

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION FOR APPROVAL OF PROPOSED)	
CONSOLIDATION OF ELZIE NEELEY GAS)	CASE NO.
COMPANY, INC. AND PHELPS GAS COMPANY,)	93-400
INC. WITH AND INTO MIKE LITTLE GAS)	
COMPANY, INC.)	

O R D E R

IT IS ORDERED that Elzie Neeley Gas Company, Inc. ("Elzie Neeley") and Phelps Gas Company, Inc. ("Phelps") with and into Mike Little Gas Company, Inc. ("Mike Little") shall file an original and 12 copies of the following information with the Commission, with a copy to all parties of record within 10 days of the date of this Order. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

1. Provide the journal entries to be made to effect the proposed transfer.

2. Provide a pro forma balance sheet reflecting the transfer of Elzie Neeley and Phelps to Mike Little. This balance sheet should be prepared in the same format as the Annual Report with a column for each of the utilities prior to the transfer and

a final column showing the pro forma balance of the Mike Little Company after the transfer.

3. Provide a 12 month projected income statement for Mike Little following the transfer of Elsie Neeley and Phelps to Mike Little. Any cost reductions attributable to the transfers should be separately identified and thoroughly explained.

4. With reference to the 1992 Annual Report for Elsie Neeley filed in this case, provide the following information:

a. A complete explanation for the -\$711 recorded in Account No. 132, Temporary Cash Investments. Additionally, state the reason for the decrease of \$4,381 in this account from the prior year.

b. A complete explanation for the \$14,632 increase in Account No. 207, Other Paid-in Capital.

c. A complete explanation for the \$14,632 decrease in Account No. 231, Notes Payable, the identity the holder of the note, and a statement from the holder that the debt has been extinguished.

d. A complete explanation of the nature and purpose of the prior period adjustment reclassifying \$21,790 from retained earnings to other paid-in capital.

e. Has rate recovery been denied by this Commission on any of the debt that was reclassified to proprietary capital accounts? If yes, explain.

f. The entries and complete justification for any other debt or equity reclassifications made during 1993, or anticipated.

Additionally, for any debt reclassifications, provide the identity of the holder of the debt and a statement from the holder that the debt has been extinguished.

g. A detailed explanation as to the company's intentions regarding the accrual of Interest Accrued totalling \$4,963. Should these dollars be reclassified as other paid-in capital or written-off to reflect that there is no longer an outstanding liability for these amounts? If not, explain.

5. With reference to the 1992 Annual Report for Phelps filed in this case, provide the following information:

a. A complete explanation for the \$77,081 increase in Account No. 207, Other Paid-in Capital.

b. A complete explanation for the \$74,751 decrease in Account No. 231, Notes Payable, the identity of the holder of the note, and a statement from the holder that the debt has been extinguished.

c. Has rate recovery been denied by this Commission on any of the debt that was reclassified to proprietary capital accounts? If yes, explain.

d. The entries and complete justification for any other debt or equity reclassifications made during 1993, or anticipated. Additionally, for any debt reclassifications, provide the identity of the holder of the debt and a statement from the holder that the debt has been extinguished.

e. A detailed explanation as to the company's intentions regarding the accrual of Interest Accrued totalling

\$39,465. Should these dollars be reclassified as other paid-in capital? If not, explain.

6. With reference to the 1992 Annual Report for Mike Little filed in this case, provide the following information:

a. A complete explanation for the \$62,326 increase in Account No. 207, Other Paid-in Capital.

b. A complete explanation for the \$86,867 decrease in Account No. 231, Notes Payable, the identity the holder of the note, and, if applicable, a statement from the holder that the debt has been extinguished.

c. Has rate recovery been denied by this Commission on any of the debt that was reclassified to proprietary capital accounts? If yes, explain.

d. The entries and complete justification for any other debt or equity reclassifications made during 1993, or anticipated. Additionally, for any debt reclassifications, provide the identity of the holder of the debt and a statement from the holder that the debt has been extinguished.

e. A detailed explanation as to the company's intentions regarding the accrual of Interest Accrued totalling \$19,005. Should these dollars be reclassified as other paid-in capital? If not, explain.

7. Identify the current stockholders of Phelps and Mike Little and the number of shares held by each.

8. Provide a schedule showing the conversion of stock in Phelps to stock in Mike Little for each of the shareholders identified in response to Item 6 above.

9. In combining the three PGA processes into one, how will the Mike Little surcharges be treated? Will these be separately charged to current Mike Little customers?

10. Mike Little's annual report identifies revenues from transportation of gas of others in the amount of \$43,324. Pursuant to what tariff or contract is Mike Little offering transportation service? To what customer?

Done at Frankfort, Kentucky, this 2nd day of December, 1993.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director