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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**RESPONSE**

Kentucky Frontier Gas, LLC (Kentucky Frontier), by counsel, responds to the commission's letter of February 14, 2109, which requested the following information:

- (1) 807 KAR 5:001: Section 18 (1) (c) – 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

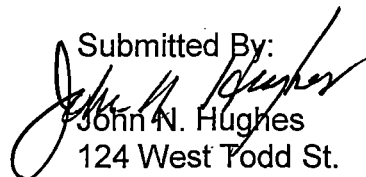
(1) The terms and interest rate for the proposed notes to finance two trucks cannot be known until the loans are executed. The notes cannot be executed until Frontier has received approval to incur the debt as required by KRS 278.300. The proposed terms were included in exhibit 1 of the application. 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. Currently, CBT of Pikeville offers 5.75% on 60 months loans. Toyota is offering through the 28<sup>th</sup> of this month 0.00% on 60 months for the Tundra and 3.9% for

the Tacoma. These rates are 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.

(2) The contracts for the purchase of the trucks cannot be provided until executed. As explained in (1), 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).

Submitted By:



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