75
Accounts Receivable	
142 · Customer Accounts Receivable	563,889.94
143 · Other Accounts Receivable	33,462.00
Total Accounts Receivable	597,351.94
Other Current Assets	
108.09 · CC - Accum Deprec	-149,645.00
108.11 · BTU-Accumulated Depr	-78,166.00
115.0 · Consol - Acc Depreciation	-27,801.00
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	-53,261.00
Start Up Costs - Other	298.98
Total Start Up Costs	59,558.11
Total 173 · Organizational Account	59,558.11
Total Other Current Assets	-195,069.35
Total Current Assets	549,788.34
Fixed Assets	
101 · Utility Plant	
101.0 · Utility Plant - consolidated	
376 · Meters - Consolidated	80,661.02
376.0 · Itrons	
376.001 · CIAC/Itrons -Contrib In Aid Con	-165,327.00
376.0 · Itrons - Other	158,514.79
Total 376.0 · Itrons	-6,812.21
377 · Meter Sets	50,336.75
378 · Regulators	9,450.34
379 · Odorant System	35,864.82
381 · ESRI SYSTEM	4,185.40
Total 101.0 · Utility Plant - consolidated	173,676.12
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 · Balne-Accum Dep	-150.00
Total 108.1 · Accumulated Depreciation	-150.00
114.1 · Gas Plant Acquisition Adj	

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02/01/19

Accrual Basis

Kentucky Frontier Gas, LLC
Balance Sheet
As of December 31, 2018

	Dec 31, 18
376.01 · Mains	9,515.91
37601 · Meas & Reg Station Eq	5,980.39
380.01 · Services	16,220.74
380.02 · EKV-CIAC(Contrib In aid Constr)	-5,830.00
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	1,000,365.44
115.1 · Accumulated Provision for Amort	-467,367.00
Total 101.1 · East Kentucky Utility Plant	533,739.44
101.12 · Blaine Utility Plant	
380.04 · Meters	6,393.29
380.12 · Services	653.39
380.120 · Blaine-CIAC(contrib In aid con)	-400.00
Total 101.12 · Blaine Utility Plant	6,646.68
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)	-2,000.00
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	537,572.77
115.2 · Accum Prov for Amort of Gas Pl	-242,325.00
Total 101.2 · Mike Little Gas Plant	309,491.30
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	353,341.15
380.33 · Services	14,135.45
380.34 · BUP-CIAC(Contrib In aid const)	-383,479.42
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	658,177.82
115.3 · Accum Prov for Amort of Gas Pl	-431,673.00
Total 101.3 · Belfry Utility Plant	226,504.82
101.4 · Alert Farm Taps Utility Plant	
Distribution Plant	
381.4 · Meters	130.00

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 02/01/19
 Accrual Basis

Kentucky Frontier Gas, LLC
Balance Sheet
 As of December 31, 2018

	Dec 31, 18
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
	5,974.11
Total 114.4 · Gas Plant Acquisition Adj	5,974.11
115.4 · Accum Prov for Amort of Gas Pl	-2,567.00
	3,537.11
Total 101.4 · Alert Farm Taps Utility Plant	3,537.11
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
	61,970.10
Total 114.81 · Gas Plant Acq Adj - KFG	61,970.10
115.8 · Accum Amortization - Acquisition	-21,181.00
	40,789.10
Total 101.8 · Peoples Gas Utility Plant	40,789.10
Total 101 · Utility Plant	1,294,384.57
101.11 · BTU Purchase	
380.10 · Mains	15,105.65
380.11 · Services	14,536.81
380.121 · BTU-CIAC(contrib in aid constr)	-2,728.00
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
	333,128.40
Total 101.11 · BTU Purchase	333,128.40
101.13 · Public Gas Utility Plant	
114.13 · PGUP- Util Plant-Other	4,074.00
115.13 · PGUP-Accum Depreciation	-58,816.00
154.13 · PGUP- Inventory	2,000.00
376.13 · Mains	1,350,264.00
376.14 · New Services	11,931.76
376.15 · Meters	183,649.82
376.16 · PGUP - Regulators	31,583.00
376.17 · Meter Installation	332.12
376.18 · PGUP-CIAC(contrl in aid constr)	-22,152.62
376.35 · Line Replacement-PGUP	11,420.24
391.13 · PGUP- Office Equip	4,248.00
392.14 · Transp Equip- PGUP	72,553.00
	1,591,087.32
Total 101.13 · Public Gas Utility Plant	1,591,087.32
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(contrl in aid constr)	-11,840.00
381.09 · Meters	46,473.56
383.09 · Regulators/Detectors	21,815.00
101.9 · COW CREEK UTILITY PLANT - Other	16,699.00
	550,011.64
Total 101.9 · COW CREEK UTILITY PLANT	550,011.64
103.1 · PGUP- Accum Depreciation	-78,613.00
112 · BLAINE	

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Kentucky Frontier Gas, LLC

Balance Sheet

As of December 31, 2018

02/01/19

Accrual Basis

	Dec 31, 18
115.12 · Blaine- Accum Depreciation	-63.00
Total 112 · BLAINE	-63.00
154 · Inventory	15,133.44
380 · General Plant Assets	
391 · Office Furniture & Equipment	
391.1 · Office Furniture & Equipment	48,152.50
391.11 · Office Equip - Folder/Inserter	10,270.34
Total 391 · Office Furniture & Equipment	58,422.84
392 · Transportation Equipment	
108 · Gen Utility Plant - Accum Depr	-300,676.00
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
392.3 · 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	-6,899.57
394 · Tools, Shop & Garage Equip	22,802.26
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	1,643.19
Total 380 · General Plant Assets	197,289.62
380.15 · Meter- H Thompson	8,222.69
394.13 · PGUP- Tools, Shop, & Garage Eq	124,199.00
398 · Leasehold Improvements	22,937.62
Total Fixed Assets	4,057,718.30
Other Assets	
123 · Investment in Subsidiary Compan	
123.1 · Investment - Auxier 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	6,370,369.87
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
232 · Accounts Payable	734,347.14

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02/01/19

Accrual Basis

Kentucky Frontier Gas, LLC
Balance Sheet
As of December 31, 2018

	Dec 31, 18
Total Accounts Payable	734,347.14
Other Current Liabilities	
230 · CC-N/P DEMA	5,885.42
232.01 · Other Payables- Taxes/SEP	170,683.43
233 · Notes Payable - Assoc Co's	
233.1 · N/P IGS	27,602.80
233.8 · CC- N/P Dema	-5,885.42
233.9 · CC- N/P Auxler	192,603.58
Total 233 · Notes Payable - Assoc Co's	214,320.96
235 · Customer Deposits/Retainers	
235.1 · CC- Cust Deposits	17,545.00
235.13 · PGUP- Cust Deposits	88,825.00
235.131 · PGUP- Cust Credits	20,157.00
237 · Accrued Interest Deposits	0.44
235 · Customer Deposits/Retainers - Other	142,146.00
Total 235 · Customer Deposits/Retainers	268,673.44
239 · Accrued Other State Income Tax	175.00
241 · Sales Tax Payable	6,424.12
242 · Utility Tax Payable	13,896.10
Total Other Current Liabilities	680,058.47
Total Current Liabilities	1,414,405.61
Long Term Liabilities	
224 · Long Term Liability	
224.1 · Community Trust Bank Loan	24,275.24
224.10 · 2015 F350 Loan CTBI	8,440.30
224.11 · CTB-2015 TACOMA	6,065.23
224.12 · CTB Loan - SBA #3	1,307,185.37
224.13 · CTB LOAN-2016 TACOMA SR 4X4	9,114.70
224.15 · 2017 Toyota Tacoma 4x4 Access	17,072.10
224.16 · CTB LOAN-2018 CHEVY 2500 HD	32,139.89
224.2 · USDA Loan #1	835,459.33
224.3 · USDA Loan #2	92,827.44
224.8 · CTB Loan - SBA #2	158,680.22
224.9 · 2015 Chev Silverado Loan CTBI	8,392.02
Total 224 · Long Term Liability	2,499,651.84
Total Long Term Liabilities	2,499,651.84
Total Liabilities	3,914,057.45
Equity	
211.1 · Partner One Equity - RJO	
208.1 · Partner One Investments	31,964.26
211.1 · Partner One Equity - RJO - Other	339,195.00
Total 211.1 · Partner One Equity - RJO	371,159.26
211.2 · Partner Two Equity - SS	
208.2 · Partner Two Investments	1,136,336.00
211.2 · Partner Two Equity - SS - Other	270,719.15
Total 211.2 · Partner Two Equity - SS	1,407,055.15
211.3 · Partner Three Equity - LR	
214.3 · Partner Three Draws	249,719.15
211.3 · Partner Three Equity - LR - Other	-249,719.15
Total 211.3 · Partner Three Equity - LR	0.00
211.4 · Partner Four Equity - IGS	

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Accrual Basis

Kentucky Frontier Gas, LLC
Balance Sheet
As of December 31, 2018

	<u>Dec 31, 18</u>
208.4 · Partner Four Investments	121,580.82
214.4 · Partner Four Draws	103,365.00
211.4 · Partner Four Equity - IGS - Other	<u>-111,750.00</u>
Total 211.4 · Partner Four Equity - IGS	113,195.82
216 · Retained Earnings	-236,581.58
Net Income	<u>801,483.77</u>
Total Equity	<u>2,456,312.42</u>
TOTAL LIABILITIES & EQUITY	<u>6,370,369.87</u>

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Accrual Basis

Kentucky Frontier Gas, LLC
Profit & Loss YTD Comparison
December 2018

	Dec 18	Jan - Dec 18
Income		
405 · Management Fee Income		
405.1 · Management Fee Income - Auxier	-8,124.87	588,064.11
Total 405 · Management Fee Income	-8,124.87	588,064.11
419 · Interest Income	8.07	78.41
480 · Residential Sales	322,214.32	1,907,352.30
481 · Commercial & Industrial Sales	101,022.10	624,020.05
482 · Commercial Tax Exempt	92,464.82	534,724.36
485 · Sales-VMC	968.59	968.59
487 · Penalties & Forfeited Discounts	8,131.51	79,390.89
488 · Miscellaneous Service Revenues		
488.10 · Field Collection Fee	0.00	50.00
488.11 · Reconnection Fee	1,799.00	17,256.00
488.12 · Transfer Fee	360.00	3,720.00
488.3 · Reimbursed Expenses - Income	0.00	14,678.09
488.4 · Service Charges	1,100.00	22,025.00
488.6 · Relocate Meter Chg	0.00	450.00
488.7 · NSF	90.00	1,500.00
488.8 · Connection Fee	900.00	9,050.00
Total 488 · Miscellaneous Service Revenues	4,249.00	68,729.09
489 · Sales Tax Commission	50.00	456.40
490 · Other Income	3,128.30	42,904.14
491 · Customer Charge	59,202.00	663,709.00
Total Income	583,313.84	4,510,397.34
Cost of Goods Sold		
800 · Gas Supply Expenses		
804 · Natural Gas Purchases & Transp		
804.1 · Gas Purch - Quality	58,161.40	282,569.63
804.10 · Gas Purch-Hi Energy Gas	4,314.96	20,738.75
804.11 · Gas Purch - Jefferson Gas	160,784.27	859,854.74
804.12 · Gas Purch - Nytis Exploration	14,430.43	44,231.56
804.13 · Gas Purch - HTC Gas Company	818.97	11,204.13
804.15 · Transportation Expense-DLR	52,877.56	52,877.56
804.16 · Southern Energy, LLC	176,091.90	514,053.61
804.17 · Gas Purch - Spirit Energy	11,459.36	83,252.59
804.18 · Alternative Capital Partners	6,608.71	14,832.55
804.2 · Gas Purch - Columbia	10,442.42	85,762.01
804.20 · Gas Purch- EQT Energy, LLC	8.85	325.08
804.3 · Gas Purch - KLC	7,171.18	27,652.45
804.5 · Gas Purch - Stone Energy	1,296.75	44,112.18
804.9 · Gas Purch - Magnum Drilling	5,733.00	39,469.50

Kentucky Frontier Gas, LLC
Profit & Loss YTD Comparison
December 2018

	Dec 18	Jan - Dec 18
Total 804 · Natural Gas Purchases & Transp	510,199.76	2,080,936.34
Total 800 · Gas Supply Expenses	510,199.76	2,080,936.34
Total COGS	510,199.76	2,080,936.34
Gross Profit	73,114.08	2,429,461.00
Expense		
408 · Taxes Other Than Income Taxes		
408.3 · Property Tax	50,000.00	55,610.47
408.4 · Annual PSC Assessment	7,344.46	7,344.46
408.5 · Public Service Company Assess	12,000.00	12,000.00
408.6 · Business License Tax-Jackson	100.00	100.00
408.7 · State Annual Filing Fee	0.00	15.00
Total 408 · Taxes Other Than Income Taxes	69,444.46	75,069.93
409 · Income Taxes		
409.3 · Other State Income Taxes	175.00	175.00
Total 409 · Income Taxes	175.00	175.00
426 · Interest Exp - CTB (Line of Cr)	0.00	949.03
427 · Interest on Long-Term Debt		
427.1 · Interest on SBA Loan	194.48	7,444.59
427.10 · Interest on 2015 F350 Loan	-8.75	355.99
427.11 · Int Exp- CTB 2015 Tacoma	22.75	271.20
427.12 · Int Exp- CTB SBA #3	88,439.90	88,439.90
427.13 · Int Exp-2016 Tacoma Access	26.27	356.08
427.15 · Int Exp-CTB (2017 Tacoma)	33.50	609.92
427.16 · INT EXP- 2018 CHEVY 2500 HD	496.98	990.41
427.2 · Interest on USDA Loan #1	0.00	0.00
427.3 · Interest on USDA Loan #2	539.90	6,033.81
427.8 · Interest on SBA Loan #2	930.65	11,064.63
427.9 · Interest on Silverado Loan	34.03	378.54
Total 427 · Interest on Long-Term Debt	90,709.71	115,945.07
431 · Other Interest Expense	0.00	63.47
768 · Contract Labor	0.00	1,454.40
806 · Gas Purch-Aei Kaars	734.70	6,413.90
807 · Gas Purch-Nytis(Evan 104)	0.00	0.00
808 · Gas Purch-Nytis (Dema)	0.00	0.00
809 · Gas Purch-Cumberland Valley	0.00	0.00
849 · TRANSMISSION EXPENSES		
861 · MAINTENANCE		
867 · Maint of Other Equipment	554.04	554.04

Kentucky Frontier Gas, LLC
Profit & Loss YTD Comparison
 December 2018

	Dec 18	Jan - Dec 18
Total 861 · MAINTENANCE	554.04	554.04
Total 849 · TRANSMISSION EXPENSES	554.04	554.04
870 · DISTRIBUTION EXPENSES		
871 · DISTRIBUTION OPERATION		
874 · Mains & Services Expenses	-2,232.45	24,099.94
878 · Meter & House Regulator Exp		
878.2 · Uniforms	0.00	2,155.19
Total 878 · Meter & House Regulator Exp	0.00	2,155.19
880 · Other Expenses		
880.1 · DOT Physicals	0.00	773.50
880.10 · DIMP Program	0.00	359.45
880.2 · Travel for Tech Training	0.00	573.54
880.3 · Drug Testing	22.75	980.79
880.4 · Licenses & Permits	0.00	5,190.78
880.5 · Travel for Members	532.32	5,714.40
880.6 · Training	0.00	11,352.90
880.8 · Easements	0.00	389.44
Total 880 · Other Expenses	555.07	25,334.80
Total 871 · DISTRIBUTION OPERATION	-1,677.38	51,589.93
884 · DISTRIBUTION MAINTENANCE		
893 · Maint of Meters & House Reg	0.00	6,928.69
894 · Maint of Other Equipment	-403.19	6,951.11
Total 884 · DISTRIBUTION MAINTENANCE	-403.19	13,879.80
Total 870 · DISTRIBUTION EXPENSES	-2,080.57	65,469.73
900 · CUSTOMER ACCOUNTS EXPENSES		
900.1 · CUSTOMER ACCT OPERATION		
904 · Uncollectible Accounts	30,546.30	30,546.30
905 · Misc Customer Accounts Exp		
905.2 · Postage and Delivery	2,143.57	26,910.61
905.3 · Printing and Reproduction	459.64	4,979.04
Total 905 · Misc Customer Accounts Exp	2,603.21	31,889.65
Total 900.1 · CUSTOMER ACCT OPERATION	33,149.51	62,435.95
Total 900 · CUSTOMER ACCOUNTS EXPENSES	33,149.51	62,435.95
906 · CUSTOMER SERVICE & INFORMATION		
906.1 · C S & I OPERATION		
909 · Inform & Instruc Advert Exp		

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Accrual Basis

Kentucky Frontier Gas, LLC
Profit & Loss YTD Comparison
December 2018

	Dec 18	Jan - Dec 18
909.1 · Web Support	126.53	3,595.89
Total 909 · Inform & Instruc Advert Exp	126.53	3,595.89
Total 906.1 · C S & I OPERATION	126.53	3,595.89
Total 906 · CUSTOMER SERVICE & INFORMATION	126.53	3,595.89
918 · ADMINISTRATIVE & GENERAL EXP		
919 · ADMIN & GEN OPERATION		
920 · Admin & General Salaries		
920.2 · Payroll Administration Expenses	371.62	5,652.05
Total 920 · Admin & General Salaries	371.62	5,652.05
921 · Office Supplies and Expenses		
921.10 · Meals and Entertainment	0.00	377.11
921.11 · Travel	450.38	1,470.19
921.12 · Credit Cd Charges	2,244.65	22,633.94
921.2 · Office Supplies & Expense	2,918.67	22,302.52
921.3 · Bank Service Charges	1,033.00	1,770.00
921.4 · Computer Software	1,241.11	31,147.75
921.7 · Dues and Subscriptions	0.00	895.44
921.8 · Telephone and Fax	2,740.36	35,538.43
921.9 · Utilities	569.48	7,232.29
921 · Office Supplies and Expenses - Other	0.00	281.69
Total 921 · Office Supplies and Expenses	11,197.65	123,649.36
923 · Outside Services Employed		
923.2 · Outside Services - Accounting	0.00	4,305.83
923.3 · Outside Services - Engineering	83,185.83	111,928.18
923.4 · Outside Services - Legal	6,529.25	13,846.00
923.7 · Outside Serv-Consulting	0.00	873.60
Total 923 · Outside Services Employed	89,715.08	130,953.61
924 · Insurance		
924.1 · Auto Insurance	0.00	22,776.92
924.2 · General Liability Insurance	0.00	12,114.62
924.3 · Life Insurance	523.09	2,975.93
924.4 · Property Insurance	0.00	2,202.69
924.5 · Worker's Compensation	0.00	8,342.21
Total 924 · Insurance	523.09	48,412.37
926 · Employee Pensions & Benefits	73,903.23	165,094.25
930.1 · General Advertising Expenses	0.00	0.00
930.2 · Miscellaneous General Expenses	88.73	955.37

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Accrual Basis

Kentucky Frontier Gas, LLC
Profit & Loss YTD Comparison
December 2018

	Dec 18	Jan - Dec 18
931 · Rents	2,730.00	32,760.00
919 · ADMIN & GEN OPERATION - Other	0.00	0.00
Total 919 · ADMIN & GEN OPERATION	178,529.40	507,477.01
Total 918 · ADMINISTRATIVE & GENERAL EXP	178,529.40	507,477.01
932 · MAINTENANCE OF GENERAL PLANT		
932.0 · Maint of General Plant - Garage	0.00	102.62
932.1 · Repairs		
Equipment Repairs		
Transportation Equipment	2,601.26	15,977.26
Equipment Repairs - Other	23.07	6,524.04
Total Equipment Repairs	2,624.33	22,501.30
Total 932.1 · Repairs	2,624.33	22,501.30
932.3 · Tools & Equipment	0.00	376.42
932.4 · Transportaion Equipment Fuel	3,324.98	51,491.80
Total 932 · MAINTENANCE OF GENERAL PLANT	5,949.31	74,472.14
933 · Transportation Exp	0.00	0.00
981 · Interest Expense-Meter Deposit	3,084.30	3,200.56
990 · PAYROLL		
Employer CO State Unemployment	0.00	222.82
991 · Employee Wages	46,601.24	653,959.13
992 · Employer Social Security	2,933.93	40,892.20
993 · Employer Medicare	686.18	9,563.70
994 · Employer FUTA	12.32	859.03
995 · Employer KY State Unemployment	51.35	4,915.73
996 · Garnishment	0.00	288.50
Total 990 · PAYROLL	50,285.02	710,701.11
Total Expense	430,661.41	1,627,977.23
Net Income	-357,547.33	801,483.77