



*Registered Investment Adviser
Division of Kevin Hart Kornfield & Co. Inc.
Originally Established 1986*

October 4, 2021

Dear Clients,

During the month of September, we sold shares of PPL and purchased shares of National Fuel Gas (NFG).

The large electric utilities are used to very long-term planning for major investments in power generation (i.e., nuclear and coal plants). There could be micro grids built locally to transmit solar and wind power. These new energy sources will be very good environmentally, but when we consider the disruptions of electric service in Texas, Australia and the United Kingdom, it may take a number of years of experimenting. At this time, it appears to be difficult to integrate solar, wind and other green energy into electric grids that require constant delivery of electricity. Meanwhile, electric utility companies, such as PPL, could be held liable (i.e., for systems that are prone to outages). This liability could lead to very expensive situations for electric utilities.

PPL has sold much of their electric production fleet in the USA (power generation facilities like hydro dams). This leaves PPL dependent on outside electric producers and suppliers over which they have little control.

PPL recently sold a very large and underperforming investment in British utilities. Yet they still have a rather significant debt burden. My opinion is that PPL sold their UK utilities at a disappointing price. And, there is reason to think PPL could reduce their dividend.

In a contrary investment recommendation, we have purchased shares of National Fuel Gas (NFG) for client accounts. NFG runs a Buffalo, NY natural gas utility and they produce and transport natural gas – all fossil fuels. After a number of years with underperforming financial results, I feel they are a good candidate for growth and income over the next several years. NFG has been successfully building out new gas pipelines and developing substantial acreage of productive gas producing properties in NW Pennsylvania. Currently there is strong global demand for natural gas. Enclosed is some information about National Fuel Gas.

As always, thank you very much for your business. Please feel free to call me to discuss this letter or other ideas about your investments.

Very best regards,

A handwritten signature in blue ink, appearing to be "KH", written over a horizontal line.

Kevin Hart Kornfield, MBA
President