



March 11, 2019

Gwen Pinson, Executive Director
Kentucky Public Service Commission
Frankfort, KY 40602

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PUBLIC SERVICE
COMMISSION

Re: Case 19-0018 Transfer of Ky Frontier Gas

On March 6 in this Case, the Commission approved the transfer of interest in the ownership of Kentucky Frontier Gas LLC. Member Larry Rich has retired, and intends to transfer his ownership to member Steven Shute.

Section 2 directs that "Mr. Shute shall notify the Commission in writing of the closing of the transaction with(in) ten days of the closing."

Under the terms of the Agreement for Sale of Interest as filed with this case, the effective date of the transaction is December 31, 2018. Mr. Shute made a down payment to Mr. Rich on that date. Under the terms of the Financing Agreement, Mr. Shute made a second payment on January 29. The remaining balance (about 27% of the agreed price) is to be paid in January 2020 and January 2021, the payment plan intended to stretch over 4 tax years.

Both agreements are "subject to the consideration and approval by the Kentucky Public Service Commission" with interest reversion and return of funds clauses if not approved.

With the approval for the transfer made by the Commission, the parties agree the transaction should be considered to be consummated, with a Closing Date of March 6 and Effective Date of December 31, 2018.

Sincerely,

Steven Shute
Member-Manager

Beth Rich Davis, POA for
Larry Rich, Member Manager

Kentucky Frontier Gas LLC

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