COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF AMERIGAS PARTNERS,)	
L.P. AND COMMERCIAL PROPANE SERVICE LLC)	
FOR APPROVAL OF COMMERCIAL PROPANE)	CASE NO. 2014-00250
SERVICE LLC'S ACQUISITION OF AMERIGAS)	
PARTNERS, L.P.'S UTILITY ASSETS IN OLD BRIDGE)	
SUBDIVISION, DANVILLE, KENTUCKY)	

VERIFIED JOINT APPLICATION

AmeriGas Partners, L.P. ("AmeriGas") and Commercial Propane Service LLC ("CPS"), by counsel, pursuant to KRS 278.020(5) and (6), 807 KAR 5:001, and all other applicable statutes and regulations, for their Verified Joint Application for approval of CPS's acquisition of the utility assets of AmeriGas in the Old Bridge Subdivision of Danville, Kentucky, state as follows:

Introduction

AmeriGas Partners, L.P. is a publicly traded Delaware master limited partnership that operates the nation's largest retail propane distribution business. AmeriGas's contact person for utility matters in Kentucky is Rick Harris, District Manager, AmeriGas Propane, L.P., 103 Brooke Street, Burgin, Kentucky, 40310 (rick.harris@amerigas.com). AmeriGas d/b/a Bright's Propane Service, Inc. currently operates the utility system providing propane service to customers in the Old Bridge Subdivision, Danville, Kentucky ("Old Bridge System").

Commercial Propane Service LLC is a Kentucky limited-liability company that provides bottled-gas service to customers in Kentucky, installs bulk-plant storage facilities, and repairs and services commercial propane systems. (CPS's Operating Agreement is attached hereto as

¹ Bright's Propane Service, Inc. is the utility currently operating the Old Bridge System. Bright's Bottle Gas is a non-utility entity that will be limitedly involved in the operation of the Old Bridge System following the proposed acquisition by CPS, as further explained in the accompanying testimony of Rick Harris.

Exhibit 1, CPS's Liquefied Petroleum Gas License is attached hereto as **Exhibit 2**.) CPS's contact person is Michael W. Roberts, Owner and President, Commercial Propane Service LLC, 160 Sulphur Springs Road, Lebanon, KY, 40033 (MikeRobertsCPS@gmail.com).

As this application demonstrates, CPS possesses the technical, financial, and managerial capacity to operate a gas utility in the Commonwealth, and the public interest will be served by the Commission's approval of this application.

The Transaction

On July 17, 2014, AmeriGas and CPS entered into a Purchase and Sale Agreement ("Agreement") under which CPS acquired the utility operations of AmeriGas for total consideration of \$5,000 plus the wholesale cost of gas in the utility's supply tanks on the effective date of the transfer. (A copy of the Agreement and all attachments is attached hereto as **Exhibit 3**.) Prior to executing the Agreement, AmeriGas performed a system inspection, including leak tests, to assure CPS that the Old Bridge System is in a safe and operable condition (a copy of the system-inspection certification is attached hereto as **Exhibit 4**). The proposed effective date of transfer is the first day of the first calendar month following the Commission's Order approving the proposed transfer.

Technical, Financial, and Managerial Abilities

KRS 278.020(5) requires a showing that an acquirer of a utility demonstrate the technical, financial, and managerial abilities to provide service. That standard is met.

CPS, a locally owned and operated business with years of experience in the propane business, will ensure the continuing viability of the Old Bridge System. CPS's Owner and President, Michael W. Roberts, has 35 years of experience in the propane business, having begun his career in 1979 as a propane-equipment salesman at Dealers LP Equipment Company. In 1993, Mr. Roberts formed Bluegrass Meter to rebuild propane meters, compressors, and pumps.

Approximately 15 years ago, Bluegrass Meter became CPS and expanded its services to include bulk-plant installations and underground piping for commercial-scale tanks. CPS has operated throughout the Southeastern and Eastern United States, offering a wide range of services including bottled-gas service and propane-system installations, inspections, and repairs. From storage-tank installations for AmeriGas to bottled-gas service for customers located between Lebanon and New Haven, Kentucky, CPS has the experience and technical ability to provide safe and reliable propane service to AmeriGas's utility customers. Furthermore, the employees responsible for the direction and day-to-day operations of CPS are experienced and well-qualified:

Michael W. Roberts, Owner and President. Mr. Roberts has 35 years of experience in the propane business, is licensed in Kentucky as the owner of a liquefied petroleum business, and attended and passed the National Propane Gas Association's Certified Employee Training Program. Documents demonstrating his qualifications are attached hereto as **Exhibit 5**.

Ronald Humphrey. Mr. Humphrey has been with CPS for nearly four years. Mr. Humphrey's experience includes piping large commercial tanks, proving meters, removing plants, setting residential tanks, and hydro-testing and inspecting propane trucks.

Chuck Howell, Bobtail Driver. Mr. Howell has been with CPS for five months. He has a commercial driver's license, and is hazardous material certified. Prior to joining CPS, Mr. Howell worked for Marion County Road Department. Documents demonstrating his qualifications are attached hereto as **Exhibit 6**.

Adrian Roberts, Office Manager. Ms. Roberts has been with CPS for five years. She has a bachelor's degree in business management, and is responsible for accounts receivable, accounts payable, customer service, and employee management.

These qualified and experienced personnel will ensure that AmeriGas's customers continue to receive the same level of service under CPS's ownership as they experienced prior to and during AmeriGas's ownership.

CPS is currently a debt-free business, and will remain so upon its acquisition of the Old Bridge System. (A copy of CPS's financial information for the years 2011 through 2014 is attached hereto as **Exhibit 7.**) CPS had net profit of \$51,909 in 2011, \$52,897 in 2012, and \$86,682 in 2013. As of July 1, 2014, CPS had approximately \$594,700 in assets.

CPS is also well insured, carrying a \$2 million property and casualty policy issued by Auto-Owners Insurance. (A copy of that policy is attached hereto as **Exhibit 8**.)

Mr. Roberts has ample experience managing employees, having owned and operated propane businesses for more than 20 years. Throughout this time, Mr. Roberts has managed many employees. Moreover, Adrian Roberts, CPS's Office Manager, has a bachelor's degree in business management and five years of experience managing employees at CPS. Given the wide range of services CPS provides, Mr. Roberts and his employees have the experience necessary to meet the various needs of a varied customer base. Since beginning bottled service in November 2013, CPS has supplied 59,000 gallons of propane to 82 customers. Therefore, the customer-service infrastructure necessary to serve this side of CPS's business is ready and able to meet the needs of AmeriGas's current utility customers.

The Proposed Transfer Will Be in Accordance with Law, for a Proper Purpose, and Consistent with the Public Interest

KRS 278.020(6) requires the Commission to approve any proposed acquisition of utility assets that is "to be made in accordance with law, for a proper purpose and is consistent with the public interest."

As shown above and in the testimonies of Messrs. Roberts and Harris supporting this application, the proposed transfer satisfies the financial, technical, and managerial abilities requirement of KRS 278.020(5), and is otherwise in accordance with applicable law.

The proposed transfer is also for a proper purpose. CPS desires to own and operate the Old Bridge System indefinitely, providing the same safe and reliable service to which Old Bridge customers are accustomed. Keeping the Old Bridge System a functioning utility is a proper purpose.

The public interest standard of KRS 278.020(6) is also met. The Commission has defined the "public interest" standard to require a showing either that the transfer "will not adversely affect the existing level of utility service or rates *or* that any potentially adverse effects can be avoided through the commission's imposition of reasonable conditions on the acquiring party."²

The transfer will not adversely affect customers on the Old Bridge System. They will continue to receive service upon the terms and conditions under which their service is currently provided (an Adoption Notice so stating will be filed upon Commission approval of this application). Furthermore, CPS has the customer-service infrastructure necessary to support the Old Bridge System, and has had an A+ rating with the Better Business Bureau for the last three years (recognition from the Better Business Bureau is attached hereto as **Exhibit 9**).

Although the Commission should have no concerns as to CPS's acquisition of the Old Bridge System, it has found in prior transfer proceedings that even if serious concerns exist, the transfer may still be approved upon reasonable conditions. When ALLTEL Inc. acquired the Kentucky assets of Verizon South, Inc., for example, the Commission noted that another state commission had found that ALLTEL had provided "substandard customer service," including "excessive hold time, significant billing errors, excessive static, and untimely service repair."

² Application for Approval of the Transfer of Control of Kentucky-American Water Company to RWE Aktiengesellschaft and Thames Water Aqua Holdings GmbH, Case No. 2002-00018, Order at 7 (May 30, 2002).

³ In the Matter of: Petition by ALLTEL Corporation to Acquire the Kentucky Assets of Verizon South, Inc., Case No. 2001-00399, Order at 6 (Feb. 13, 2002).

Still, the transfer was approved upon the imposition of conditions including corrective action and service quality reports, and regular meetings with Commission staff.

This application presents no such issues. However, the ALLTEL acquisition demonstrates that, even when such issues exist, they can be cured by the ordering of appropriate conditions.

The public interest standard is met.

Conclusion

AmeriGas and CPS stand ready to meet with Commission Staff to discuss this application further and to provide any additional information related to the acquisition that the Commission deems necessary. AmeriGas and CPS respectfully request that the application be approved.

Dated: July 18, 2014

Respectfully submitted,

W. Duncan Crosby III Joseph T. Mandlehr

Stoll Keenon Ogden PLLC

2000 PNC Plaza

500 West Jefferson Street

Louisville, Kentucky 40202

Telephone: (502) 333-6000

duncan.crosby@skofirm.com

joseph.mandlehr@skofirm.com

Counsel for Applicants,

AmeriGas Partners, L.P. and

Commercial Propane Service LLC

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VERIFICATION

COMMONWEALTH OF KENTUCKY

COUNTY OF Jeffersun, ss:

The undersigned, **Michael W. Roberts**, being duly sworn, deposes and says he is the Owner and President of Commercial Propane Service LLC, that he has personal knowledge of the matters set forth in the foregoing verified application, and the statements contained therein are true and correct to the best of his information, knowledge and belief.

Michael W. Roberts

Subscribed and sworn to before me, a Notary Public in and before said County and State,

this // day of July 2014.

otary Public

My Commission Expires:



VERIFICATION

COMMONWEALTH OF KENTUCKY

COUNTY OF Jestersun, ss:

The undersigned, **Rick Harris**, being duly sworn, deposes and says he is the District Manager for AmeriGas Propane, L.P., that he has personal knowledge of the matters set forth in the foregoing verified application, and the statements contained therein are true and correct to the best of his information, knowledge and belief.

Rick Harris

Subscribed and sworn to before me, a Notary Public in and before said County and State,

this /7 day of July 2014.

Hotary Public (SEAL)

My Commission Expires:

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Commercial Propane Service LLC

Operating Agreement

- A. THIS OPERATING AGREEMENT of Commercial Propane Service LLC (the "Company") is entered into as of the date set forth on the signature page hereto by each of the persons named in Exhibit A hereto (referred to individually as a Member and collectively as the Members).
- B. The Members have formed a limited liability company under the Kentucky Limited Liability Company Act. The articles of organization of the Company filed with the Kentucky Secretary of State are hereby adopted and approved by the Members.
- C. The Members enter into this agreement to provide for the governance of the Company and the conduct of its business, and to specify their relative rights and obligations.

NOW THEREFORE, the Members agree as follows:

ARTICLE 1: DEFINITIONS

Capitalized terms used in this agreement have the meanings specified in this Article or elsewhere in this agreement and when not so defined shall have the meanings set forth in the Kentucky Limited Liability Company Act.

"Capital Contribution" means the amount of cash, property or services contributed to the Company.

"Company" means Commercial Propane Service LLC, a Kentucky limited liability company.

"Member" means a Person who acquires Membership Interests, as permitted under this agreement, and who becomes or remains a Member.

"Membership Interests" means either Percentage Interest or Units, based on how ownership in the Company is expressed on <u>Exhibit A</u>.

"Percentage Interest" means a percent ownership in the Company entitling the holder to an economic and voting interest in the Company.

"Person" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, whether domestic or foreign.

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"Unit" means a unit of ownership in the Company entitling the Member holding such Unit to an economic interest and a voting interest in the Company.

ARTICLE 2: CAPITAL AND CAPITAL CONTRIBUTIONS

- 2.1 Initial Capital Contributions and Membership Interests. The Capital Contributions of the initial Members, as well as the Membership Interests of each Member, are listed in Exhibit A, which is made part of this agreement. Membership Interests in the Company may be expressed either in Units or directly in Percentage Interests.
- 2.2 **Subsequent Contributions**. No Member shall be obligated to make additional capital contributions unless unanimously agreed by all the Members.
- 2.3 Capital Accounts. Individual capital accounts may be maintained for each Member consisting of that Member's Capital Contribution, (1) increased by that Member's share of profits, (2) decreased by that Member's share of losses and company expenses, (3) decreased by that Member's distributions and (4) adjusted as required in accordance with applicable tax laws.
- 2.4 Interest. No interest shall be paid on Capital Contributions or on the balance of a Member's capital account.
- 2.5 **Limited Liability**. A Member shall not be bound by, or be personally liable for, the expenses, liabilities, or obligations of the company except as otherwise provided in this agreement or as required by law.

ARTICLE 3: ALLOCATIONS AND DISTRIBUTIONS

- 3.1 Allocations. The profits and losses of the Company and all items of Company income, gain, loss, deduction, or credit shall be allocated, for Company book purposes and for tax purposes, pro rata in proportion to relative Membership Interests held by each Member.
- 3.2 **Distributions**. The Company shall have the right to make distributions of cash and property to the Members pro rata based on the relative Membership Interests. The timing and amount of distributions shall be determined by the Members in accordance with Kentucky law.
- 3.3 Limitations on Distributions. The Company shall not make a distribution to a Member if, after giving effect to the distribution:
 - (a) The Company would be unable to pay its debts as they become due in the usual course of business, or

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- (b) A copy of the articles of organization and any amendments;
- (c) Copies of the Company's federal, state, and local income tax or information returns and reports, if any, for the three most recent taxable years; and
- (d) An original executed copy or counterparts of this agreement and any amendments.
- 5.3 **Income Tax Returns**. Within 45 days after the end of each taxable year, the Company shall use its best efforts to send to each of the Members all information necessary for the Members to complete their federal and state income tax or information returns and a copy of the Company's federal, state, and local income tax or information returns for such year.
- 5.4 Tax Matters Member. Michael W. Roberts shall act as tax matters member of the Company to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities and to expend Company funds for professional services and costs associated therewith.

ARTICLE 6: MEMBERSHIP--MEETINGS, VOTING

- 6.1 Members and Voting Rights. Members shall have the right and power to vote on all matters with respect to which this agreement or Kentucky law requires or permits such Member action. Voting shall be based on Membership Interests. Unless otherwise stated in this Agreement or under Kentucky law, the vote of the Members holding a majority of the Membership Interests shall be required to approve or carry an action.
- 6.2 **Meetings**. Regular or annual meetings of the Members are not required but may be held at such time and place as the Members deem necessary or desirable for the reasonable management of the Company.

In any instance in which the approval of the Members is required under this agreement, such approval may be obtained in any manner permitted by Kentucky law, including by conference telephone or similar communications equipment. In addition, any action which could be taken at a meeting can be approved without a meeting and without notice if a consent in writing, stating the action to be taken, is signed by the holders of the minimum Membership Interest needed to approve the action.

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ARTICLE 7: WITHDRAWAL AND TRANSFERS OF MEMBERSHIP INTERESTS

- 7.1 Withdrawal. A Member may withdraw from the Company prior to the dissolution and winding up of the Company with the unanimous consent of the other Members, or if such Member transfers or assigns all of his or her Membership Interests pursuant to Section 7.2 below. A Member which withdraws pursuant to this Section 7.1 shall be entitled to a distribution in an amount equal to such Member's Capital Account.
- 7.2 Restrictions on Transfer. A Member may transfer Membership Interests to any other Person without the consent of any other Member. A person may acquire Membership Interests directly from the Company upon the written consent of all Members. A person which acquires Membership Interests in accordance with this section shall be admitted as a Member of the Company after the person has agreed to be bound by the terms of this Operating Agreement by executing a consent in the form of Exhibit C.

ARTICLE 8: DISSOLUTION AND WINDING UP

- 8.1 Dissolution. The Company shall be dissolved upon the first to occur of the following events:
 - (a) The vote of Members holding a majority of the outstanding Membership Interests to dissolve the Company.
 - (b) Entry of a decree of judicial dissolution under Section 275.290 of the Kentucky Limited Liability Company Act.
 - (c) Filing of a Certificate of Dissolution by the Secretary of State under Section 275.295 of the Kentucky Limited Liability Company Act.
- 8.2 No automatic dissolution upon certain events. Neither the death, incapacity, disassociation, bankruptcy or withdrawal of a Member shall automatically cause a dissolution of the Company.

ARTICLE 9: INDEMNIFICATION

9.1 Indemnification. The Company shall have the power to indemnify any Person who was or is a party, or who is threatened to be made a party, to any proceeding by reason of the fact that such Person was or is a Member, Manager, officer, employee, or other agent of the Company, or was or is serving at the request of the Company as a director, manager, officer, employee, or other agent of another limited liability company, corporation, partnership, joint venture, trust, or other enterprise, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by such Person in connection with such proceeding, if

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such Person acted in good faith and in a manner that such Person reasonably believed to be in the best interests of the Company, and, in the case of a criminal proceeding, such Person had no reasonable cause to believe that the Person's conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Person did not act in good faith and in a manner that such Person reasonably believed to be in the best interests of the Company, or that the Person had reasonable cause to believe that the Person's conduct was unlawful.

To the extent that an agent of the Company has been successful on the merits in defense of any proceeding, or in defense of any claim, issue, or matter in any such proceeding, the agent shall be indemnified against expenses actually and reasonably incurred in connection with the proceeding. In all other cases, indemnification shall be provided by the Company only if authorized in the specific case unanimously by all of the Members.

"Proceeding," as used in this section, means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative.

9.2 Expenses. Expenses of each Person indemnified under this agreement actually and reasonably incurred in connection with the defense or settlement of a proceeding may be paid by the Company in advance of the final disposition of such proceeding, as authorized by the Members who are not seeking indemnification upon receipt of an undertaking by such Person to repay such amount unless it shall ultimately be determined that such Person is entitled to be indemnified by the Company.

"Expenses," as used in this section, includes, without limitation, attorney fees and expenses of establishing a right to indemnification, if any, under this section.

ARTICLE 10: GENERAL PROVISIONS

- 10.1 Entire Agreement; Amendment. This agreement constitutes the whole and entire agreement of the parties with respect to the subject matter of this agreement, and it shall not be modified or amended in any respect except by a written instrument executed by all of the Members. This agreement replaces and supersedes all prior written and oral agreements by and among the Members.
- 10.2 Governing Law; Severability. This agreement shall be construed and enforced in accordance with the internal laws of the State of Kentucky. If any provision of this agreement is determined by any court of competent jurisdiction or arbitrator to be invalid, illegal, or unenforceable to any extent, that provision shall, if possible, be construed as though more narrowly drawn, if a narrower construction would avoid such invalidity, illegality, or unenforceability or, if that is not possible, such provision shall, to the extent of such invalidity, illegality, or unenforceability, be severed, and the remaining provisions of this agreement shall remain in effect.

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- 10.3 Benefit. This agreement shall be binding on and inure to the benefit of the parties and their heirs, personal representatives, and permitted successors and assigns.
- 10.4 **Number and Gender**. Whenever used in this agreement, the singular shall include the plural and the plural shall include the singular, and the neuter gender shall include the male and female as well as a trust, firm, company, or corporation, all as the context and meaning of this agreement may require.
- 10.5 No Third Party Beneficiary. This agreement is made solely for the benefit of the parties to this agreement and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this agreement.

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IN WITNESS WHEREOF, the parties have executed or caused to be executed this Operating Agreement as of the date below.

Dated: /-2-Zo/0

Michael W. Roberts

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EXHIBIT A

MEMBERS

The following persons are the initial Members of the Company, and their initial capital contributions and ownership is set forth below.

Name Michael W. Roberts

Capital Contribution (\$) \$25,000.00

Percentage Interest 100%

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EXHIBIT B

OFFICERS

The following person(s) are elected as officers of the Company:

Name of Officer Michael W. Roberts

<u>Title</u> President

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EXHIBIT C

NEW MEMBER'S CONSENT

The undersigned agrees to be bound as a Member by the terms of the Operating Agreement of Commercial Propane Service LLC as if the undersigned was a signatory thereof.

(Signature)
Name: Michael L. Rebarts

Date: 1-2-2010

Commercial Propane Service LLC

160 Sulphur Springs Rd

Lebanon KY 40033

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DIVISION OF FIRE PREVENTION - HAZARDOUS MATERIALS SECTION DEPARTMENT OF HOUSING, BUILDINGS & CONSTRUCTION 101 SEA HERO RD SUITE 100

Liquefied Petroleum Gas License Number: LLP0001443 A FRANKFORT KENTUCKY 40601-5405 PHONE NUMBER 502-573-1702

Expiration Date Of License: 11/30/2014 Location Owner: Michael Wayne Roberts

THIS LOCATION IS HEREBY PERMITTED TO ENGAGE IN THE LIQUEFIED PETROLEUM GAS BUSINESS AS REQUESTED AND IN ACCORDANCE WITH THE KENTUCKY REVISED STATUTES SECTION 234.120. A NEW LICENSE IS REQUIRED IF OWNERSHIP CHANGES FROM THE LOCATION OWNER LISTED ABOVE.

Willem Swope, State Fire Marshal

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is entered into this 17th day of July 2014 by and between **AMERIGAS PARTNERS**, **L.P.**, a Delaware master limited partnership, whose address is 460 North Gulph Road, King of Prussia, PA 19406 ("Seller"), and **COMMERCIAL PROPANE SERVICE LLC**, a Kentucky limited liability company, whose address is 160 Sulphur Springs Road, Lebanon, KY 40033 ("Purchaser").

WITNESSETH:

WHEREAS, Seller desires to sell and transfer to Purchaser, and Purchaser desires to acquire and purchase from Seller, all of Seller's right, title, and interest in the hereinafter described assets of Seller, all of which are owned and used in connection with the propane gas distribution utility system owned and operated by Seller in Old Bridge Subdivision in Boyle County, Kentucky (the "System");

WHEREAS, both parties acknowledge that the System is a utility as defined by KRS 278.010(3), and therefore is subject to the jurisdiction of the Kentucky Public Service Commission, as is the transaction contemplated by this Agreement under KRS 278.020(5) and (6); and

WHEREAS, in order to effectuate such transaction, each of the parties hereto is willing to execute this Agreement and to be bound hereby.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. PURCHASE AND SALE OF ASSETS.

<u>Section 1.1</u> <u>Assets to Be Sold by Seller.</u> Subject to and upon the terms and conditions set forth in this Agreement, Seller will transfer, convey, assign, and deliver to Purchaser, and Purchaser will purchase and acquire, at the Closing hereunder, all of Seller's right, title, and interest in and to the following described assets of Seller, which relate to the System (collectively the "Assets"). The Assets include, without limitation, all of the following:

- (a) all leases, easements, rights-of-way, and other agreements granting Seller the right and authority to establish, operate, and maintain the System and the Assets in their present location (hereinafter the "Easements") and the privileges and appurtenances thereunto belonging, including without limitation all of Seller's right, title and interest, if any, in and to those Easements shown on the plats attached hereto as Exhibit 1.1(a);
- (b) all machinery, equipment, tools, propane gas distribution and service pipelines and appurtenant facilities, tanks (both above ground and below ground), and other personal property and fixed assets owned or leased by Seller and used by Seller exclusively in connection with the System (the "Personal Property"), all of which are more particularly described on Exhibit 1.1(b) attached hereto;

- (c) all of Seller's inventory of propane gas in the tanks (both above ground and below ground) and in the delivery and service pipelines for the System as of the Closing Date (the "Inventory");
- (d) all of Seller's right, title and interest in the commercial, industrial and residential contract and non-contract customer accounts, customer account contracts, and other rights to provide services to the customers of Seller on the System (the "Customer Accounts");
- (e) all of Seller's permits, franchises, licenses and governmental approvals relating exclusively to the System, to the extent assignable by Seller (the "Permits");
- (f) all operating data, books, files, documents and records of Seller relating exclusively to the ownership and operation of the System, including, without limitation, customer lists, financial and accounting records, and other similar documents and records (the "Records"); and
- (g) all contracts, agreements and arrangements between Seller and any other party which are exclusively related to the ownership or operation of the System, all of which are more particularly described on Exhibit 1.1(g) attached hereto (the "Contracts").
- <u>Section 1.2</u> <u>Excluded Assets.</u> Anything to the contrary in Section 1.1 notwithstanding, the Assets shall not include the following assets of Seller (collectively the "Excluded Assets"):
 - (a) all accounts receivable relating to the System accrued prior to the Closing Date, as hereinafter defined;
 - (b) all accounts and funds of the Seller relating to or arising from the ownership or operation of the System, including all bank accounts, checking accounts, funds and cash of Seller; and
 - (c) any and all assets of Seller, including those located in the Old Bridge Subdivision, not used solely for the utility service Seller provides through the System.

Section 1.3 Purchase Price. In consideration of the sale, transfer, assignment, and delivery of the Assets by Seller to Purchaser, and in reliance upon the representations and warranties made herein by Seller, Purchaser shall pay Seller, in full payment thereof, a purchase price equal to the sum of (i) Five Thousand Dollars (\$5,000.00) (the "Asset Price"), and (ii) the value of the propane gas contained in the tanks being transferred hereunder on the Closing Date, as hereafter defined (the "Gas Price", and collectively with the Asset Price, the "Purchase Price"), which value will be calculated on the Closing Date using Seller's inventory and wholesale cost data as of the Closing Date. The Purchase Price shall be paid in full at the Closing, as hereinafter defined. The Asset Price will be allocated to the propane storage tanks included in the Assets.

- <u>Section 1.4</u> <u>No Liabilities Assumed by Purchaser.</u> Seller and Purchaser acknowledge and agree that Purchaser is not assuming responsibility for and shall have no liability for any debts, obligations, or liabilities of Seller or otherwise with respect to or arising in connection with the ownership or operation of Assets or the System prior to Closing.
- **2.** <u>CLOSING.</u> The Closing shall take place at 1:00 p. m. local time on the last day of the System's billing cycle immediately following the date on which the Kentucky Public Service Commission issues its approval of the sale of the Assets contemplated herein (the "Closing Date"), provided that if the Closing occurs on any other date, the closing shall be deemed to have occurred on the Closing Date. The Closing shall be held at the offices of Stoll Keenon Ogden PLLC in Lexington, Kentucky, or such other place as the parties may agree upon.
- 3. <u>REPRESENTATIONS AND WARRANTIES BY SELLER.</u> Seller represents and warrants to Purchaser as follows:
- Section 3.1 Organization. Seller is a master limited partnership duly organized and validly existing under the laws of the State of Delaware, with all requisite right and corporate power and authority to enter into this Agreement and the related agreements referred to herein and to carry out the transactions contemplated by this Agreement.
- Section 3.2 Execution, Delivery and Performance of Agreement; Authority. Seller has the full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby, with all proceedings required to be taken by it to authorize the execution, delivery and performance of this Agreement and the agreements relating hereto having been properly taken. This Agreement constitutes a valid and binding obligation of Seller enforceable against it in accordance with its terms.
- Section 3.3 Consents and Approvals. Seller has obtained all necessary consents and approvals, including lessor and other third-party consents and approvals, necessary to permit Purchaser to acquire and to properly and legally own, operate, and manage the Assets and the System.
- Section 3.4 Contracts. Seller has delivered to Purchaser true, correct, and complete copies of each of the Contracts. Each of the Contracts is in full force and effect according to its terms, and neither the Seller nor, to the best of Seller's knowledge, any other party to any of the Contracts is in default of any term or condition of any of the Contracts. Except for the Contracts, Seller is not a party to, nor are any of the Assets bound by, any other agreement or instrument material to the ownership of the Assets or the operation of the System or with respect to which a default might adversely affect the Seller, the Assets, or the System.
- <u>Section 3.5</u> <u>Customer Accounts.</u> Seller has provided Purchaser with a true, accurate, and complete listing of all of Seller's Customer Accounts, and will provide an updated listing on the Closing Date.
- <u>Section 3.6</u> <u>Litigation.</u> Excepting the administrative proceeding before the Kentucky Public Service Commission concerning Seller and its attempt to abandon the System (Case No. 2013-00332), there is no claim, legal action, suit, arbitration, governmental investigation, or other legal or administrative proceeding, nor any order, decree, or judgment in

progress, pending or in effect, or to the knowledge of the Seller threatened, against or relating to the System, the Assets, or the transactions contemplated by this Agreement.

- Section 3.7 Compliance with Laws and Other Instruments. Seller has complied in all material respects with all existing laws, rules, regulations, ordinances, orders, judgments, and decrees now or hereafter applicable to its operation of the System as presently conducted or the Assets. Seller has all permits and other authorizations necessary for the operation and maintenance of the System and all such permits and authorizations are in full force and effect and Seller has fully and timely complied with the terms and conditions thereof.
- Section 3.8 <u>Title to Assets.</u> Seller has good and marketable title to the Assets; provided that Seller makes no representation or warranty as to its right, title or interest, if any, in any of the Easements. None of the Assets is, or at the Closing will be, subject to any mortgage, pledge, lien, charge, security interest, encumbrance, restriction, lease, license, easement, liability, or adverse claim of any nature whatsoever, direct or indirect, whether accrued, absolute, contingent, or otherwise.
- **Section 3.9 Records.** The Records are complete and correct in all material respects, and have been maintained by Seller in accordance with good accounting procedures.
- Section 3.10 Disclaimer of Other Warranties. SELLER MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE SYSTEM, THE ASSETS, OR THE TRANSACTIONS CONTEMPLATED HEREUNDER, EXCEPT FOR THOSE EXPRESSLY SET FORTH HEREIN. SELLER FURTHER EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- **4.** REPRESENTATIONS AND WARRANTIES BY PURCHASER. Purchaser represents and warrants to the Seller as follows:
- <u>Section 4.1</u> <u>Organization.</u> Purchaser is a limited liability company duly organized and validly existing under the laws of the Commonwealth of Kentucky, with all requisite right and corporate power and authority to enter into this Agreement and the related agreements referred to herein and to carry out the transactions contemplated by this Agreement and to carry on its business as now being conducted and to own, lease or operate its properties.
- Section 4.2 Execution, Delivery and Performance of Agreement; Authority. Purchaser has the full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby, with all proceedings required to be taken by it to authorize the execution, delivery, and performance of this Agreement and the agreements relating hereto having been properly taken. This Agreement constitutes a valid and binding obligation of Purchaser enforceable against it in accordance with its terms.
- <u>Section 4.3</u> <u>Consents and Approvals.</u> Purchaser has obtained all necessary consents and approvals, including lessor and other third party consents and approvals, necessary to permit Purchaser to acquire and to properly and legally own, operate, and manage the Assets and the System.

<u>Section 4.4 Litigation.</u> There is no legal action, suit, arbitration, governmental investigation, or other legal or administrative proceeding, nor any order, decree or judgment in progress, pending or in effect, or to the knowledge of Purchaser threatened, against or relating to Purchaser in connection with or relating to the transactions contemplated by this Agreement.

5. <u>ADDITIONAL AGREEMENTS OF SELLER.</u>

- <u>Section 5.1</u> <u>Access to Information and Documents.</u> Upon reasonable notice and during regular business hours, Seller will give the Purchaser and the Purchaser's agents, employees, attorneys, and accountants full access to Seller's personnel, operations, properties, documents, contracts, books, records, and other information of or relating to the Assets and the operation of the System.
- <u>Section 5.2</u> <u>Payments to Creditors.</u> Seller shall pay in full and discharge when due all debts, charges, bills, and claims relating to the ownership or operation of the System and the Assets prior to the Closing Date.
- <u>Section 5.3</u> <u>Further Documents and Actions.</u> From and after the Closing Date, Seller shall, upon the reasonable request of the Purchaser, execute, acknowledge, and deliver all such further documents and take all such other actions as may be required to convey, transfer, and vest in Purchaser title to the Assets and to protect Purchaser's respective rights, title, and interest in and to all of the Assets and as may be appropriate otherwise to carry out the transactions contemplated by this Agreement.
- Section 5.4 Property Received by Seller after Closing. From and after the Closing Date, Purchaser shall have the right and authority to collect for the account of Purchaser all of the Assets intended to be transferred to Purchaser pursuant to this Agreement and all payments, fees, and other funds arising from or generated in any way from the operation of the System and accruing on and after the Closing Date. Seller agrees that it will transfer or deliver to Purchaser, promptly after the receipt thereof, any property or payments Seller receives after the Closing Date in respect of or payment for any accounts, sales, orders, or any other item arising from Purchaser's operation of the System on and after the Closing Date.
- <u>Section 5.5</u> <u>Quitclaim Assignment of Easements.</u> At the Closing, Seller will deliver to Purchaser a Quitclaim Assignment under which Seller will transfer, assign and quitclaim to Purchaser all of Seller's right, title and interest, if any, in the Easements.

6. <u>ADDITIONAL AGREEMENTS OF PURCHASER.</u>

- <u>Section 6.1</u> <u>Payments to Creditors.</u> Purchaser shall pay in full and discharge when due all debts, charges, bills, and claims relating to the ownership or operation of the System and the Assets on or after the Closing Date.
- <u>Section 6.2</u> <u>Further Documents and Actions.</u> From and after the Closing Date, Purchaser shall, upon the reasonable request of Seller, execute, acknowledge, and deliver all such

further documents and take all such other actions as may be appropriate to carry out the transactions contemplated by this Agreement.

- Section 6.3 Property Received by Seller after Closing. From and after the Closing Date, Seller shall continue to have the right and authority to collect for the account of Seller all payments, fees, and other funds arising from or generated in any way from the operation of the System and accruing prior to the Closing Date. Purchaser agrees that it will promptly transfer or deliver to Seller any property or payments Purchaser receives after the Closing Date in respect of or payment for any accounts, sales, orders, or any other item arising from Seller's operation of the System prior to the Closing Date.
- 7. <u>CONDITIONS TO THE OBLIGATIONS OF PURCHASER.</u> The obligations of the Purchaser to purchase the Assets shall be subject to the fulfillment of the following conditions at or prior to the Closing Date, any or all of which may be waived in writing in whole or in part by Purchaser.
- <u>Section 7.1</u> <u>Representations and Warranties.</u> The representations and warranties of Seller contained herein shall be true and correct on and as of the Closing Date with the same force and effect as if made on and as of the Closing Date.
- Section 7.2 Covenants and Conditions. Seller shall in all respects have performed its obligations and agreements and complied with all covenants and conditions contained in this Agreement to be performed or complied with them on or before the Closing Date.
- <u>Section 7.3</u> <u>Instruments of Conveyance.</u> Seller shall have delivered to the Purchaser such deeds, assignments, bills of sale, releases and other instruments of conveyance, transfer and assignment, all in form and substance reasonably satisfactory to Purchaser.
- <u>Section 7.4</u> <u>Satisfactory Due Diligence.</u> Purchaser shall have performed such due diligence investigation and analysis concerning the Assets and the System as Purchaser deems appropriate, and the results of such due diligence and analysis shall be satisfactory to Purchaser in its discretion.
- <u>Section 7.5</u> <u>Regulatory Approval.</u> The Kentucky Public Service Commission and any other governmental or regulatory entity whose approval or consent is required under applicable law shall have issued its approval or consent, satisfactory in form and substance to Purchaser, authorizing the consummation of the transactions contemplated by this Agreement.
- 8. <u>CONDITIONS TO OBLIGATIONS OF SELLER.</u> The obligations of Seller to consummate and close the transactions contemplated in this Agreement shall be subject to the fulfillment at or prior to the Closing Date of each of the following conditions, any or all of which may be waived in writing in whole or in part by Seller.
- <u>Section 8.1</u> <u>Representations and Warranties.</u> The representations and warranties of Purchaser contained herein shall be true and correct on and as of the Closing Date with the same force and effect as if made on and as of the Closing Date.

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- <u>Section 8.2</u> <u>Covenants and Conditions.</u> Purchaser shall in all respects have performed its obligations and agreements and complied with all covenants and-conditions contained in this Agreement to be performed or complied with by it on or before the Closing Date.
- <u>Section 8.3</u> <u>Regulatory Approval.</u> The Kentucky Public Service Commission and any other governmental or regulatory entity whose approval or consent is required under applicable law shall have issued its approval or consent, satisfactory in form and substance to Seller, authorizing the consummation of the transactions contemplated by this Agreement.

9. INDEMNIFICATION.

- <u>Section 9.1</u> <u>Indemnification by Seller.</u> (a) Seller hereby agrees to indemnify and hold harmless the Purchaser from, against, and in respect of, and shall on demand reimburse the Purchaser for, the following:
- (i) Any and all loss, liability, or damage suffered or incurred by Purchaser by reason of any untrue representation, breach of warranty, or nonfulfillment of any covenant or agreement by Seller contained herein or in any certificate, document, or instrument delivered to Purchaser pursuant hereto or in connection herewith;
- (ii) Any claims, expenses, damages, or other losses incurred by Purchaser as a result of, or arising, from the Seller's ownership or operation of the Assets or the System prior to the Closing Date; and
- (iii) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs, and expenses, including without limitation reasonable legal fees and expenses, arising from any of the foregoing.
- (b) If any claim covered by Section 9.1(a) above is asserted against the Purchaser by a third party, the Purchaser shall promptly give Seller notice thereof and give Seller an opportunity to defend or settle the same with counsel of their choice and at their sole expense, and at the request of Seller, the Purchaser shall extend its full cooperation in connection with such defense, subject to reimbursement for actual out-of-pocket expenses incurred by it as a result of the request by Seller. If Seller fails to defend said claim within a reasonable time, the Purchaser shall be entitled to assume the defense thereof, and Seller shall be bound by the results obtained by the Purchaser with respect to such claim, and Seller shall be liable to Purchaser for the expenses incurred by Purchaser in such defense, including without limitation reasonable attorney's fees and any settlement payments.
- <u>Section 9.2</u> <u>Indemnification by Purchaser.</u> (a) Purchaser hereby agrees to indemnify and hold harmless Seller from, against, and in respect of, and shall on demand reimburse Seller for, the following:
- (i) Any and all loss, liability, or damage suffered or incurred by Seller by reason of any untrue representation, breach of warranty, or nonfulfillment of any covenant or agreement by Purchaser contained herein or in any certificate, document, or instrument delivered to Seller pursuant hereto or in connection herewith;

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- (ii) Any claims, expenses, damages, or other losses incurred by Seller as a result of, or arising from, the ownership or operation of the Assets or the System on or after the Closing Date; and
- (iii) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses, including without limitation reasonable legal fees and expenses, arising from any of the foregoing.
- (b) If any claim covered by Section 9.2(a) above is asserted against Seller by a third party, Seller shall promptly give Purchaser notice thereof and give Purchaser an opportunity to defend or settle the same with counsel of its choice and at its sole expense, and at the request of Purchaser, Seller shall extend their cooperation in connection with such defense, subject to reimbursement for actual out-of-pocket expenses incurred by Seller as a result of the request by Purchaser. If Purchaser fails to defend said claim within a reasonable time, Seller shall be entitled to assume the defense thereof, and Purchaser shall be bound by the results obtained by Seller with respect to such claim, and Purchaser shall be liable to Seller for their expenses incurred in such defense, including without limitation reasonable attorney's fees and any settlement payments.
- 10. <u>TAXES AND EXPENSES.</u> Purchaser shall be responsible for, and shall pay in a timely manner, any and all sales, use, transfer, and other taxes and other fees that may be due and payable in connection with the sale and transfer of the Assets under this Agreement. Any and all ad valorem taxes and assessments with respect to the Assets shall be pro-rated between Seller and Purchaser as of the Closing Date.

11. GENERAL PROVISIONS.

<u>Section 11.1</u> <u>Survival of Representations and Warranties.</u> All of the respective statements, representations, warranties, indemnities, covenants, and agreements made by each of the parties hereto shall survive and continue to be enforceable for a period of one year following the Closing Date.

Section 11.2 Notices. Any notice, request, information or other document to be given hereunder (collectively, "Notice") to any of the parties by any other party shall be in writing and delivered personally, sent by a nationally recognized overnight courier delivery service or sent by certified mail, return receipt requested, postage prepaid, to the addresses set forth in opening paragraph of this Agreement. Any such Notice shall be deemed to have been given and shall be effective on and as of (a) the date delivered, if personally delivered, (b) the date deposited with such courier delivery service, if sent in that manner, or (c) the date deposited in a regularly maintained receptacle for the deposit of U.S. Mail, if mailed as set forth above. Any party may change the address to which Notices are to be sent to it by giving written Notice of such change of address to the other parties in the manner herein provided for giving Notice.

<u>Section 11.3</u> <u>Entire Agreement and Amendment.</u> This Agreement, including all of the Exhibits hereto, all of which are hereby incorporated as a part of this Agreement by this reference, constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified, amended or terminated except by a written agreement specifically referring to this Agreement signed by all of the parties hereto.

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<u>Section 11.4</u> <u>Waiver.</u> No waiver of any term or provision hereof or of any breach or default hereunder shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any other term or provision or of any subsequent breach or default of the same or similar nature.

<u>Section 11.5</u> <u>Binding Effect.</u> This Agreement shall be binding upon and inure to the benefit of each party hereto and its respective heirs, personal representatives, successors and assigns.

<u>Section 11.6</u> <u>Headings.</u> The section headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said sections.

<u>Section 11.7</u> <u>Counterparts.</u> This Agreement may be executed in one or more counterparts, all of which taken together shall be deemed one original.

<u>Section 11.8</u> <u>Governing Law.</u> This Agreement and all amendments hereto shall be governed by and construed in accordance with the law of the Commonwealth of Kentucky applicable to contracts made and to be performed therein.

<u>Section 11.9</u> <u>Severability.</u> If any provision of this Agreement is determined to be illegal or unenforceable, such provision will be deemed amended to the extent necessary to conform to applicable law or, if it cannot be so amended without materially altering the intention of the parties, it will be deemed stricken and the remainder of the Agreement shall remain in full force and effect.

Section 11.10 Assignability. None of the parties hereto shall have the right, without the prior written consent of the other parties hereto, to assign any of its rights or delegate any of its duties hereunder, except that Purchaser may assign any or all of its respective rights and to delegate any or all of its respective duties and obligations hereunder to any other entity which is owned, controlled by or under common control with the Purchaser; provided, however, that no such assignment or delegation shall release the Purchaser from its respective duties, liabilities and obligations to the Seller hereunder.

[Signature Page to Follow]

Kentucky Public Service Commission
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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized representatives as of the day and year first above written.

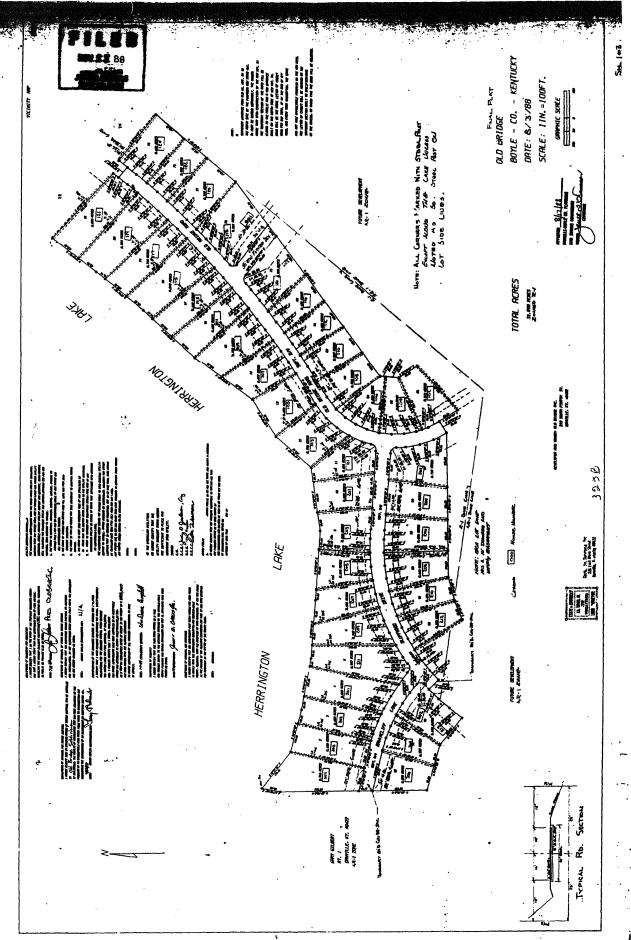
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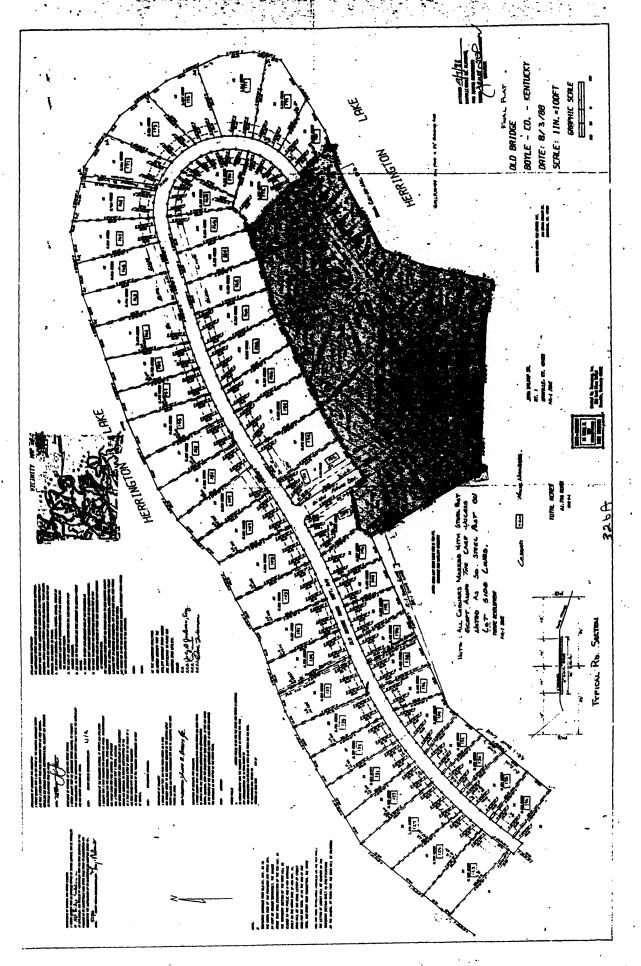
Kentucky Public Service Commission
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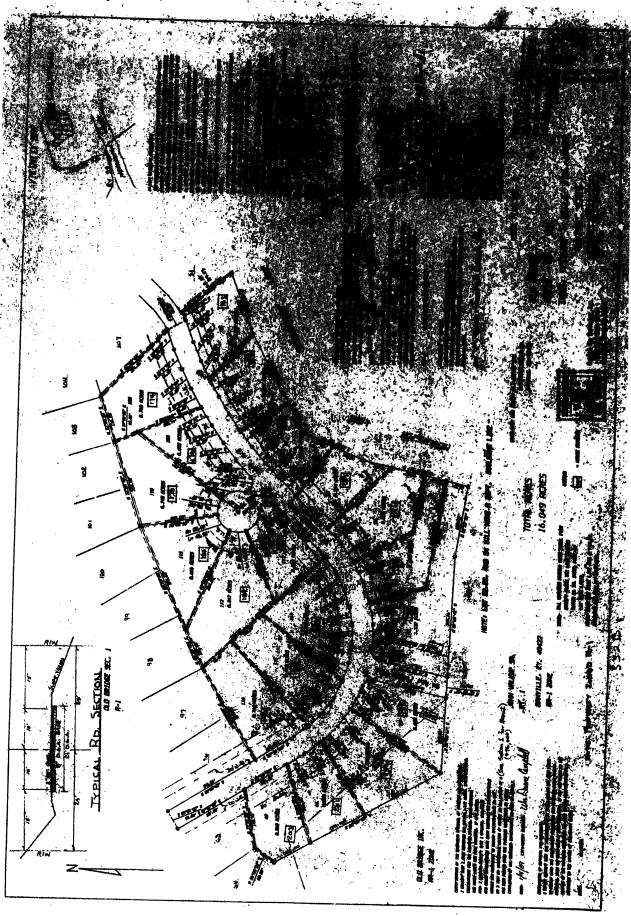
EXHIBIT 1.1(a) Easements and Rights of Way

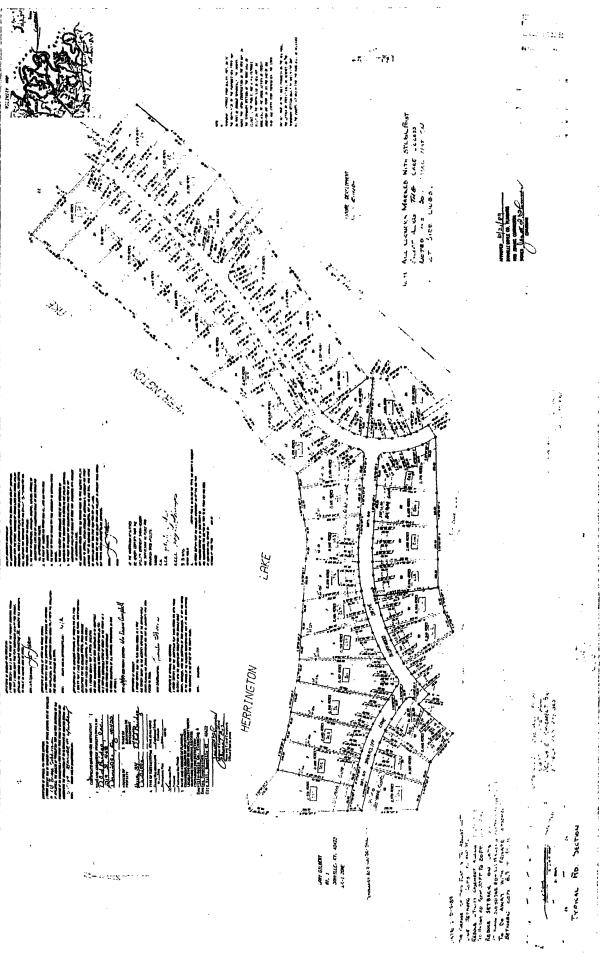
All of Seller's right, title, and interest, if any, in and to those easements and rights of way shown or identified on the attached plats of Old Bridge Subdivision in Boyle County, Kentucky, some of which plats are of record at Reference File Numbers 325B, 326A, 332B, 356B, 357A, 443B, 690B, 970B, 980B, 1323A, 1462A, 1462B, and 1508A in the Boyle County Court Clerk's office.

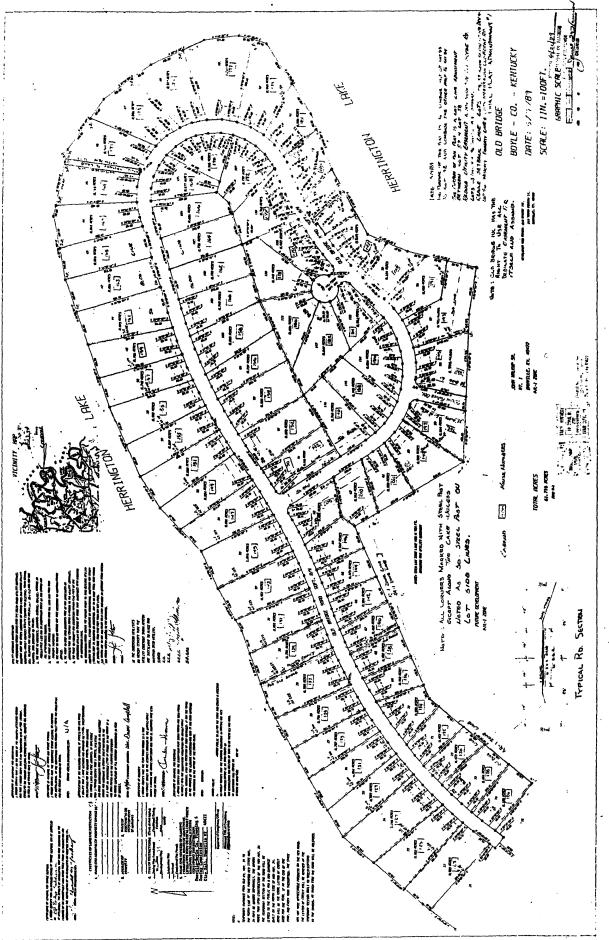


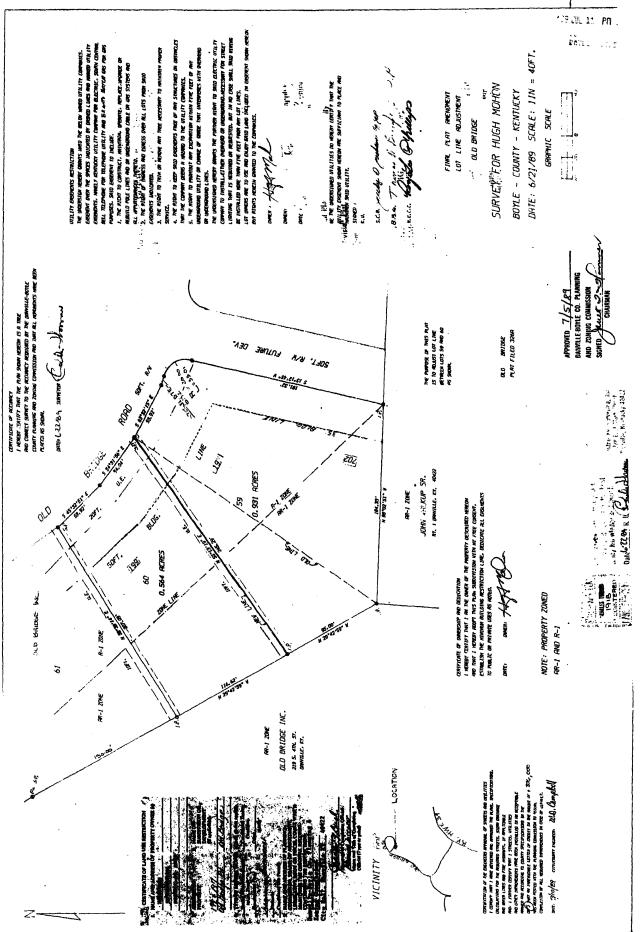
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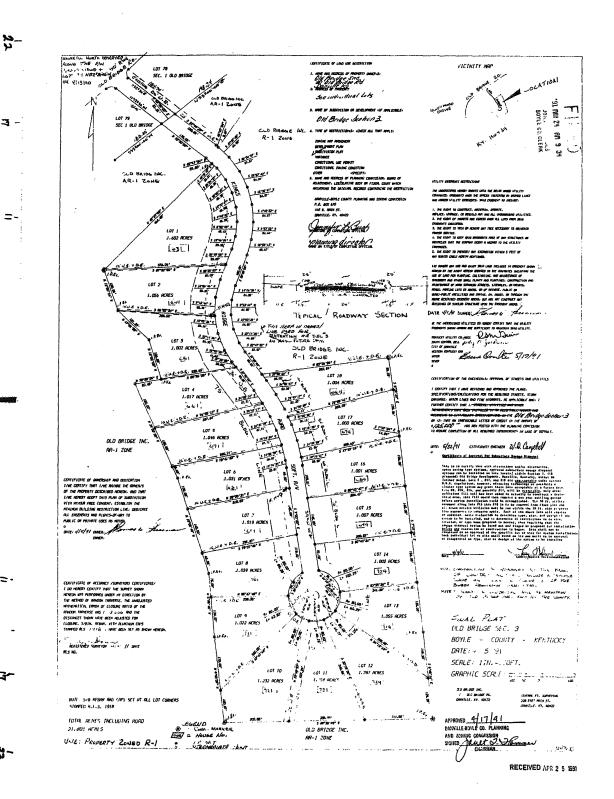








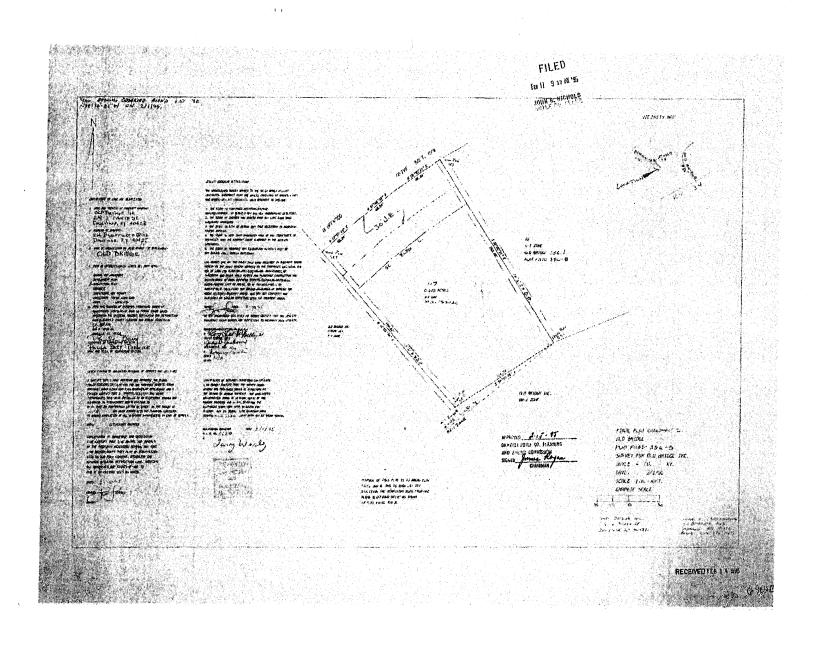


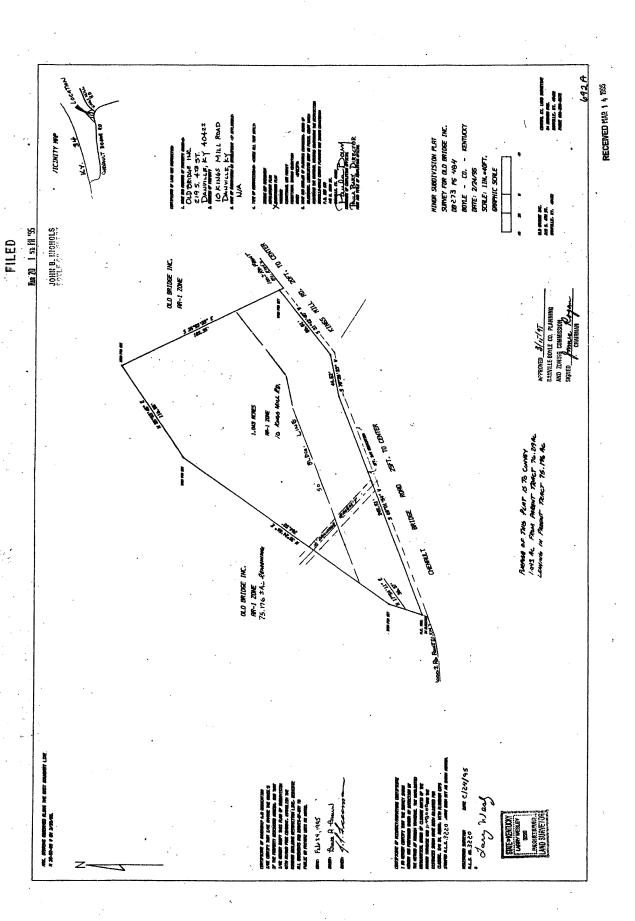


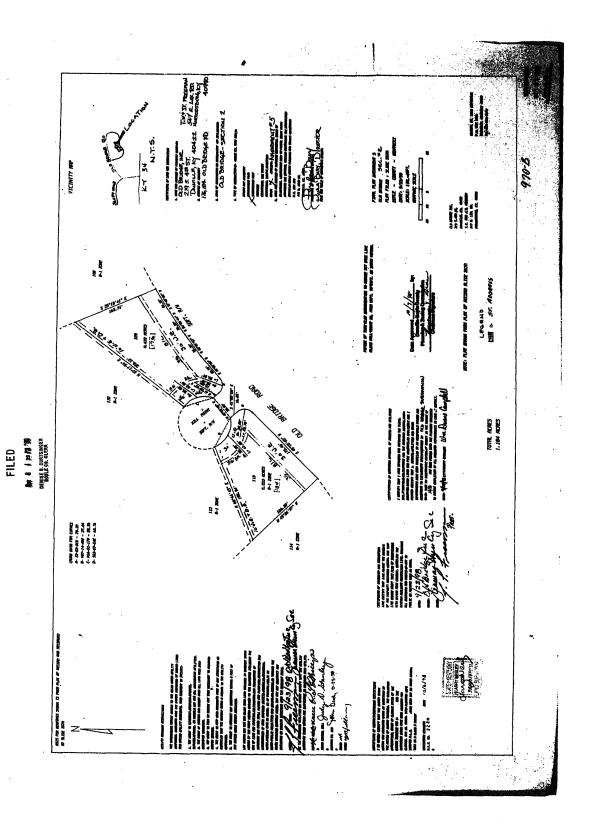
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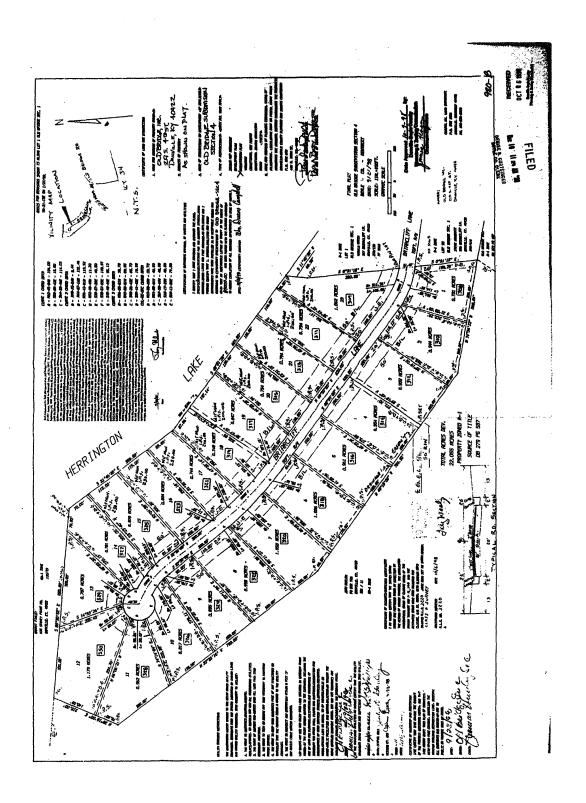
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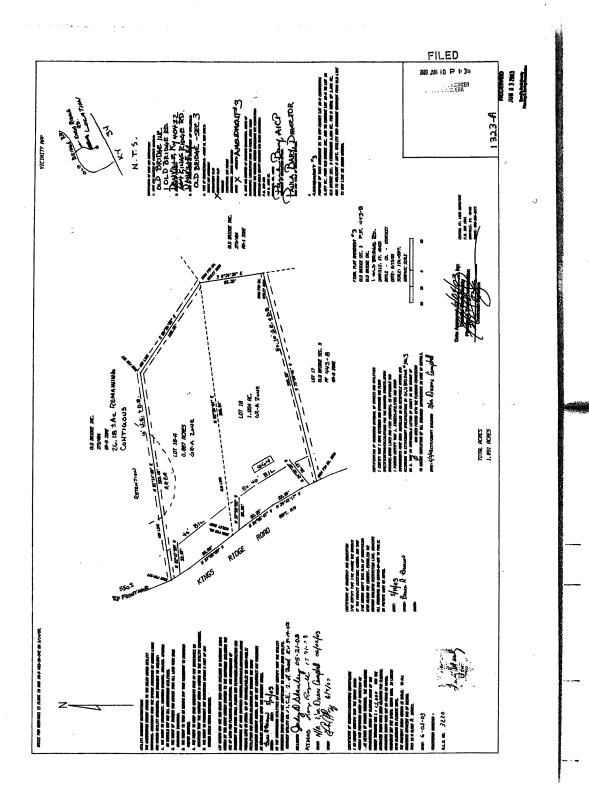
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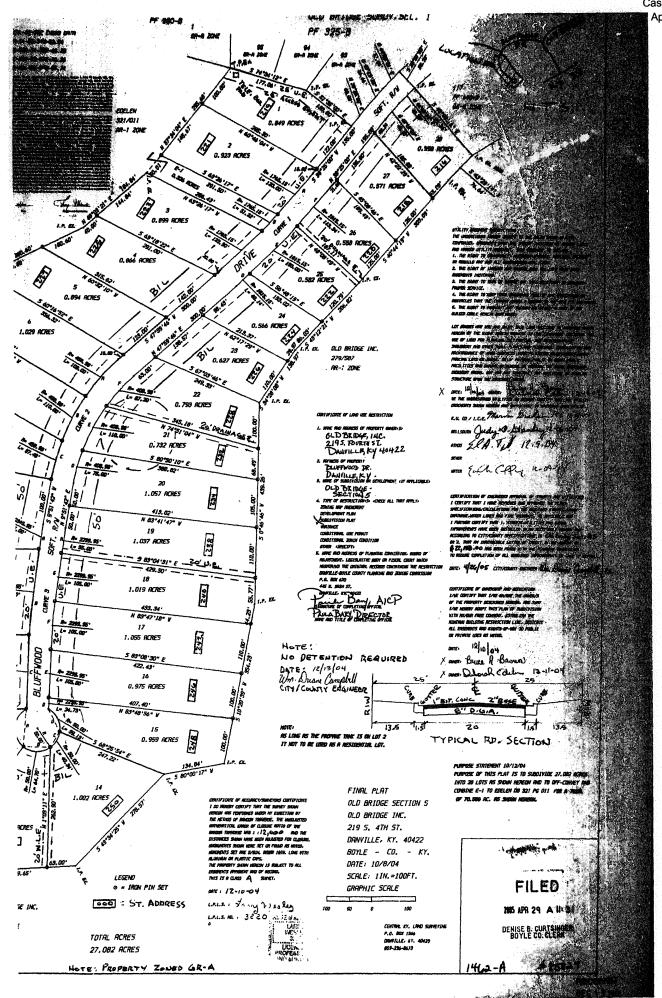




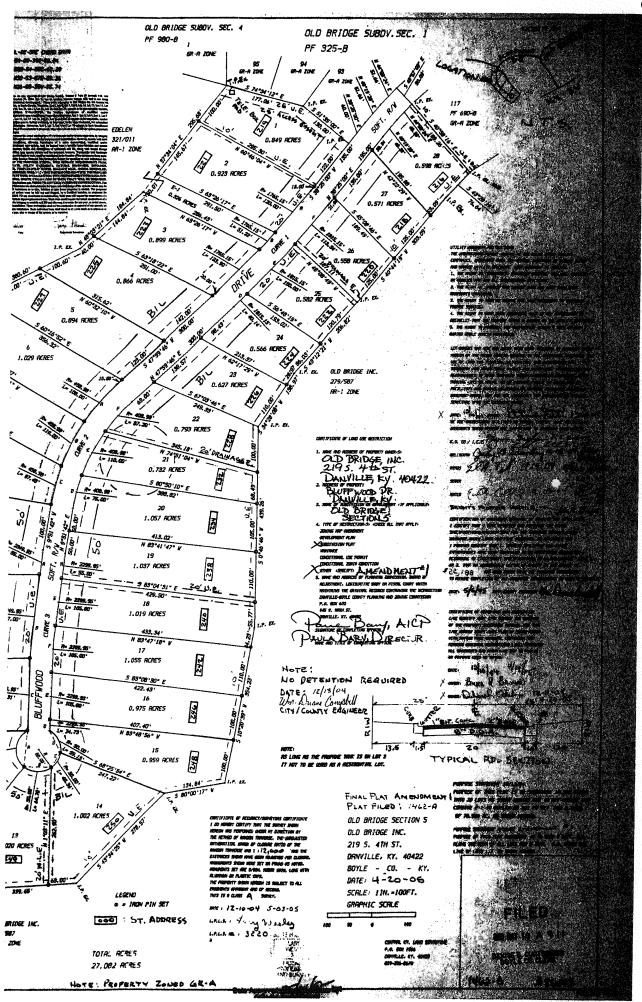




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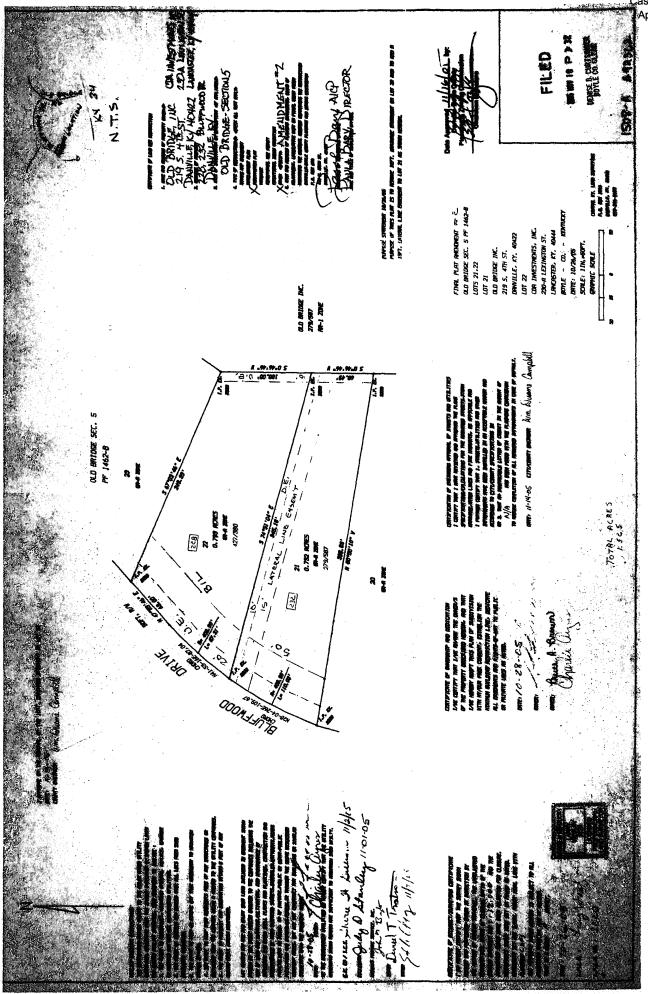


EXHIBIT 1.1(b) Personal Property

Quantity	<u>Description</u>
1	18,000 gallon supply tank (above ground)
~5,280 ft	2" main (plastic)
3	1,000 gallon supply tanks (underground)
65	Customer meters

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$\frac{EXHIBIT~1.1(g)}{Contracts}$

None

America's Propane Company Leakage Control Field Report

TROL									Leak	Indic	ation A	Appe	ars To	Be A	t:						
	Pa	trol In	dicati	on	-	١		Ma				7-7-	T	0.4							
	Vegetation		ulcati			1			vice					u4							
	Excavation			-	<u>'</u>	t		Ser	vice Ta	р				U.A							
	Weather				7			Tan	ık				-	14							
	Corrosio				v	1		Reg	gulato					UA.		_					
	Other (S					1		Me	ter				_^	A		_					
		,				•		Ser	vice V	alve				M		_					
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is a leak det	ected? Yes		الره		1.			Oth	ner (Sp	ecify)										
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Other (Spec			+-	\dashv	1	Lawn/Yard Easement						Gravel									
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"SNIFF TES [" and/or ODOROMETER TEST ODOR ZATION CHECK REPORT

Form 11

COMPANY: Bright's Propone Location: Old Bridge Subs	Service	Annual Period	2014
Location: Old Bulge Subs	Parision		
Date:			
Odor Level:	Nil		
		etectable	
		Detectable	
List other odors present:	Strong		
Remarks: (Odorometer Reading)	NA		
Obs	served By:		
Location:			
Date:			
Odor Level:			
		etectable	
	Strong		
List other odors present:			
Remarks: (Odorometer Reading)			
Obs	erved By:		
Location:			
Date:			
Odor Level:			
	Barely De		
		etectable	
List other odors present:			
Remarks: (Odorometer Reading)			
, , , , , , , , , , , , , , , , , , , ,	erved By:		

CERTIFIED EMPLOYEE TRAINING PROGRAM **National Propane Gas Association**

This certifies that

Mike Roberts

has successfully completed a prescribed course of study, including both knowledge and skills assessment, for the job classification

1.0 Basic Principles and Practices

In witness whereof, this certificate is issued

June 21, 2010

President & CEO, NPGA

should be directed to the employee. All rights related to the Certified Employee Training Program (CETP) logo and name are the intellectual property of the Propane Education & Research Council (PERC) and are licensed for use by NPGA. NPGA makes no representations, warranties or guarantees as to, and assumes no responsibility for, the use or performance of CETP-certified employees. NPGA expressly disclaims all liability for damages of any kind arising out of the use or performance of, reference to, or reliance on CETP-certified employees. In no event shall NPGA be responsible for any damages arising from the use or performance of a CETP-certified employee. Any questions regarding a CETP-certified employee.

p.7

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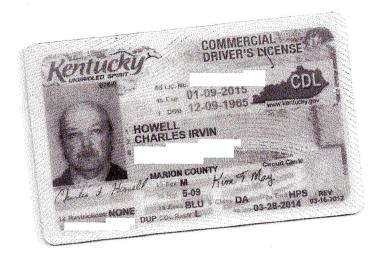
classroom curriculum and practical hands-on training on: has successfully completed a course including

Michael

W. Roberts

Propane Safety Principles and Practices









Commercial Propane Service, LLC.

160 Sulphur Springs Rd. Lebanon, KY 40033

www.commercialpropaneservice.com

Mike Roberts - Owner 502-349-2575 Office: 270-699-9437

Balance Sheet

AS OF JULY 1ST 2014

CURRENT ASSETS

Cash
Accounts Recievable
(less doubtful accounts)
Inventory
Prepaid expenses

,
*

Total Current Assets

FIXED ASSETS

Land & Building

\$167,000

Plant & Equipment

\$137,500

Motor Vehicles

\$62,500

TOTAL ASSETS

\$594,700

CURRENT LIABILITIES

Accounts Payable Accrued Payroll Tax

\$1,835	
\$4,160	
\$1,082	
\$7,077	

Total Current Liabilities

Bank Loans Other Loans

Owner Equity

Owner Loans Retained Earnings \$500,000 \$87,623

TOTAL LIABILITES

\$594,700



Commercial Propane Service, LLC.

160 Sulphur Springs Rd. Lebanon, KY 40033

www.commercialpropaneservice.com

Mike Roberts - Owner 502-349-2575

Office: 270-699-9437

Income Statement 1/1/2014 - 6/15/2014

Sales	\$675,620.00
Cost of Goods Sold	\$408,045.00
Gross Profit	\$267,575.00
Operating Expense	\$16,000.00
Payroll (taxes, etc.)	\$48,400.00
Outside Services	\$0
Supplies (off and operation)	\$3,500.00
Repairs and maintenance	\$1,000.00
Advertising	\$5,400.00
Car, delivery, and travel	\$13,700.00
Accounting and legal	\$4,200.00
Rent	\$0
Telephone	\$4,080.00
Utilities	\$2,100.00
Insurance	\$16,400.00
Taxes (real estate, PPT, etc.)	\$1,900.00
Interest	\$0
Depreciation	\$0
Other expenses (lodging etc.)	\$13,500.00
TOTAL	\$88,580.00

Net profit before taxes	\$178,995.00
Income taxes	\$24,611.81
Net profit after taxes	\$154,383.19



Commercial Propane Service, LLC.

160 Sulphur Springs Rd. Lebanon, KY 40033

www.commercialpropaneservice.com

Mike Roberts - Owner 502-349-2575 Office: 270-699-9437

Income Statements

2013 2012 2011

Sales	\$675,620.00	\$395,688.00	\$627,867.00
Cost of Goods Sold	\$408,045.00	\$158,572.00	\$350,676.00
Gross Profit	\$267,575.00	\$237,096.00	\$277,191.00

Operating Expense	\$16,000.00	\$11,074.00	\$5,867.00
Payroll (taxes, etc.)	\$78,400.00	\$65,215.00	\$92,600.00
Outside Services	\$0	\$4,482.00	\$6,739.00
Supplies (off and	\$3,500.00	\$10,226.00	\$9,178.00
operation			
Repairs and	\$1,000.00	\$426.00	\$32,241.00
maintenance			
Advertising	\$5,400.00	\$1,357.00	\$0
Car, delivery, travel	\$13,700.00	\$36,027.00	\$30,299.00
Accounting and legal	\$4,200.00	\$7,647.00	\$7,284.00
Rent	\$0	\$0	\$0
Telephone	\$4,080.00	\$7,784.00	\$5,049.00
Utilities	\$2,100.00	\$2,595.00	\$1,683.00
Insurance	\$16,400.00	\$17,407.00	\$12,764.00
Taxes (real estate, PPT,	\$1,900.00	\$1,706.00	\$1,500.00
etc.)			
Interest	\$0	\$0	\$0
Depreciation	\$0	\$0	\$0
Other expenses	\$13,500.00	\$9,480.00	\$11,413.00
(lodging, etc.)			
TOTAL	\$160,180.00	\$175,831.00	\$216,979.00

Net profit before taxes	\$100,395.00	\$61,265.00	\$60,212.00
Income taxes	\$13,713.00	\$8,368.00	\$8,303.00
Net profit after taxes	\$86,682.00	\$52,897.00	\$51,909.00

Application Exhibit 8

ACORD _™ CERTIFICATE OF LIABILITY INSURANCE 07/01/2014	
PRODUCER Underwood, Parrish & Assoc. Insurance Agency Phone (502) 267-6949	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
9319 Taylorsville Road Jeffersontown KY 40299-	INSURERS AFFORDING COVERAGE
DGTTGTGGAIT	INSURER & OWNERS Insurance Company

Phone (502) 267-6949

9319 Taylorsville Road

Jeffersontown

KY 40299
INSURER & Owners Insurance Company

Commercial Propane Service LLC

INSURER & National Indemnity Company

INSURER C: Kentucky Employers' Mutual Insurance

160 Sulphur Springs Road

Lebanon

KY 40033
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. POLICY EXPIRATION DATE (MM/DD/YY) POLICY EFFECTIVE LIMITS POLICY NUMBER TYPE OF INSURANCE 1,000,000 GENERAL LIABILITY 054614-52289772-14 03/25/2014 03/25/2015 EACH OCCURRENCE A 300,000 FIRE DAMAGE (Any one fire) COMMERCIAL GENERAL LIABILITY 10,000 CLAIMS MADE X OCCUR MED EXP (Any one person) 1,000,000 PERSONAL & ADV INJURY 2,000,000 GENERAL AGGREGATE 2,000,000 PRODUCTS - COMPIOP AGG GEN'L AGGREGATE LIMIT APPLIES PER: PRO: POLICY 04/30/2015 04/30/2014 70APS048357 B COMBINED SINGLE LIMIT **AUTOMOBILE LIABILITY** 1,000,000 (Es accident) ANY AUTO ALL OWNED AUTOB BODILY INJURY (Per person) X SCHEDULED AUTOS HIRED AUTOB BODILY INJURY (Per secident) NON-OWNED AUTOS PROPERTY DAMAGE (Per accident) AUTO ONLY - EA ACCIDENT GARAGE LIABILITY OTHER THAN EA AÇÇ ANY AUTO AUTO ONLY: AĞĞ EACH OCCURRENCE EXCESS LIABILITY AGGREGATE OCCUR CLAIMS MADE 2 DEDUCTIBLE RETENTION \$ WORKERS COMPENSATION AND EMPLOYERS LIABILITY 10/07/2013 10/07/2014 X WC STATUS 341724 1,000,000 E.L. EACH ACCIDENT 1,000,000 E.L. DISEASE - EA EMPLOYEE S 1,000,000 EL. DISEASE - POLICY LIMIT \$ OTHER 1

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS AS respects proof of insurance.

CERTIFICATE HOLDER ADDITIONAL INSURED; INSURER LETTER:	CANCELLATION
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
	EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL
	030 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT
Commercial Propane Service LLC	FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE
	INSURER, IT'S AGENTS OR REPRESENTATIVES.
160 Sulphur Springs Road	AUTHORIZED REPRESENTATIVE
Lebanon KY 40033-	MACORD CORPORATION 198

Kentucky Public Service Commission
Case No. 2014-00250
Application Exhibit 9
Page 1 of 1



Charles B. Mattingly
President/CEO
Better Business Bureau, Inc.
844 S. Fourth Street
Louisville, KY 40203
502-583-1099 (CEO Direct)
502-583-1492 (Accredited Business Line)
cmattingly@louisville.bbb.org

Monday, June 16, 2014

Mr. Mike Roberts Owner Commercial Propane Service, LLC 160 Sulfur Springs Road Lebanon, KY 40033

Dear Mr. Roberts:

BBB Accreditation A+ since May 2011

A BBB Accredited Business since 5/19/2011