

BURKESVILLE GAS COMPANY, INC.
119 Upper River Street – P.O. Box 69, Burkesville, Kentucky 42717
Telephone (270) 864-9400 – Fax (270) 864-5135
Corporate Office
5005 Live Oak, Greenville, Texas 75402
Telephone (903) 454-4000 – Fax (903)0454-2320

RECEIVED

JUN 06 2008

PUBLIC SERVICE
COMMISSION

June 5, 2008

Mark Frost, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Case # 2008-0032 – Application of Burkesville Gas Company for an Adjustment of Rates
Pursuant to the Alternative Rate Filing Procedure for Small Utilities

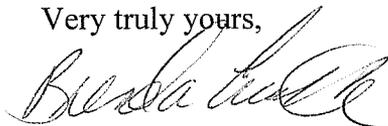
Dear Sir:

Attached is a copy of the response to the Commission Staff's Second Information Request to the
Burkesville Gas Company in the above case.

The original response has been filed with the Commission.

Thank you for your assistance in this matter.

Very truly yours,



Brenda Everette
Manager

Enclosure

RECEIVED

JUN 06 2008

PUBLIC SERVICE
COMMISSION

CASE #2008-00032

CERTIFICATION

I, Brenda Everette, certify that the responses contained in the *Commission Staff's Second Information Request To The Burkesville Gas Company Case No. 2008-00032* are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry

I further certify that any copies contained herein are true and exact copies of the originals.



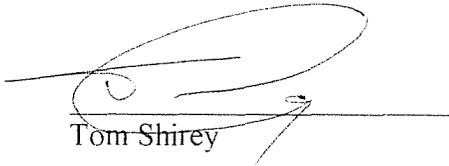
Brenda Everette

CASE #2008-00032

CERTIFICATION

I, Tom Shirey, certify that the responses contained in the *Commission Staff's Second Information Request To The Burkesville Gas Company Case No. 2008-00032* are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

I further certify that any copies contained herein are true and exact copies of the originals



Tom Shirey

CASE #2008-00032

- 1. Refer to the Apache Gas Transmission ("Apache") invoices filed in response in Item No. 3 of Commission Staff's First Information Request. Is the quantity shown on these invoices measured in Mcfs or Dths or some other measurements?*

The quantity shown on the "Apache" invoices is measured in MCF

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

2. *Refer to the Apache and Eagle Energy Partners invoices filed in response to Item No. 3 of Commission Staff's First Information Request. There are large differences between gas transported as shown on the Apache invoices and that shown as being purchased on the Eagle Energy Partners invoices for February, October, November and December 2007. Explain the differences.*

February – The data may suggest that Eagle Energy Partners may have under billed Burkesville Gas Company. From time to time, Eagle Energy Partners has submitted revised bills when necessary. Only the actual amount invoiced to Burkesville Gas Company by Eagle Energy Partners on invoice # 6235 is reflected on Burkesville's financial reports.

October – This amount was for deliveries made to Burkesville Gas Company, Inc. after their meter read date. The charges for these deliveries are included on the November billing from Apache. Burkesville Gas Company, Inc. reconciles all deliveries and charges from Apache at the end each year.

November and December – As stated in the supplementary comments to Item 3 of the Commission Staff's First Information Request, In the second week of November 2007, the Texas Eastern Link System report, among other data, indicated that there was a leak. Line patrols were conducted. On December 1, 2007 a leak was discovered. The location of the leak was on the Apache Gas Transmission Company, Inc. line. The leak was repaired on December 2, 2007.

The amount of gas lost on the Apache line was estimated and agreed to be 1,980 MCF in November and 326 MCF in December. The cost of this loss is not included in Burkesville's financial information, but is included in Apache Gas Transmission Company's financial information for the fiscal year ended December 31, 2007.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

3. *Burkesville's response to Item No. 4 and 4.b of the Commission Staff's First Information Request states that the customer numbers in the second column of Addendum to Attachment 7 do include inactive customers defined as those customers not connected to natural gas service. However, the response to Item No. 4(a) states that the second column does not include any inactive customers. Commission Staff defines inactive customers as those not connected to the system and therefore not receiving a bill.*
 - a. *Clarify whether any inactive customers are included in the second column.*

The response to Item 4 of the Commission Staff's First Information Request has a typographical error. The response should have read:

The customers that Burkesville Gas Company, Inc. refers to as inactive are those customers that use only a nominal amount of gas or no gas at all during a particular month to maintain gas service as a reliable "back-up" energy source, but use wood or an alternate source of energy for heating. Burkesville Gas must service, maintain and read the meters of these customers as they would customers who are using gas as a primary energy source.

Defining inactive customers as those customers that Burkesville Gas does not hold a meter deposit and are not connected to natural gas service, the total customer number in the second column of Addendum to Attachment 7 does not include these customers.

According to the Commission Staff's definition of inactive customers, no inactive customers are included in the second column. Burkesville Gas Company customers who are still connected to the system and hold a meter deposit but do not pull any gas during a particular month currently do not receive a monthly bill.

From this point forward, Burkesville Gas Company, Inc. will refer to all customers connected to the system and that Burkesville Gas holds a customer deposit as "active" customers. We apologize for any confusion in this regard.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

3. *Burkesville's response to Item No. 4 and 4.b of the Commission Staff's First Information Request states that the customer numbers in the second column of Addendum to Attachment 7 do include inactive customers defined as those customers not connected to natural gas service. However, the response to Item No. 4(a) states that the second column does not include any inactive customers. Commission Staff defines inactive customers as those not connected to the system and therefore not receiving a bill.*
 - b. *If inactive customers are included, provide the customer numbers for column 2 if only active customers are included (only those customers connected to the system and receiving a bill).*

The inactive customers are not included.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

4. *Provide a listing of the commercial and industrial customers who received service for all or any part of 2007. Include the account number and customer name.*

Attached is a list of the commercial customers. Burkesville Gas Company, Inc. does not have any industrial customers.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

BURKESVILLE GAS COMPANY, INC.
Commercial Customers for 2007

<u>Account Number</u>	<u>Account Name</u>
10100	City of Burkesville Fire Department
10110	Banter Shell
10115	Flowers Enterprise
10145	City of Burkesville (Water Plant)
10185	Copper Key Apartment A
10186	Copper Key Apartment B
10187	Cumberland County Health Center
10195	The Corner Café
10210	Cumberland County Board of Education
10220	Cumberland County Board of Education (Middle School)
10230	Cumberland County Board of Education (Learning Center)
10236	Cumberland County Garage
10237	Cumberland County News Office
10240	Cumberland Valley Manor
10260	Cumberland Board of Education (Solutions Building)
10400	Burkersville Gas Company
10415	Riles Furniture
10450	Cumberland County Community Service (Senior Center)
10482	Citizens Bank of Cumberland
10485	Long's Auto Sale
10495	Copper Key Apartment C
10500	Burkesville Medical Supply
10550	Burkesville Feed and Farm Supply
10560	Jain LLC Jimmy's Food Mart
10575	Norris and New Funeral Home
10662	Riverfront Building Center
10665	Riverfront Lodge
10750	Rocore Thermal Systems (Office)
10751	Rocore Thermal Systems Office
10850	United States Post Office
12070	Glenn's Auto Parts
14000	Cumberland County Board of Education (Burkesville Elementary)
14050	Cumberland County Board of Education (High School)
17000	Gleen Building #2
17050	Houchens Industry, Inc.
18000	Bank of Cumberland
18000	First and Farmers Bank (name change)
19025	The Adanta Group
19050	Cumberland Feed ATV
19150	Carhartt Inc.
19350	Cumberland County Courthouse
19375	Samm's Express Restaurant

BURKESVILLE GAS COMPANY, INC.
Commercial Customers for 2007

<u>Account Number</u>	<u>Account Name</u>
19450	Wanda's Cuts and Curls
19575	The Central Bank USA
19670	Cumberland Board of Education (Green House)
19720	Smith Pharmacy, Inc.
19760	Family Dollar Store #2074
19810	Rite Aid Corportaion
19820	JS Discount Inc.
19850	Alpine Mountain Top Resort
19950	Mary Ann Country Store
19960	DBA Subway #32861
20220	Brown Supply County, Ltd.
20270	Riverside Car Wash
20310	Lake Cumberland Community Service (New Senior Center)
20320	Norris & New Funeral Home
20340	Longs Auto Body Shop #2
20370	Riverside Car Wash
20390	The Corner Café #2
20550	G and G Auto Sale
20610	Smith Street Auction
20630	Cumberland County Hospital
20800	Agriculture Expo Center
20820	Cumberland County Hospital (Water Heater)
20870	Capp's Pharmacy
20900	World Finance
20950	Cumberland County Board of Education (New Bus Garage)
20960	Long's Auto Sale Body Shop
21000	Jeff Vibbert
21050	Cumberland County A.D.H.C. Center
21060	Billy Guffey Tax Service
21130	Jone's Restaurant of Burkesville, Inc.
21160	Bryant Realty & Auction
21170	Bryant Realty & Auction #2
21180	Shearer Jewelry
21180	Bryant Insurance
21200	Dollar General Store #9697
21230	Wade Flowers Insurance
21240	C&W Precition Surverys
21270	E.M.F. Corporetion
21280	Town and Country Lanes
21320	Copper Key Apartment D
21340	Topp's Safety Apparel, Inc.
21450	Head Start #2

BURKESVILLE GAS COMPANY, INC.
Commercial Customers for 2007

<u>Account Number</u>	<u>Account Name</u>
21450	Billy N. Guffey (Book Store)
21460	Burkesville Pool Room and Lunch
21490	Burkesville T.R. Center
21510	Jessup Florist
21620	U.M.M.M. Store
21680	Pizza Hut #413 Fugate Enter.
21780	Riverside Laundry
21840	Lin's Garden
21850	David Groce Building
21940	Aaron Sommer's Produce
21960	Cabinet for Human Resources
21980	Riverside IGA Bakery & Deli
21990	Premiun Air Systems, Inc.
22070	Cumberland County Exten. District
22100	Copper Key #2 (Medical Center)
22160	Cumberland County P.L. District
22230	Justice Center
22300	G&L Services (Car Wash)
22310	Fred's Mini Mart
22380	Grumpy's Restaurant
22440	Century 21
22450	Lindsey G. Bell
22530	Riverside Loans of Burkesville
22550	Cumberland County Board of Education (Maintenance Dept.)
22560	B.F. Taylor Medical Art Clinic
22570	Fred's #1188 C/O Facility
22580	Burkesville Housing Authority (Oakland Heights)
22590	Flower's Robert L.D.O.P.S.C.
22630	Cumberland Valley Fitness
22640	Department of Highway #2

CASE #2008-00032

5. *Refer to page 1 of Burkesville's tariff. Note 2 states that "Industrial Customers receiving the lower cost rate will be under interruptible agreements. The minimum charge for service shall be set forth in the agreement with each industrial customer." List all industrial customers referred to (include account number and account name) and provide the minimum charge for each customer.*

Burkesville Gas Company, Inc. does not have any customers currently categorized as industrial customers.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

6. *Refer to Burkesville's response to Item 17 (a), page 2 of Commission Staff's First Information Request. Provide the calculation for the \$9,487.50 shown as a reduction for the proposed customer charge.*

Originally, Burkesville Gas Company, Inc. submitted its Alternate Rate Case on January 24, 2008 that included a minimum billing charge of \$7.50. Subsequently, Burkesville Gas Company amended its Alternate Rate Case on March 4, 2008 to include a \$7.50 customer monthly charge. Therefore, how Burkesville's method of calculation of the \$9,487.50 may not be important now. The \$7.50 customer monthly charge generates an estimated \$29,362.50 as considered in the Addendum to Attachment 7 included in the March 4, 2008 communication.

However, to answer the Commission's question, please review the following.

The calculation for the \$9,487.50 shown as a reduction for the proposed customer charge was based on the test year period of 1/01/06 through 12/31/06 as detailed on Attachment 7 of the original application. In Burkesville's original application, we referred to this charge in the amount of \$7.50 as a minimum billing charge. With our letter dated March 4, 2008 Burkesville Gas Company sought to clarify this charge by explaining that the charge will be a customer monthly charge to each customer in addition to any charges for gas delivered.

Item 17a of the Commission Staff's First Information Request requested a detailed calculation of Burkesville's original revenue requirement. Listed below is a detail of the calculation for the \$9,487.50 shown as a reduction for the proposed customer charge in Item 17a.

Class: Residential

Month	Nominal Use Customers	Requested Customer Charge Revenues
January	29	\$ 217.50
February	35	\$ 262.50
March	27	\$ 202.50
April	32	\$ 240.00
May	70	\$ 525.00
June	154	\$ 1,155.00
July	162	\$ 1,215.00
August	165	\$ 1,237.50
September	169	\$ 1,267.50
October	45	\$ 337.50
November	26	\$ 195.00
December	21	\$ 157.50
TOTAL RESIDENTIAL	935	\$ 7,012.50

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

Class: Commercial

Month	Nominal Use Customers	Requested Customer Charge Revenues
January	2	\$ 15.00
February	3	\$ 22.50
March	3	\$ 22.50
April	3	\$ 22.50
May	27	\$ 202.50
June	63	\$ 472.50
July	68	\$ 510.00
August	69	\$ 517.50
September	71	\$ 532.50
October	14	\$ 105.00
November	5	\$ 37.50
December	2	\$ 15.00
TOTAL COMMERCIAL	330	\$ 2,475.00

TOTAL COMBINED REVENUE

Month	Nominal Use Customers	Requested Customer Charge Revenues
TOTAL RESIDENTIAL	935	\$ 7,012.50
TOTAL COMMERCIAL	330	\$ 2,475.00
COMBINED TOTAL	1265	\$ 9,487.50

The above charge was calculated using only those customers whom Burkesville Gas Company originally referred to as inactive (those customers connected to the natural gas system and for which Burkesville Gas Company holds a meter deposit but use only a nominal amount of gas or no gas at all during a particular month).

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

7. *Refer to Burkesville's response to Item 17(b), page 1, of Commission Staff's First Information Request. Explain the use of the word "inactive" to describe the customers for whom the minimum billing charge was calculated.*

Burkesville Gas Company used the word "inactive" to describe those customers that use only a nominal amount of gas or no gas at all during a particular month to maintain gas service as a reliable "back-up" energy source, but use wood or an alternate source of energy for heating. These customers are connected to the natural gas system and Burkesville holds a meter deposit for these customers. Burkesville Gas Company, Inc. must service, maintain and read the meters of these customers as they would customers who are using gas as a primary energy source.

From this point forward, Burkesville Gas Company will refer to all customers connected to the system and that Burkesville Gas Company holds a customer deposit as "active" customers.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

8. *Burkesville has requested to add or increase certain non-recurring charges. For all service charges it proposes to add or increase, provide a chart showing the current amount charged and the proposed amount. For each charge, include cost justification sheets to support the amount proposed.*

Description of Charge	Current Charge	Proposed Charge
Service Reconnection Charge	24.00	35.00
Service Reconnection Charge - After Hours	24.00	52.50
Delinquent Service Charge	1.5% per Month	1.5% per Month
Returned Check Charge	0.00	25.00
Service Labor Charge	25.00	42.00
Service Labor Charge - After Hours	25.00	63.00
Light Pilot Charge - First Thirty Minutes	0.00	20.00
Light Pilot Charge - Over Thirty Minutes	0.00	42.00

Non-recurring charge cost justification sheets are attached for each charge.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Service Reconnection Charge

1. Field Expense:

A. Materials (Itemize)

<u>Lock Seal Stud</u>	\$ <u>1.32</u>
<u>Lock Seal Head</u>	<u>1.62</u>
_____	_____

B. Labor (Time and Wage)

<u>1 Hour Average Labor Rate (1 employee)</u>	<u>14.21</u>
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Total Field Expense	\$ <u>17.15</u>
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2. Clerical and Office Expense

A. Supplies	\$ <u>.15</u>
B. Labor	<u>5.00</u>

Total Clerical and Office Expense	\$ <u>5.15</u>
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3. Miscellaneous Expense

A. Transportation	\$ <u>2.53</u>
Mileage Rate @ \$.505 per mile.	
Transportation is based on a round trip of 5 miles.	
Depending on location, the round trip can be up to 26 miles.	

B. Other (Itemize)

<u>Proportionate Share of Management, Accounting and Bookkeeping Services</u>	<u>7.50</u>
_____	_____

Total Miscellaneous Expense	\$ <u>10.03</u>
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Total Nonrecurring Charge Expense	\$ <u>32.33</u>
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NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Service Reconnection Charge – After Hours

1. Field Expense:

A. Materials (Itemize)

<u>Lock Seal Stud</u>	\$ <u>1.32</u>
<u>Lock Seal Head</u>	<u>1.62</u>
_____	_____

B. Labor (Time and Wage)

<u>1 Hour Average Labor Rate (1 employee)</u>	<u>21.32</u>
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Total Field Expense	\$ <u>24.26</u>
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2. Clerical and Office Expense

A. Supplies	\$ <u>.15</u>
B. Labor	<u>5.00</u>

Total Clerical and Office Expense	\$ <u>5.15</u>
--	-----------------------

3. Miscellaneous Expense

A. Transportation	\$ <u>2.53</u>
Mileage Rate @ \$.505 per mile.	
Transportation is based on a round trip of 5 miles.	
Depending on location, the round trip can be up to 26 miles.	

B. Other (Itemize)

<u>Proportionate Share of Management, Accounting and Bookkeeping Services</u>	<u>7.50</u>
_____	_____

Total Miscellaneous Expense	\$ <u>10.03</u>
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Total Nonrecurring Charge Expense	\$ <u>39.44</u>
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NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Service Labor Charge

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>1 Hour</u>	<u>28.42</u>
Service Calls generally require 2 employees	

Total Field Expense	\$ <u>28.42</u>
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2. Clerical and Office Expense

A. Supplies	\$ <u>.57</u>
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B. Labor	<u>7.50</u>
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Total Clerical and Office Expense	\$ <u>8.07</u>
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3. Miscellaneous Expense

A. Transportation	\$ <u>2.53</u>
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Transportation is based on a round trip of 5 miles.
Depending on location, the round trip can be up to 26 miles.

B. Other (Itemize)

<u>Proportionate Share of Management, Accounting and Bookkeeping Service</u>	<u>7.50</u>
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Total Miscellaneous Expense	\$ <u>10.03</u>
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Total Nonrecurring Charge Expense	\$ <u>46.52</u>
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CASE #2008-00032

9. *Refer to Burkesville's response to Item 5 of Commission Staff's First Information Request.*
 - a. *The 2007 returned check revenue appears to be in multiples of \$25. Explain how this is possible, given that Burkesville does not currently have a returned check fee included in its tariff. (Commission Staff notes that Burkesville's tariff shows that a returned check fee of \$15 previously existed, but the charge is currently crossed out).*

Burkesville Gas Company, Inc. does not know when, who, or by what authority the \$15 00 return check charge was crossed out.

In January 2008, Burkesville Gas Company, Inc. realized the \$25.00 return check charge was not included in the tariff. Consequently any return check charges to customers have ceased excluding the state mandated Cumberland County Attorney fees charged to the check writer and paid to the Cumberland County Attorney's office and Burkesville Gas Company, Inc., if any. A proposed tariff was received by the Commission on January 22, 2008 to include these additional charges. Case No. 2008-00123 is now before the Commission awaiting approval.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

9. *Refer to Burkesville's response to Item 5 of Commission Staff's First Information Request.*

b. Has Burkesville implemented the proposed returned check fee?

There was a total of 4 return check charges during the entire 2007 fiscal year, the most recent being in February of 2007. No return check charges have been charged since March of 2007.

In January 2008, Burkesville Gas Company, Inc. realized the \$25.00 return check charge was not included in the tariff. Consequently any return check charges have ceased excluding the state mandated Cumberland County Attorney \$50.00 fee charged to the check writer and paid \$25.00 to Cumberland County Attorney and \$25.00 to Burkesville Gas Company, Inc., if any.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

9. *Refer to Burkesville's response to Item 5 of Commission Staff's First Information Request.*
 - c. *If so, provide the date when the fee was implemented and explain why Commission approval was not obtained prior to implementation.*

Records that show breakdowns of subcategories for any return check charges, if any, dating prior to January 2004 are not available. Prior to the fiscal year ended 2005, generally all the miscellaneous charges were grouped into the category Miscellaneous Income. In 2005, miscellaneous income was split out by the nature of the charges.

The fact that the Company has been charging a \$25.00 return check charge is an advertent mistake by Burkesville Gas Company, Inc.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

9. *Refer to Burkesville's response to Item 5 of Commission Staff's First Information Request.*
 - d. *The 2007 reconnect fee revenue appears to be in multiples of \$35. Explain how this is possible, given that Burkesville currently has a \$24 reconnection fee included in its tariff.*

In January 2008, Burkesville Gas Company, Inc. realized the \$35.00 reconnect fee was not included in the tariff. Currently the charge of \$24.00 is being used for any reconnections. A proposed tariff was received by the Commission on January 22, 2008 to increase these charges. Case No. 2008-00123 is now before the Commission awaiting approval.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

9. *Refer to Burkesville's response to Item 5 of Commission Staff's First Information Request.*
- e. If Burkesville has already implemented the proposed reconnect fee, provide the date when the fee was implemented and explain why Commission approval was not obtained prior to implementation.*

The fact the Company has been charging \$35.00 instead of \$24.00 is an inadvertent mistake by Burkesville Gas Company, Inc.

There has been one reconnect charge assessed in this fiscal year that was inadvertently charged in January at the \$35.00 rate prior to management advising the local office of the requirement to charge \$24.00 instead of \$35.00. Currently management is awaiting Commission determination of Case No. 2000-00123 (relating to the reconnect fee) received by the Commission on January 22, 2008.

Looking at the records that are available, a total of 36 separate reconnect fees were charged since January 1, 2005. The table below shows the breakdown by year.

Year	Number of Reconnect Fees	Total Amount at \$11.00 Overcharge
2005	22	242.00
2006	5	55.00
2007	8	88.00
2008	1	11.00
Total Amount Since 1/01/05	36	396.00

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

10. In its response to Item 6 of the Commission Staff's First Information Request, Burkesville identifies the labor and parts expenses as the only operating expenses that it has allocated to the non-regulated activities. Explain if the requirements of Kentucky Revised Statute 278.2203, Subsection 4(a) and Subsection 4(b) are the reasons Burkesville chooses to allocate only the labor and parts expenses to its non-regulated activities.

Although Burkesville Gas Company, Inc., on occasion, has inadvertently deviated from any applicable regulation dealing with the operations of a local gas distribution company, we always strive to adhere to all applicable laws and regulations.

It is our understanding of the regulations, including those cited in Item No. 10 of this question requires us to separate non-regulated activities and it is also our understanding that merchandising, jobbing and contract work are included in non-regulated activities.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

11. *In its response to Item 16 (c) of the Commission Staff's First Information Request, Burkesville states that at the time its responses were being prepared, Burkesville had not received the insurance premium renewals for 2008 and that the renewal date was April 24, 2008. Provide a copy of the general liability insurance invoice for 2008 when it is received.*

At this time, Burkesville has not received a copy of the invoice for the renewal. This invoice will be issued and included at the time the new insurance policy is sent to Burkesville Gas Company, Inc.

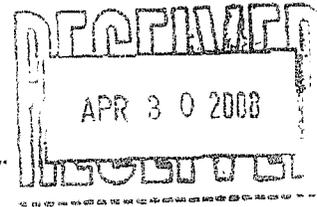
Attached is a copy of the finance agreement for the premium in the amount of \$18,513.60 for the policy period 4/24/08 – 4/24/09. This premium basis is based on sales in the amount of \$637,074.00. Audit information will be requested by Century Surety Company at the end of the policy period at which time Burkesville Gas Company will be billed additional premium for sales over the premium basis, if any, or receive a refund if actual gross sales are less than anticipated.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**



450 Skokie Blvd. □ Ste. 1000 □ P.O. Box 3306 □ Northbrook, Illinois 60065-2306 □ Fax 847-374-2010 □ 847-374-3000 □ 800-827-2511

BURKESVILLE GAS
PO BOX 962
GREENVILLE TX 75403



Date: April 27, 2008

Account Number: 02625-0001-0908210

* UNDERWOOD PARRISH & ASSOC. INS AGY
9319 TAYLORSVILLE RD.
JEFFERSONTOWN KY 40299

000091



TO MAKE A CHECK BY PHONE
PAYMENT, CALL
(800) 837-2511
OR VISIT OUR WEBSITE AT
www.firstinsurancefunding.com

Dear Customer,

We are pleased to receive and process the insurance premium finance agreement which was recently negotiated through your agent or broker referenced above. The Notice of Acceptance below is our official acknowledgement and acceptance of your agreement.

If this is your first transaction with us, the following information may be helpful.

- ACCOUNT NUMBER. Your account number is indicated above. Please refer to it when calling or writing about your account.
- PAYMENTS. You will receive a billing statement approximately 12-15 days before each payment is due. If your first payment is due soon, your first billing statement will arrive in the next few days. It is important that your payments be received in our office on or before the scheduled due date to ensure uninterrupted coverage. Check by phone payments may be made via telephone or at www.firstinsurancefunding.com.
- INQUIRIES. Our toll-free number is listed above. Our Customer Service department is ready and eager to assist you with any questions about your account or other premium finance needs.

THANK YOU for funding your insurance premiums through First Insurance Funding Corp.



NOTICE OF ACCEPTANCE

This notice will acknowledge our acceptance of your Premium Finance Agreement (the "Agreement") which was originated through the above-referenced agent or broker. The insurance company(ies) providing your insurance coverage will be notified that you have entered into this Agreement. We will issue payment on your behalf as directed by your agent or broker.

Please review carefully the Loan Summary at right and the Schedule of Policies below. If any of the information does not agree with your records, please notify us immediately.

Loan Summary

Total Premiums	\$18,513.60
Down Payment	\$6,125.15
Doc. Stamp Tax	\$0.00
Amount Financed	\$12,388.45
Finance Charge	\$458.15
Total of Payments	\$12,846.60
Annual % Rate	7.99%
Number of Payments	10
Payment Amount	1,284.66
First Due Date	05/24/08

Schedule of Policies

Policy Number	Effective Date	Insurance Company	Type	Term (Mos)	Premium
TBD	04/24/08	Taxes, Fees, or Miscellaneous Charges	TXFE	12	2,933.60
	04/24/08	CENTURY SURETY COMPANY	GL	12	15,560.00

Invoice

Underwood, Parrish & Associates Insurance Agency
9319 Taylorsville Road
Jeffersontown KY 40299
Phone: 502-267-6949
Fax: 502-267-0850

E-mail: steve@underwoodparrish.com
WebSite: <http://www.underwoodparrish.com>

Bill To: **Burkesville Gas Company, Inc.**
C/O Consolidated Financial Res
5005 Live Oak Street
Greenville TX 75402

Contact Code: BURKESV1001
Agency Contact: Steve Parrish

4/23/2008 SP 4/23/2008 4/24/2008 4/24/2009

REN CGL CEN TBD 08/09 Down Payment Comm Gen Liab - Burkesvli *estimated* \$8,125.15

Thank you for your business.

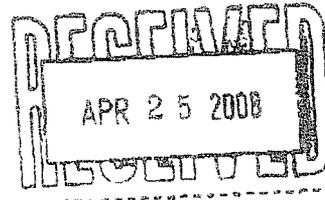
Total Policy Premium \$18,513.60

pd
4/25/08
#9578

BURKESVILLE GAS COMPANY, INC.
UNDERWOOD INSURANCE

9578

233 NOTES PAYABLE:23305 · N/P FIR 4/23/2008 Down Payment for Policy Period 4/24/08 - 4/24/09 6,125.15



BANK OF CUMBERL. Down Payment 4/24/08 - 4/24/09

6,125.15

CASE #2008-00032

12. *In its response to Item 16(c) of the Commission Staff's First Information Request, Burkesville States:*

Mr. Shirey does not keep up with each individual task nor the amount of time spent on each individual task. While Mr. Shirey devotes a minimum of 18 hours per month providing his services and expertise to Burkesville, most months require an additional 3 to 4 hours.

- a. If Mr. Shirey does not track the amount of time he spends on each individual task, explain how Burkesville knows that Mr. Shirey spends a minimum of 18 hours per month providing services and expertise.*

The original response of a minimum of 18 hours per month providing services and expertise was the best estimate that Mr. Shirey could provide to the Commission, based on a review of his calendar entries, daily routine worksheets, and reconstructing various agenda that he reviewed with Brenda Everette pertaining to services provided on behalf of Burkesville Gas Company, Inc. by him.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

12. *In its response to Item 16(c) of the Commission Staff's First Information Request, Burkesville States:*

Mr. Shirey does not keep up with each individual task nor the amount of time spent on each individual task. While Mr. Shirey devotes a minimum of 18 hours per month providing his services and expertise to Burkesville, most months require an additional 3 to 4 hours.

- b. *Given the lack of documentation to support Burkesville's claim of the time Mr. Shirey devotes to Burkesville, explain how an adjustment to reflect the estimated 18 hours per month would meet the rate-making criteria of being known and measurable.*

The needed adjustment to reflect the 18 hours will meet the rate-making criteria of being known and measurable by the execution of a management contract, recently drafted by the Company's general counsel, between Summit National Holding Corporation and Burkesville Gas Company, Inc. The initial term of the contract will be for a period of one year. The management contract details what services will be provided and the cost for such services. A copy of this agreement is attached as an attachment to this answer.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT made and entered into on this the 4th day of June, 2008 by and between Burkesville Gas Company, Inc., a Kentucky corporation by and through its duly authorized President, David Thomas Shirey, Jr., hereinafter referred to as Party of the First Part, and Summit National Holding Corporation, a Texas corporation, whose address is 5005 Live Oak, P O Box 962, Greenville, TX 75402, hereinafter referred to as Party of the Second Part:

THAT WHEREAS, the Party of the First Part is a Kentucky corporation that operates a utility company under the auspices of Certificate of Need and Necessity that has been authorized by the Public Service Commission for the Commonwealth of Kentucky, and

THAT WHEREAS, the Party of the First Part desires certain financial expertise in order to operate and run such utility company efficiently and effectively; and

THAT WHEREAS, the Party of the Second Part is in the business of providing such financial consulting and management skills in order to help the Party of the First Part accomplish its goals,

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration, the receipt of which is set forth in the covenants to be provided by the Party of the Second Part hereinbelow, the Parties of the First Part and Second Part agree as follows

1. The Party of the Second Part shall provide financial consulting and management skills on behalf of the Party of the First Part, an estimated sum which would equate to 18 hours per month, and which would include but not be limited to the following.

a Meet one or two days per week to review and discuss weekly updates and activities related to Burkesville Gas as provided by the Party of the First Part to the Party of the Second Part.

b To conduct daily telephone conferences on a "as need basis" on issues needing immediate review.

c To review state, local and Federal reporting forms that have been filed on behalf of the Party of the First Part

d To review check registers and weekly cash flow statements on behalf of the Party of the First Part.

e To review monthly billing statements and percentage of collection reports generated on behalf of the Party of the First Part.

f To review any contracts or agreements that have been entered into on behalf of the Party of the First Part which affects its day to day or month to month business plan or activities for future expansion.

g To review any financial information received from the Party of the First Part

h To explore and research opportunities for improvement of sales

i To review work performed by key employees of the Party of the First Part and make suggested changes.

j To have or participate in conferences with any legal staff on behalf of the Party of the First Part.

k To review and supervise the preparation of future financial records

l To review data necessary in determining potential leaks in gas pipelines.

- m. To review monthly delivery reports
 - n. To research current natural gas prices on the NYMEX or other websites.
 - o. To consult with and help negotiate natural gas prices with the supplier or suppliers for the Party of the First Part
 - p. To review all DOT and other Commonwealth of Kentucky reports
 - q. To review any minutes from the Board of Directors meetings on behalf of the Party of the First Part
 - r. To review prior financial returns or tax returns on behalf of the Party of the First Part.
 - s. To review current property tax assessments.
 - t. To discuss and make decisions pertaining to personnel issues with the Party of the First Part
 - u. When requested, to attend any Board of Director or shareholder meetings to provide insight to management reports
2. In return for the time expended for management consultation for the areas set forth in the preceding paragraph, the Party of the First Part shall pay the Party of the Second Part the sum of \$1,800.00 per month, said amount to be paid on the 10th day of each month. It is expressly understood and agreed that the Party of the Second Part may provide time in excess of 18 hours per month, and in the event that it does, it shall bill such additional time at the rate of \$100.00 per hour to the Party of the First Part
3. The Party of the Second Part shall have the right to bill the Party of the First Part for any out of pocket expenses incurred, in addition to the \$1,800.00 per month management fee set forth hereinabove.

4. This Agreement shall have a duration of one year and therefore shall cease on June 30, 2009, unless same has been renewed under similar terms or conditions by the Party of the First Part

Witness the execution of this Agreement signed by the appropriate officers of each party hereto.

This the 4th day of June, 2008



Burkesville Gas Company, Inc
By: David Thomas Shirey, Jr., President



Summit National Holding Company
By: Ken Boyce, Officer

CASE #2008-00032

13. *In Item 16(d) of the Commission Staff's First Information Request, Burkesville was requested to "[P]rovide a detailed calculation of how the \$100 billing rate was derived." In its response, Burkesville explained that "[M]r. Shirey is a salaried employee, his billing rate is approximately \$100.00 per hour for each hours that he spends on providing his services to a company in which he is an acting officer."*

a. Provide the detailed calculation of how the \$100 billing rate was derived as Commission Staff originally requested.

The \$100.00 billing rate was derived by considering comparable rates charged as a consulting fee while working on other projects and other companies and political subdivisions.

Consolidated Financial Resources, Inc. and Consolidated Financial Advisory, Inc. bills out all services on a fee basis on an evaluation of estimated time required including Tom Shirey's time at \$100.00 to \$300.00 per hour.

Summit National Holding Corporation bills out services for Tom Shirey's time at the rate of \$100.00 per hour.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

13. *In Item 16(d) of the Commission Staff's First Information Request, Burkesville was requested to "[P]rovide a detailed calculation of how the \$100 billing rate was derived." In its response, Burkesville explained that "[M]r. Shirey is a salaried employee, his billing rate is approximately \$100.00 per hour for each hours that he spends on providing his services to a company in which he is an acting officer."*
- b. Provide a list of the companies of which Mr. Shirey is an acting officer and describe the services and duties he performs for each company. Include the number of hours Mr. Shirey devotes to each company and the amount that is charged to each for Mr. Shirey's services.*

The companies for which Mr. Shirey is an acting officer are as follows:

- Burkesville Gas Company, Inc.
- Apache Gas Transmission Company, Inc
- Summit National Holding Corporation
- Consolidated Financial Resources, Inc
- Consolidated Financial Advisory, Inc.
- Albany Gas, Inc

The approximate number of hours per month Mr. Shirey devotes to each company for management and other services is as follows

- Burkesville Gas Company, Inc – 18 hours
- Apache Gas Transmission Company, Inc. – 18 hours
- Summit National Holding Corporation – 20 hours
- Consolidated Financial Resources, Inc. – 40 hours
- Consolidated Financial Advisory, Inc. – 40 hours
- Albany Gas, Inc – 1 hour – No ongoing activity at this point

Mr. Shirey's services for each company include but are not limited to the following:

Burkesville Gas Company, Inc.

- Attendance of Board of Director and Shareholder meetings.
- Meets with Brenda Everette one day to two days per week to review and discuss weekly updates and activity related to Burkesville Gas.
- Conducts daily telephone conferences on an "as need basis" on any issues needing his immediate review.
- Signs checks.
- Signs local, state and federal reporting forms.

Name of witness responsible for responding to this question:

Tom Shirey and Brenda Everette

CASE #2008-00032

- Reviews check registers and weekly cash flows.
- Reviews monthly billings and percentage of collections reports
- Reviews and signs any contracts or agreements necessary to the activities of Burkesville Gas Company, Inc.
- Reviews financial information
- Explores and researches opportunities to improve sales
- Manages work performed by Brenda Everette.
- Conferences with the attorney on legal affairs with Burkesville Gas Company.
- Reviews and supervises the preparation of the current financial records.
- Regularly reviews data to assist Brenda Everette in determining potential leaks.
- Reviews monthly billing versus delivery reports.
- Reviews and researches current natural gas prices on the NYMEX and other websites
- Negotiates natural gas prices with the supplier.
- Reviews and signs all DOT and State reports.
- Attendance of annual Board of Directors meetings.
- Reviewing previous year financials and approving tax returns.
- Reviewing federal and state tax returns.
- Reviews current property tax assessment.
- Discusses and makes the final decision on personnel issues

Apache Gas Transmission Company, Inc.

- Attendance of annual Board of Directors meetings.
- Reviewing previous year financials and approving for preparation of tax returns.
- Reviewing federal and state tax returns.
- Reviewing state property tax returns.
- Reviewing current tax assessments
- Reviewing the Operation, Maintenance and Transportation agreement between Apache and Burkesville.
- Reviewing information provided by personnel for preparation of the Integrity Management Plan.
- Review reports for the Department of Transportation form PHMSA F7100-2.1
- Sign and review each check before payment.
- Reviews on a weekly basis the current and projected cash flows.
- Reviews financial information weekly with Brenda Everette.
- Reviews with Brenda Everette the weekly MCF volumes delivered
- Reviewed and discussed with bank and attorney the loan renewal of the existing loan with Monticello Banking Company.
- Explores and researches opportunities to improve sales.
- Works with Brenda Everette in making decisions that are in the best interest of Apache.
- Manages and reviews all work performed by both Brenda Everette and Joshua Shirey.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

- Conferences with attorney on all legal affairs of Apache.
- Receives weekly updates from Brenda Everette on all activity related to Apache
- Reviews and supervises the preparation of the current financial records

Consolidated Financial Resources, Inc. (CFRI)

Summit National Holding Corporation bills CFRI \$4,000 00 per month for management services working with office personnel to discuss and all financial matters

In addition to the management services provided through Summit, Mr. Shirey also assist in providing public lease financing to governmental entities. For those services, Mr. Shirey is paid on a transactional basis directly from CFRI.

Consolidated Financial Advisory, Inc. (CFAI)

Mr. Shirey is directly engaged in public financial advisory assisting local political subdivisions in the creation and restructure of debt and to direct and coordinate the entire plan of financing.

CFAI contracts for financial advisory services on a fee based on an estimate of the required time including Tom Shirey's time. For these services, Mr. Shirey is paid on a transactional basis directly from CFAI.

Summit National Holding Corporation

Summit National Holding Corporation pays Mr. Shirey a salary that includes management services he provides directly related to Summit.

Albany Gas, Inc.

At this point, there is nominal to no activity on Albany Gas, Inc.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

13. *In Item 16(d) of the Commission Staff's First Information Request, Burkesville was requested to "[P]rovide a detailed calculation of how the \$100 billing rate was derived." In its response, Burkesville explained that "[M]r. Shirey is a salaried employee, his billing rate is approximately \$100.00 per hour for each hours that he spends on providing his services to a company in which he is an acting officer."*

c. Provide a comparison of Mr. Shirey's hourly wage to the billing rate of \$100 per hour.

Listed below is a comparison of Mr. Shirey's billing rate.

<u>Service Provided To</u>	<u>Service Provided From</u>	<u>Management Billing Rate</u>
Summit National Holding Corporation	Tom Shirey	See Note #1
Consolidated Financial Resources, Inc.	Summit National Holding Corporation	\$100.00
Consolidated Financial Advisory, Inc.	Summit National Holding Corporation	See Note #2
Burkesville Gas Company, Inc.	Summit National Holding Corporation	\$100.00

Note # 1 - Summit National Holding Corporation does not bill itself for management services provided by Tom Shirey

Note #2 - Paid on a transactional basis based at \$100.00 to \$300.00 per hour

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

14. *Finding that a management fee of \$12,000 was excessive, given Burkesville's size, the Commission determined in Case No. 2000-00158¹ that a fee of \$3,600 was reasonable. Provide a detailed explanation as to what has occurred since that proceeding that would persuade the Commission to change its position regarding the management fee.*

The Commission did make the determination in Case No. 2000-00158 that \$3,600.00 was reasonable, and was subsequently accepted by Burkesville Gas Company in order to bring finality to the rate case. We still believe that the annual amount of \$3,600.00 fell far short of the amount that was fair and reasonable for management services at that time.

Furthermore, Tom Shirey extends a greater amount of his time on a monthly basis providing management input to running Burkesville Gas Company, Inc. than it did in 2000. We have more records to internally review on a daily, weekly or monthly basis; we have more input to share with employees of Burkesville Gas concerning existing customers with the acquisition of new or potentially new customers that we did in 2000. We further feel that the management fee that we have requested be incorporated as part of our rate in the amount of \$1,800.00 per month is much more in line with the \$1,500.00 per month management fee that was incorporated as part of the Apache Gas Transmission Company, Inc. rate in Case No. 2007-00354 that was approved in December of 2007 than is the \$300.00 per month management fee that was approved by the Public Service Commission on November 20, 2000 as part of Case No. 2000-00158.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

15. *Provide the most recent vendor invoice for health insurance. The invoice shall list employees individually by name and state clearly the type of coverage provided.*

Attached is a copy of the invoice for employee health insurance for the month of June 2008.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**



ANTHEM BCBS KY GROUP FKY1-MB KY0303-A640
1351 Wm Howard Taft
Cincinnati, OH 45206-1775

An independent licensee of the Blue Cross and Blue Shield Association. Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Inc. ©Registered marks Blue Cross and Blue Shield Association.

051108 DPL115160 KYGRP 10271 03



003281

#BWNCQXF
#AIM0000000000DS0#FKY1-MB KY0303-A640
Burkesville Gas Company
ATTN: Brenda Everette
5005 Live Oak Street
Greenville, TX 75402-6364



DETACH AND RETURN LOWER PORTION WITH YOUR PAYMENT

RETURN THIS WITH YOUR PAYMENT - DO NOT STAPLE

Burkesville Gas Company

Group No.	From Date	Through Date	Due Date
00087957-0000	06/01/2008	06/30/2008	06/01/2008
Amount Due		Amount Paid	
\$2,470.18			

Unit No. 003 FKY1-MB

Bill Clerk Kentucky Small Group Service Number



An independent licensee of the Blue Cross and Blue Shield Association. Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Inc. ©Registered marks Blue Cross and Blue Shield Association.

MAKE CHECKS PAYABLE TO
ANTHEM BLUE CROSS BLUE SHIELD



ANTHEM BCBS KY GROUP
PO Box 105124
Atlanta GA 30348-5124

1 1000879570000000000000000030601200800002470180031

Group ID: 00087957

Invoice Number: 044461823



An independent licensee of the Blue Cross and Blue Shield Association. Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Inc. ©Registered marks Blue Cross and Blue Shield Association.

Billing for: Burkesville Gas Company
5005 Live Oak Street
Greenville, TX 75402-6364

Due Date: 06/01/2008
Billing Date: 05/11/2008
Coverage Period From: 06/01/2008
Through: 06/30/2008

Group ID: 00087957

Invoice Number: 044461823

Account Summary

Previous Total Due \$1,235.09

Outstanding Balance as of 05/11/2008	\$1,235.09	- 01 -
Current Invoice	\$1,235.09	
Total Due	<u>\$2,470.18</u>	

Please Pay This Amount



For billing questions, please call 1-866-912-3278.

- + Remember to PAY AS BILLED - pay the total amount shown as due on the bill.
- + Do not add or delete members by writing on your bill - your payment goes to an automatic deposit box that cannot read your changes.
- + Submit membership changes to Anthem as they occur. We will adjust your premiums, when applicable, on a future bill.

IMPORTANT NOTICE REGARDING PAYMENT OF PREMIUM

Please be advised that if Anthem does not receive the group premium payment within the 30 day grace period following the premium payment due date, the group health coverage will be terminated effective on the last date through which full premiums were paid. This notice serves as the 30-day notice of termination required by law.

IMPORTANT NOTICE: If this bill reflects an outstanding premium balance for the prior month's bill, Anthem's issuance of this invoice does not waive Anthem's contractual right to automatically terminate your group's coverage for failure to timely pay premiums.

Fax your Membership ADDITIONS/CHANGES/TERMINATIONS to 1-800-844-6367

Current Subscriber Details

SubGroup ID: 0000

SubGroup Name: Burkesville Gas Company

Subscriber	Subscriber ID	Enrollment ID	Plan	Volume	Subscriber	Dependent	Total
Hurt, Kenneth M	420M56241	400949803	Health 2		\$578.01	\$0.00	\$578.01
Kempton, David H	287M56523	406028722	Health 2		\$352.84	\$0.00	\$352.84
McCarty, Juana	922M54850	216600030	Dental 2		\$39.36	\$0.00	\$39.36
McCarty, Juana	922M54850	216600030	Health 2		\$264.88	\$0.00	\$264.88
Subtotal for 0000					\$1,235.09	\$0.00	\$1,235.09



Account Detail

	Subscribers	Dependents	Current	Retro	Net
Dental 2	1	0	\$39.36	\$0.00	\$39.36
Health 2	3	0	\$1,195.73	\$0.00	\$1,195.73
			<hr/>	<hr/>	<hr/>
		Current Bill Total	\$1,235.09	\$0.00	\$1,235.09
		Balance Carried Forward			\$1,235.09
		Total			<hr/>
					\$2,470.18

CASE #2008-00032

16. *Refer to Burkesville's response to Item 18(a) of the Commission Staff's First Information Request and to the Annual Report of Burkesville to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2007 at 3 and 7.*
- a. Provide a copy of the loan agreement for the "SBA Loan – Monticello Banking Company" and cite the proceeding in which Commission approval of the financing was granted.*

Attached are copies of the loan agreement along with copies of the assumption agreements and revised modification agreements

The modification agreements and loan assumption agreement was a transaction between the Small Business Administration and its local affiliate of the Bank of Clinton County (now Monticello Banking Company), Burkesville Gas Company, Inc., Ken Turner, individually and Ken-Gas of Kentucky, Inc., and Consolidated Financial Resources, Inc. It was basically a negotiated settlement over pending litigation for default of a promissory note with the SBA by Kenneth Turner and Ken-Gas of Kentucky, Inc., at a subsequent time had been also assumed by Consolidated Financial Resources, Inc. and Tom Shirey, individually. In return for dismissal of such litigation and the complete disassociation of Kenneth R. Turner and Ken-Gas of Kentucky, Inc. with Burkesville Gas Company, Inc., a certain part of the accrued interest was forgiven, and the loan was restructured in accordance with the SBA and Bank of Clinton County (now Monticello Banking Company), as it pertains to the impact of such transaction in Case No. 92-178, it was the understanding of Burkesville Gas Company that the Commission had approved the original assumption of this indebtedness in January of 1992 when same was required by the SBA and the Bank of Clinton County (now Monticello Banking Company) before there was transfers of stock between Ken-Gas and Consolidated Financial Resources, Inc. in Burkesville Gas Company.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

ASSUMPTION AGREEMENT

SBA LOAN NO. GP 307 709 30 06 LOU

This Assumption Agreement made and entered into this 3rd day of March, 1999 by and between Burkesville Gas Company, Inc., a Kentucky corporation, acting by and through its duly authorized President, David Thomas Shirey, Jr., hereinafter referred to as Assumptor, and Consolidated Financial Resources, Inc., a Texas corporation, and David Thomas Shirey, Jr., an individual, hereinafter referred to as Co-Guarantors, and Bank of Clinton County, 310 N. Cross Street, Albany, Kentucky, 42602, by and through its President and CEO, Kathy Eads, hereinafter referred to as Lender.

WHEREAS, on or about the 4th day of January, 1988, Lender made a loan to Ken-Gas of Kentucky, Inc., and Kenneth Turner and wife, Phyllis Turner, individually, in the amount of \$670,000.00 which indebtedness had escalated to the sum of \$1,368,673.04 as of the date of July 23, 1998, and,

WHEREAS, the said Ken-Gas of Kentucky, Inc. has transferred portions of the collateral that was the subject matter of the security agreement on the above referenced loan by separate agreement to the assumptor, who, as a part of the consideration therefor, agrees to assume the original principal loan obligation balance of \$654,909.09 less the sum of \$25,000.00 which was credited to said principal for a total assumption of

indebtedness of \$629,909.09.

WHEREAS, Lender is hereby requested to consent to said assumption,

NOW, therefore, be it agreed as follows:

1. Assumptor hereby assumes and agrees to pay and discharge the Note held by Lender evidencing the loan of Ken-Gas of Kentucky, Inc. with the principal balance being assumed by Assumptor in the sum of \$629,909.09. The accrued interest outstanding on said Note of Ken-Gas of Kentucky, Inc. has been agreeably discharged and is not assumed by Assumptor.

2. Ken-Gas of Kentucky, Inc. and Kenneth Turner and wife, Phyllis Turner, individually, had obligated themselves to Lender pursuant to terms, conditions, duties and agreements as set forth in certain instruments and loan documents, a portion of which are appended hereto as per the following Exhibits. Assumptor shall be bound by the terms and conditions of all such documents except as might be modified herein.

EXHIBIT

INSTRUMENT

A	Original SBA Authorization
B	Original Promissory Note
C	Original Security Agreement
D	Continuation Agreement

True copies of each of the foregoing are attached hereto as exhibits, which are incorporated herein, and are made a part hereof.

3. Assumptor hereby assumes and agrees to all terms, conditions, duties and agreements made by Borrower, Ken-Gas of Kentucky, Inc. or required to be made by Borrower, Ken-Gas of

Kentucky, Inc., in the aforescribed loan documents except as same might be modified herein. Assumptor does further acknowledge execution of the following loan documents which additionally evidences its obligation to pay the amounts described above:

<u>EXHIBIT</u>	<u>INSTRUMENT</u>
E	Settlement Agreement
F	Modification Agreement
G	Title Lien Statement
H	Original SBA Security Agreement & Financing Statement
I	Bank of Clinton County Financing Statement
J	UCC One
K	Real Estate Mortgage

4. Upon execution of this agreement, the Lender agrees to release the following:

a. The Financing and Security Agreement dated January 4, 1988 between Ken-Gas of Kentucky, Inc. and the Bank of Clinton County and filed of record in Fixture Filing Book 1, Pages 10-19 in the Cumberland County Court Clerk's Office.

b. The Financing Statement #25822 between Ken-Gas of Kentucky, Inc. and the Bank of Clinton County filed of record in the Cumberland County Court Clerk's Office.

c. A certain mortgage instrument filed of record in Mortgage Book M-1, Page 330 of record in the Office of the Clerk of the Cumberland County, Kentucky Court between Ken-Gas of Kentucky, Inc. and the Bank of Clinton County dated January 4, 1988 in the principal amount of \$670,000.00.

d. The Lis Pendens notices filed or record in Book 5, Page 650 and Book 5, Page 660 in the Cumberland County Court Clerk's Office.

e. An Order dismissing Civil Action No. 96-CI-00050 now pending in the Cumberland Circuit Court.

f. To amend the conditional guarantees executed previously by David Thomas Shirey, Jr.; Consolidated Financial Resources; and Burkesville Gas Company in favor of the Bank of Clinton County dated January 30, 1992 consistent with the terms of this Assumption Agreement and that certain Settlement Agreement dated the 3rd day of March, 1999 as appended hereto as Exhibit "E".

5. All rights and remedies of the Lender above named are set forth in the Assumption Agreement, Settlement Agreement and the Exhibits annexed hereto.

6. The Lender hereby consents to (1) the conveyance of those assets in which Lender has a collateral interest by Ken-Gas of Kentucky, Inc. to Assumptor, and (2) this assumption.

7. Assumptor hereby acknowledges that it has not relied on any representation made by Lender, except as set forth herein or in the annexed exhibits.

8. Each party hereto acknowledges receipt of a copy of the Agreement, which is executed in multiple originals.

9. This Agreement shall be binding upon the heirs, successors and assigns of the parties hereto.

In Witness Whereof, this Agreement is made and executed at Bowling Green, Kentucky, as of the 3rd day of March, 1999.

CO-GUARANTOR:


CONSOLIDATED FINANCIAL
RESOURCES, INC.

ASSUMPTOR:


BURKESVILLE GAS COMPANY, INC.

CO-GUARANTOR:


DAVID THOMAS SHIREY, JR.

LENDER:


BANK OF CLINTON COUNTY

STATE OF KENTUCKY

COUNTY OF Warren

I, Delva A. Hoffman, a Notary Public in and for the said State and County aforesaid, hereby certify that on this date personally appeared before me BURKESVILLE GAS COMPANY, INC., DAVID THOMAS SHIREY, JR., PRESIDENT, who signed and acknowledged the foregoing document to be his free act and deed in due form of law.

Given under my hand and notarial seal, this the 3rd day of March, 1999.


NOTARY PUBLIC

My commission expires:

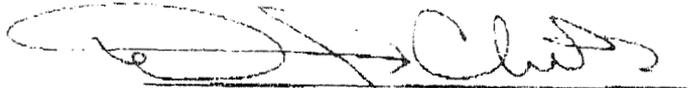
03/01/02

STATE OF KENTUCKY

COUNTY OF Clinton

I, David A. Clifton, a Notary Public in and for the said State and County aforesaid, hereby certify that on this date personally appeared before me BANK OF CLINTON COUNTY, KATHY C. EADS, PRESIDENT/CEO, who signed and acknowledged the foregoing document to be her free act and deed in due form of law.

Given under my hand and notarial seal, this the 3rd day of March, 1999.


NOTARY PUBLIC

My commission expires:

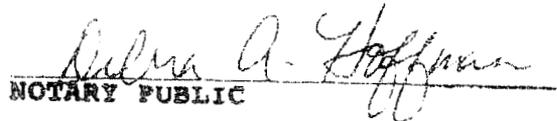
8-23-2000

STATE OF KENTUCKY

COUNTY OF Warren

I, Delva A. Hoffman, a Notary Public in and for the said State and County aforesaid, hereby certify that on this date personally appeared before me CONSOLIDATED FINANCIAL RESOURCES, INC., DAVID THOMAS SHIREY, JR., PRESIDENT, who signed and acknowledged the foregoing document to be his free act and deed in due form of law.

Given under my hand and notarial seal, this the 3rd day of March, 1999.


NOTARY PUBLIC

My commission expires:

03/01/02

STATE OF KENTUCKY

COUNTY OF Warren

I, Delva A. Hoffman, a Notary Public in and for the said State and County aforesaid, hereby certify that on this date personally appeared before me DAVID THOMAS SHIREY, JR., who signed and acknowledged the foregoing document to be his free act and deed in due form of law.

Given under my hand and notarial seal, this the 3rd day of March, 1999.

Delva A. Hoffman
NOTARY PUBLIC

My commission expires:

03/01/02

HAVE SEEN AND AGREED:

David R. Choate
DAVID R. CHOATE
Counsel for Lender

Kenneth A. Meredith II
HON. KENNETH A. MEREDITH, II
Counsel for Burkesville Gas Company, Inc.;
Consolidated Financial Resources, Inc. and
David Thomas Shirey, Jr.

William Stratton
WILLIAM STRATTON
U.S. Small Business Administration
District Office
Louisville, Kentucky

Linda Ritter
LINDA RITTER, District Counsel
U.S. Small Business Administration
District Office
Louisville, Kentucky

STATE OF KENTUCKY

COUNTY OF Warren

I, Delira A. Hoffman, a Notary Public in and for the said State and County aforesaid, hereby certify that on this date personally appeared before me DAVID THOMAS SHIREY, JR., who signed and acknowledged the foregoing document to be his free act and deed in due form of law.

Given under my hand and notarial seal, this the 3rd day of March, 1999.

Delira A. Hoffman
NOTARY PUBLIC

My commission expires:

03/01/02

HAVE SEEN AND AGREED:

David R. Chorte
DAVID R. CHORTE
Counsel for Lender

Kenneth A. Meredith, II
HON. KENNETH A. MEREDITH, II
Counsel for Burkesville Gas Company, Inc.;
Consolidated Financial Resources, Inc. and
David Thomas Shirey, Jr.

William Stratton
WILLIAM STRATTON
U.S. Small Business Administration
District Office
Louisville, Kentucky

Linda Ritter
LINDA RITTER, District Counsel
U.S. Small Business Administration
District Office
Louisville, Kentucky

KEN GAS OF KY, INC

OMB Approval No. 3245-0201
Expiration Date: 12-31-87

U.S. Small Business Administration

SBA LOAN NUMBER
GP 307 709 30 06 LOU

NOTE

ALBANY, KENTUCKY

(City and State)

\$ 670,000.00

(Date) JANUARY 4, 1988

For value received, the undersigned promises to pay to the order of _____

BANK OF CLINTON COUNTY

(Payee)

at its office in the city of ALBANY, State of KENTUCKY

or at holder's option, at such other place as may be designated from time to time by the holder

SIX HUNDRED SEVENTY THOUSAND * * * * * dollars.

(Write out amount)

with interest on unpaid principal computed from the date of each advance to the undersigned at the rate of AS BELOW percent per

annum, payment to be made in installments as follows:

- (1) This is a variable interest rate note. The interest rate fluctuates. The initial interest rate is ten and three-fourths percent (10.75%) per annum; it is in effect until the first day of the next calendar month. The subsequent rates are determined on and changed on the first day of every calendar quarter (January 1, April 1, July 1, October 1). The rate changes to two (2) percentage points over low New York prime published in WALL STREET JOURNAL under "Money Rates" on the first business day in the new fluctuation period. In event this note is declared in default, or is immediately due, or SBA purchases a participation, no rate change shall afterwards be made.
- (2) Installments shall be consecutive monthly payments of principal and interest, on or before first day of each month, beginning after one (1) month from date of note with accrued interest paid monthly until then. The installment amount during the initial period is Six Thousand Eight Hundred Two Dollars (\$6,802.00). The installment amount shall be adjusted simultaneously with the interest rate change to amortize the principal balance within the remaining term. All repayment shall be applied first to interest accrued to date of receipt, and the balance - if any - to principal. The balance of all interest and principal shall be paid on or before twenty years (20) years from date of the Note.

If this Note contains a fluctuating interest rate, the notice provision is not a pre-condition for fluctuation (which shall take place regardless of notice). Payment of any installment of principal or interest owing on this Note may be made prior to the maturity date thereof without penalty. Borrower shall provide lender with written notice of intent to prepay part or all of this loan at least three (3) weeks prior to the anticipated prepayment date. A prepayment is any payment made ahead of schedule that exceeds twenty (20) percent of the then outstanding principal balance. If borrower makes a prepayment and fails to give at least three weeks advance notice of intent to prepay, then, notwithstanding any other provision to the contrary in this note or other document, borrower shall be required to pay lender three weeks interest on the unpaid principal as of the date preceding such prepayment.

The term "indebtedness" as used here shall mean the indebtedness evidenced by this Note, including principal, interest, and expenses, whether contingent, now due or hereafter to become due and whether heretofore or contemporaneously herewith or hereafter contracted. The term "Collateral" as used in this Note shall mean any funds, guaranties, or other property or rights therein of any nature whatsoever or the proceeds thereof which may have been, are, or hereafter may be, hypothecated, directly or indirectly by the undersigned or others, in connection with or as security for, the indebtedness or any part thereof. The Collateral, and each part thereof, shall secure the indebtedness and each part thereof. The covenants and conditions set forth or referred to in any and all instruments of hypothecation constituting the Collateral are hereby incorporated in this Note as covenants and conditions of the undersigned with the same force and effect as though such covenants and conditions were fully set forth herein.

The indebtedness shall immediately become due and payable, without notice or demand upon the appointment of a receiver or liquidator, whether voluntary or involuntary, for the undersigned or for any of its property, or upon the filing of a petition by or against the undersigned under the provisions of any State insolvency law or under the provisions of the Bankruptcy Reform Act of 1978, as amended, or upon the making by the undersigned of an assignment for the benefit of its creditors. Holder is authorized to declare all or any part of the indebtedness immediately due and payable upon the happening of any of the following events: (1) Failure to pay any part of the indebtedness when due; (2) nonperformance by the undersigned of any agreement with, or any condition imposed by, Holder or Small Business Administration (hereinafter called "SBA"), with respect to the indebtedness; (3) Holder's discovery of the undersigned's failure in any application of the undersigned to Holder or SBA to disclose any fact deemed by Holder to be material or of the making therein or in any of the said agreements, or in any affidavit or other documents submitted in connection with said application or the indebtedness, of any misrepresentation by, on behalf of, or for the benefit of the undersigned; (4) the reorganization (other than a reorganization pursuant to any of the provisions of the Bankruptcy Reform Act of 1978, as amended) or merger or consolidation of the undersigned (or the making of any agreement therefor) without the prior written consent of Holder; (5) the undersigned's failure duly to account to Holder's satisfaction, at such time or times as Holder may require, for any of the Collateral, or proceeds thereof, coming into the control of the undersigned; or (6) the institution of any suit affecting the undersigned deemed by Holder to affect adversely its interest hereunder in the Collateral or otherwise. Holder's failure to exercise its rights under this paragraph shall not constitute a waiver thereof.

Upon the nonpayment of the indebtedness, or any part thereof, when due, whether by acceleration or otherwise, Holder is empowered to sell, assign, and deliver the whole or any part of the Collateral at public or private sale, without demand, advertisement or notice of the time or place of sale or any adjournment thereof, which are hereby expressly waived. After deducting all expenses incidental to or arising from such sale or sales, Holder may apply the residue of the proceeds thereof to the payment of the indebtedness, as it shall deem proper, returning the excess, if any, to the undersigned. The undersigned hereby waives all right of redemption or appraisement whether before or after sale.

Holder is further empowered to collect or cause to be collected or otherwise to be converted into money all or any part of the Collateral, by suit or otherwise, and to surrender, compromise, release, renew, extend, exchange, or substitute any item of the Collateral in transactions with the undersigned or any third party, irrespective of any assignment thereof by the undersigned, and without prior notice to or consent of the undersigned or any assignee. Whenever any item of the Collateral shall not be paid when due, or otherwise shall be in default, whether or not the indebtedness, or any part thereof, has become due, Holder shall have the same right and powers with respect to such item of the Collateral as are granted in this paragraph in case of nonpayment of the indebtedness, or any part thereof, when due. None of the rights, remedies, privileges, or powers of Holder expressly provided for herein shall be exclusive, but each of them shall be cumulative with and in addition to every other right, remedy, privilege, and power now or hereafter existing in favor of Holder, whether at law or equity, by statute or otherwise.

The undersigned agrees to take all necessary steps to administer, supervise, preserve, and protect the Collateral, and regardless of any action taken by Holder, there shall be no duty upon Holder in this respect. The undersigned shall pay all expenses of any nature, whether incurred in or out of court, and whether incurred before or after this Note shall become due at its maturity date or otherwise, including but not limited to reasonable attorney's fees and costs, which Holder may deem necessary or proper in connection with the satisfaction of the indebtedness or the administration, supervision, preservation, protection of (including, but not limited to, the maintenance of adequate insurance) or the realization upon the Collateral. Holder is authorized to pay at any time and from time to time any or all of such expenses, add the amount of such payment to the amount of the indebtedness, and charge interest thereon at the rate specified herein with respect to the principal amount of this Note.

The security rights of Holder and its assigns hereunder shall not be impaired by Holder's sale, hypothecation or rehypothecation of any note of the undersigned or any item of the Collateral, or by any indulgence, including but not limited to (a) any renewal, extension, or modification which Holder may grant with respect to the indebtedness or any part thereof, or (b) any surrender, compromise, release, renewal, extension, exchange, or substitution which Holder may grant in respect of the Collateral, or (c) any indulgence granted in respect of any endorser, guarantor, or surety. The purchaser, assignee, transferee, or pledgee of this Note, the Collateral, and guaranty, and any other document (or any of them), sold, assigned, transferred, pledged, or repledged, shall forthwith become vested with and entitled to exercise all the powers and rights given by this Note and all applications of the undersigned to Holder or SBA, as if said purchaser, assignee, transferee, or pledgee were originally named as Payee in this Note and in said application or applications.

KEN-GAS OF KY, INC.

SMB Approval No. 3249-0201
Expiration Date: 12/31/57

U.S. Small Business Administration

SBA LOAN NUMBER
GP 307 709 30 06 LOU

This promissory note is given to secure a loan which SBA is making or in which it is participating and, pursuant to Part 101 of the Rules and Regulations of SBA (13 C.F.R. 101.1(d)), this instrument is to be construed and (when SBA is the Holder or a party in interest) enforced in accordance with applicable Federal law.

(S B A L)

Ken Gas of Kentucky, Inc.

Attest:

Bucky James McWhorter
Secretary

Kenneth Turner
President

Note - Corporate applicants must execute Note, in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnership applicants must execute Note in firm name, together with signature of a general partner

SEA LOAN NUMBER CP 307 709 3006 LOU

MODIFICATION AGREEMENT

This Agreement is made between Burkesville Gas Company, Inc., a Kentucky corporation, and acting by and through its duly authorized President, David Thomas Shirey, Jr. (Borrower) and Consolidated Financial Resources, Inc., a Texas corporation, and David Thomas Shirey, Jr., an individual, hereinafter referred to as Co-Guarantors, and Bank of Clinton County (Lender).

Whereas, Lender has heretofore approved an Assumption Agreement between Burkesville Gas Company, Inc. and Consolidated Financial Resources, Inc. and David Thomas Shirey, Jr. and Bank of Clinton County dated March 3, 1999 (Exhibit 1) and,

Whereas, the principal amount of the Assumption Agreement is \$629,909.09 and is further evidenced by the assumption of the note from Ken-Gas of Kentucky, Inc. to the Bank of Clinton County, and,

Whereas, Borrower and Co-Guarantor and Lender desire to modify certain provisions in said previous note:

Now, therefore, in consideration of the premises and other good and valuable consideration, Borrower and Co-Guarantor agrees with Lender as follows, to-wit:

1. That the interest of such indebtedness shall be at the rate of 2% per annum and for a period of four years and that

SBA LOAN NUMBER GP 107 709 3006 LOU

MODIFICATION AGREEMENT

This Agreement is made between Burkesville Gas Company, Inc., a Kentucky corporation, and acting by and through its duly authorized President, David Thomas Shirey, Jr. (Borrower) and Consolidated Financial Resources, Inc., a Texas corporation, and David Thomas Shirey, Jr., an individual, hereinafter referred to as Co-Guarantors, and Bank of Clinton County (Lender).

Whereas, Lender has heretofore approved an Assumption Agreement between Burkesville Gas Company, Inc. and Consolidated Financial Resources, Inc. and David Thomas Shirey, Jr. and Bank of Clinton County dated March 3, 1999 (Exhibit 1) and,

Whereas, the principal amount of the Assumption Agreement is \$629,909.09 and is further evidenced by the assumption of the note from Ken-Gas of Kentucky, Inc. to the Bank of Clinton County, and,

Whereas, Borrower and Co-Guarantor and Lender desire to modify certain provisions in said previous note:

Now, therefore, in consideration of the premises and other good and valuable consideration, Borrower and Co-Guarantor agrees with Lender as follows, to-wit:

1. That the interest of such indebtedness shall be at the rate of 2% per annum and for a period of four years and that

the Assumption Debtor and/or Co-Guarantors shall make interest only payments on a monthly basis to the lender in the amount of One Thousand Forty Nine Dollars and Eighty Five Cents (\$1,049.85) commencing on April 3, 1999 and continuing on the first day of each consecutive and successive month thereafter for 48 monthly interest payments.

2. That the interest shall be at the rate of 3% per annum for an additional 16 years and will be paid as follows: principal and interest payments of Four Thousand One Hundred Thirty Four Dollars and Ninety Three Cents (\$4,134.93) shall commence on April 3, 2003 and continue on the first day of each consecutive and successive month until final maturity of April 3, 2019 at which time any accrued interest and unpaid principal will be due and payable.

3. All other terms and conditions of said previous note shall remain the same that are not modified as set forth hereinabove.

Borrower and Co-Guarantor hereby authorize and direct Lender to take any action necessary to conform the original note, security instruments, and other collateral documents to the terms as herein modified, and hereby accepts and confirms Borrower's liability under said note and assumption agreement, security instruments, and other collateral documents, with the terms as herein modified.

Borrower and Co-Guarantor further agree that the foregoing modification shall in no way affect or otherwise release any collateral held by Lender as security listed in the Settlement Agreement (Exhibit 2), but acknowledges and agrees that all collateral held by Lender as security to said Settlement Agreement shall continue to secure the note.

Attachment 3
13098607.

REVISED MODIFICATION AGREEMENT

THIS REVISED MODIFICATION AGREEMENT, made and entered into between Burkesville Gas Company, Inc., a Kentucky corporation, acting by and through its duly authorized President David Thomas Shirey, Jr., hereinafter referred to as Borrower; and Consolidated Financial Resources, Inc., a Texas corporation and David Thomas Shirey, Jr., an individual hereinafter referred to as Co-Guarantors; and Monticello Banking Company, formerly known as the Bank of Clinton County, hereinafter referred to as Lender:

THAT WHEREAS, a previous SBA Loan No. GP 307 709 3006 LOU was the subject matter of an assumption agreement between Burkesville Gas Company, Inc. and Consolidated Financial Resources, Inc. and David Thomas Shirey, Jr., with the Bank of Clinton County dated March 3, 1999; and

THAT WHEREAS, at the time of such assumption agreement there was also a modification agreement dated March 3, 1999 reflecting an outstanding loan balance on said SBA Loan referred to hereinabove of \$629,909.09, which was then in existence from Ken-Gas of Kentucky, Inc. to the Bank of Clinton County; and

THAT WHEREAS, the Borrower and Co-Borrowers named hereinabove assumed such indebtedness under a payment schedule that was set forth in the modification agreement referred to hereinabove; and

THAT WHEREAS, borrower and co-borrowers have made certain payments on said loan through an oral modification agreement made between the Borrower and the Lender such that certain payments have been made to date, or through April 30, 2007, reducing the principal balance to the sum of \$582,111.48, and furthermore, the Borrower

and Co-Borrowers have agreed, pursuant to such amortization schedule, to continue remitting payment on the remaining unpaid principal balance referred to herein at the rate of 2% interest per annum under an amortization schedule that will call for 238 (two hundred thirty eight) total monthly payments beginning June 15, 2007 through March 15, 2027 in various amounts as set forth in the annexed amortization schedule, the terms of which are incorporated hereby by reference; and

THAT WHEREAS, the lender agrees to the amortization schedule for purposes of the repayment of such loan.

NOW, THEREFORE, in consideration of the premises and recitals set forth hereinabove, and other good and valuable consideration, the Borrower and Co-Guarantors agree with the Lender as follows:

1. The interest on the indebtedness referred to hereinabove shall remain the rate of 2% per annum. The maturity date of said loan shall be extended from its original date of April 3, 2019 to March 15, 2027.

2. The monthly payments shall be in various amounts as per the attached amortization schedule with the payments being \$5,000.00 each month for the months of January through April; \$2,500.00 for the months of May and December; and \$1,800.00 per month for the months of June through November, and with each payment same shall first be applied toward accrued interest, with the remaining balance applied toward principal indebtedness reduction, as set forth in the amortization schedule attached hereto, beginning with payment no. 1 and extending through payment no. 238.

3. All other terms and conditions of the previous note shall remain the same with the exception that the lender agrees to modify and conform the Borrowers

repayment schedule under the note and assumption agreement, security instruments, and other collateral documents to the terms that are herein modified.

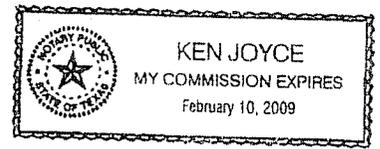
IN TESTIMONY WHEREOF, witness the hands of the Borrower, acting by and through its duly authorized President, who is vested with full power and authority by virtue of a resolution of the Board of Directors of Burkesville Gas Company, Inc., to enter into such Revised Modification Agreement; and by virtue of David Thomas Shirey, Jr., who is acting in his individual capacity and through a corporate resolution vested from Consolidated Financial Resources, Inc., as the Co-Guarantors, and by the loan officer on behalf of the Bank of Clinton County as evidenced hereinbelow on this the day and date first above written.

This the 21st day of May, 2007.

David Thomas Shirey, Jr.
Burkesville Gas Company, Inc.
By: David Thomas Shirey, Jr., President

STATE OF Texas)
)
COUNTY OF Hunt)

SUBSCRIBED AND SWORN to before me by David Thomas Shirey, Jr., President of Burkesville Gas Company, Inc. on this the 29th day of May, 2007 in Creswell, Hunt County, Texas.

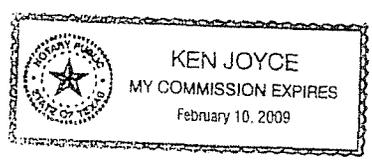


Ken Joyce
NOTARY PUBLIC, STATE AT LARGE
My Commission Expires: _____

David Thomas Shirey, Jr.
Consolidated Financial Resources, Inc.
By: David Thomas Shirey, Jr., President

STATE OF Texas)
)
COUNTY OF Hunt)

SUBSCRIBED AND SWORN to before me by David Thomas Shirey, Jr.,
President of Consolidated Financial Resources, Inc. on this the 20th day of
May, 2007 in Greenville County,
Texas

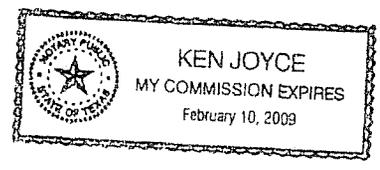


[Signature]
NOTARY PUBLIC, STATE AT LARGE
My Commission Expires _____

[Signature]
David Thomas Shirey, Jr., Individually

STATE OF Texas)
)
COUNTY OF Hunt)

SUBSCRIBED AND SWORN to before me by David Thomas Shirey, Jr.,
Individually on this the 20th day of May, 2007 in
Greenville County, Texas



[Signature]
NOTARY PUBLIC, STATE AT LARGE
My Commission Expires _____

[Signature]
Monticello Banking Company
(formerly known as Bank of Clinton County)
By: [Signature] Loan Officer

STATE OF)
)
COUNTY OF)

SUBSCRIBED AND SWORN to before me by [Signature] as Loan
Officer of Bank of Monticello Banking Company (formerly known as the Bank of
Clinton County on this the 13 day of June, 2007 in
Monticello Wayne County, Kentucky

[Signature]
NOTARY PUBLIC, STATE AT LARGE
My Commission Expires: 6-2-08

Attachment

PREPARED BY:

Kenneth A. Meredith, II

Kenneth A. Meredith, II
Attorney at Law
316 East Main Street
P.O. Box 194
Bowling Green, KY 42102-0194
(270)781-6194

CASE #2008-00032

16. *Refer to Burkesville's response to Item 18(a) of the Commission Staff's First Information Request and to the Annual Report of Burkesville to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2007 at 3 and 7.*
- b. Burkesville identifies a loan to Summit National Holding Corporation that had a balance of \$12,000 that was incurred to pay current operating expenses. Identify the liability account listed in the balance sheet where the loan is recorded.*

This loan is recorded on Burkesville Gas Company's balance sheet under the category "Other Current Liabilities – 23304 – N/P – Summit". The loan was inadvertently listed on the annual report under account # 234 – Accounts Payable to Associated Companies.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

16. Refer to Burkesville's response to Item 18(a) of the Commission Staff's First Information Request and to the Annual Report of Burkesville to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2007 at 3 and 7.

c. In Account 234 – Accounts Payable to Associated Companies, Burkesville reports a balance of \$203,752 as of December 31, 2007. Identify what is included in this liability account.

The amount of \$203,752 includes the following:

Account #	Description	Amount	
23303	A/P - CFRI -- Operating Costs (Natural Gas Payments)	163,566.27	
23305	A/P - Apache Gas Transmission Company, Inc.	23,983.92	
23304	N/P - Summit National Holding Company, Inc.	11,697.52	¹
23305	N/P - First Insurance Funding	4,504.45	²
	Total	203,752.16	

¹ See response to Item 16b of this Commission Staff's Second Information Request.

² This account is listed incorrectly on both Burkesville Gas Company's financial records and the 2007 annual report. Burkesville Gas Company, Inc. will correct its financial records to properly record this transaction in Account # 231 - Notes Payable.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

17. Refer to page 118 of the General Ledger Burkesville provided in its Response to Commission Staff's First Information Request, Item 9.

a. Account No. 92301: Outside Services Employed – Accounting. For each item listed in the table attached hereto as Schedule 1, provide a complete and detailed description of the accounting service provided and all supporting invoices. State whether the service will be required to be performed in the future and the anticipated date that the service will be required to be performed.

<u>Date</u>	<u>Check #</u>	<u>Name</u>	<u>Amount</u>	<u>Description of Services</u>	<u>Note #</u>
1/11/2007	8391	Brenda K. Everette	791.25	October 2006 Accounting Services	1
3/23/2007	8552	Brenda K. Everette	1,065.00	January 2007 Accounting Services	2
3/31/2007		Brenda K. Everette	1,526.25	March 2007 Accounting Services	3
4/12/2007	8610	Brenda K. Everette	1,207.50	February 2007 Accounting Services	4
4/26/2007	8627	Holland CPAs	2,350.00	Year End Accounting Services	5
6/4/2007	8703	Brenda K. Everette	1,155.00	April 2007 Accounting Services	6
6/25/2007		Brenda K. Everette	1,260.00	May 2007 Accounting Services	7
7/2/2007	8743	Holland CPAs	650.00	Year End Accounting Services	8
7/16/2007	8812	Brenda K. Everette	1,155.00	June 2007 Accounting Services	9
8/6/2007	8860	Brenda K. Everette	960.00	July Accounting Services	10
9/10/2007	8925	Brenda K. Everette	738.75	August 2007 Accounting Services	11
10/15/2007	9171	Brenda K. Everette	1,053.75	September 2007 Accounting Services	12
11/5/2007	9234	Brenda K. Everette	1,162.50	October 2007 Accounting Services	13
12/10/2007	9305	Brenda K. Everette	1,072.50	November 2007 Accounting Services	14
12/31/2007		Brenda K. Everette	1,410.00	December 2007 Accounting Services	15

Notes:

- Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report, prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, letters to Kentucky EPA concerning possible underground tank ownership and removal, prepare and review Federal and State quarterly reports, review 2005 tax returns, make adjusting entries as received from CPA, research DOT website for changes, review letters concerning possible underground tank removal, review Commission regulations and policies as required for annual training for Burkesville office personnel, write letter to certify that personnel has been trained according to the Commission policy, trips to UPS and Post Office and assist all Burkesville Gas personnel with information necessary to the day to day operation.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

- 2 Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report , prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, prepare and review Federal and State quarterly reports, enter inventory list prepared by Burkesville Gas personnel in Excel, balance inventory to financials, review and balance meter deposits, review invoices and payments to Eagle Energy, review property tax forms, write letters on property tax, prepare and file DOT reports, review Operator Public Awareness Plan for DOT compliance, write letters concerning property tax, review and file Integrity Management forms, review and balance financial information for year end, complete credit application, prepare billing vs. delivery report, balance billings to deliveries, issue letter concerning possible underground tank removal, review accounts receivable, review easements, review minutes for corporate meetings, send minutes to attorney, e-mails, trips to UPS and Post Office and assist all Burkesville Gas personnel with information necessary to the day to day operation.

- 3 Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report , prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, review and balance meter deposits, review and balance financial information for year end, prepare billing vs. delivery report, balance billings to deliveries, e-mails, review 2006 payroll for coding, review 2006 financial information and balance for year end, review and balance accounts receivable, review accounts receivable and meter deposit information with Burkesville Gas personnel, letters to attorney, phone calls with the Kentucky Property Tax Division, prepare annual report for filing, e-file annual report, trips to UPS and Post Office, review prepaid insurance, travel to and from Burkesville, work at Burkesville office for 3 days with personnel and assist in Kentucky Public Service Commission field inspection, review Operator Qualification manual, post 2006 year end adjustments, review drug testing reports, complete and e-file federal drug testing required forms, phone calls with CPA, prepare and mail property tax protest letters, phone calls with property tax division concerning property tax, review operator qualifications with personnel, backup up financial information and assist all Burkesville Gas personnel with information necessary to the day to day operation.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

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- 4 Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report, prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, review meter deposits, prepare billing vs. delivery report, balance billings to deliveries, e-mails, review and balance invoices and payments from Eagle Energy, check Kentucky Gas Association website for training classes, enroll personnel for training, make hotel reservations for personnel, lookup driving directions to hotel and training and send to personnel, review the current SBA loan, make copies of asset and revenue account information and send to CPA, review payables, phone calls with Burkesville Gas personnel concerning PSC inspection, research information for the Public Awareness Plan and review with personnel, review and balance accounts receivable, trips to UPS and Post Office, review operation qualifications with personnel, backup financial information and assist all Burkesville Gas personnel with information necessary to the day to day operation.
- 5 Preparation of 2006 state, federal, county and city corporate tax returns, year end assistance.
- 6 Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report , prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, prepare and review Federal and State quarterly reports, review and balance 1st quarter financials, post service orders, letter to bank, A/R information into Excel, review cash sales, review and discuss with Tom the responses from the CPA, review PSC inspection concerning OPERATOR QUALIFICATION manual with R. L. Wingate and Associates, review customer delinquent charges, prepare billing vs. delivery report, balance billings to deliveries, e-mails, review and balance invoices and payments from Eagle Energy, review payables, review and balance accounts receivable, trips to UPS and Post Office, backup financial information and assist all Burkesville Gas personnel with information necessary to the day to day operation.
- 7 Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report , prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, post service orders, A/R information into Excel, review cash sales, letters to attorney, gather and send information to R. L. Wingate and Associates for O& M manual, trips to UPS and Post Office,

**Name of witness responsible for responding to this question:
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correspondence by phone and e-mail with Monticello Banking Company concerning SBA loan modification, run amortizations for the SBA loan and review different options with Tom Shirey, review vacation and sick leaves and prepare forms, review and update operation qualification testing and review with personnel, annual property tax returns, research information for CPA for annual property tax forms, prepare past three years sales averages and review with Tom Shirey, prepare amortization schedule for insurance payments, letter to PSC on assessment, prepare billing vs. delivery report, balance billings to deliveries, e-mails, review and balance invoices and payments from Eagle Energy, review payables, review and balance accounts receivable, trips to UPS and Post Office, backup financial information, work on rate case and assist all Burkesville Gas personnel with information necessary to the day to day operation.

- 8 Preparation of 2007 annual property tax returns.
- 9 Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report , prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, post service orders, A/R information into Excel, review cash sales, prepare billing vs. delivery report, balance billings to deliveries, e-mails, review and balance invoices and payments from Eagle Energy, review payables, research Odorant regulations federal website, 2nd quarter financial posting letter to attorney, communication with Steve Parrish of Underwood Insurance, to Kearney trailers for trailer title, review and balance accounts receivable, trips to UPS and Post Office, backup financial information, work on rate case and assist all Burkesville Gas personnel with information necessary to the day to day operation.
- 10 Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report , prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, post service orders, A/R information into Excel, review cash sales, prepare billing vs., delivery report report, balance billings to deliveries, e-mails, review and balance invoices and payments from Eagle Energy, review payables, research insurance audit information and review with Tom Shirey, phone calls to insurance agency, letter to attorney, review other amortizations for the SBA loan modification, review and balance accounts receivable, trips to UPS and Post Office, backup financial information and assist all Burkesville Gas personnel with information necessary to the day to day operation.

**Name of witness responsible for responding to this question:
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CASE #2008-00032

- 11 Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report , prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, post service orders, A/R information into Excel, review cash sales, prepare billing vs. delivery report, balance billings to deliveries, e-mails, review and balance invoices and payments from Eagle Energy, review payables, review accounts receivable, trips to UPS and Post Office, backup financial information, review letters from attorney, write letter to attorney, letter to property tax division concerning property tax, research gas air conditioning systems and assist all Burkesville Gas personnel with information necessary to the day to day operation.
- 12 Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report , prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, post service orders, A/R information into Excel, review cash sales, prepare billing vs. delivery report, balance billings to deliveries, e-mails, review and balance invoices and payments from Eagle Energy, review payables, review accounts receivable, trips to UPS and Post Office, backup financial information, telephone calls concerning quotes on gas air conditioning systems, review load rate information from gas supplier, call gas supplier for quotes for winter gas, letter to Eagle Energy, update financials and send to gas suppliers, review billings with Burkesville Gas personnel and assist all Burkesville Gas personnel with information necessary to the day to day operation.
- 13 Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report , prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, post service orders, A/R information into Excel, review cash sales, prepare billing vs. delivery report, balance billings to deliveries, e-mails, review and balance invoices and payments from Eagle Energy, review payables, review accounts receivable, trips to UPS and Post Office, backup financial information, State and Federal quarterly, review annual PSC training with personnel, send letter to certify that personnel has been trained in compliance with the Commission's requirements, work on rate case and assist all Burkesville Gas personnel with information necessary to the day to day operation.

**Name of witness responsible for responding to this question:
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- 14 Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report , prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, post service orders, A/R information into Excel, review cash sales, prepare billing vs. delivery report, balance billings to deliveries, e-mails, review and balance invoices and payments from Eagle Energy, review payables, review accounts receivable, trips to UPS and Post Office, backup financial information, record and review insurance, review and update vacation and sick leave forms, telephone calls with gas supplier and Tom Shirey concerning winter gas lock in rate with Eagle Energy, calls to Burkesville Gas personnel concerning a possible gas leak, check Kentucky Gas Association website for training classes, enroll personnel in training classes, make hotel reservations for personnel for training, look up and send driving directions for personnel, review operator qualifications with Burkesville Gas personnel and assist all Burkesville Gas personnel with information necessary to the day to day operation.
- 15 Daily accounting services, weekly payroll checks, review time cards for category breakdown with employee as needed, posting deposits, reviewing sales information, posting sales information, reviewing faxes, match vendor statements with invoices, check vendor invoices for payment, daily communication with personnel at Burkesville Gas Company, reviewing information from Burkesville Gas, update monthly information for Gas Cost Adjustment filing, prepare checks to vendors, double check deposits, prepare accounts receivable report , prepare monthly expected and current cash flows, post and review financial information in QuickBooks, check Link System for gas delivered daily, review Texas Eastern month end reports, communication with vendors and customers, prepare and e-file sales tax and utility tax, weekly meetings with Tom Shirey at the Greenville office, daily telephone calls to Tom Shirey, reconcile bank statements, post service orders, A/R information into Excel, review cash sales, prepare billing vs. delivery report, balance billings to deliveries, e-mails, review and balance invoices and payments from Eagle Energy, review payables, review accounts receivable, trips to UPS and Post Office, backup financial information, letter to PSC concerning property tax, telephone calls with Juana, Kenny and David concerning gas leak, work on rate case, complete schedule of vehicles report for Cumberland County, complete Education Cabinet survey and assist all Burkesville Gas personnel with information necessary to the day to day operation.

Holland CPAs services will be required to be performed in the future. We expect most services from Holland CPAs to be performed anytime between January and May in order to complete the filing of all necessary state and federal tax returns by their due dates.

Brenda Everette's services will be required to be performed in the future. Brenda's services will be performed on a daily basis. The office employee at the Burkesville office, receives customer payments, post payments to the local system, issues monthly billings, and controls the petty cash fund. It is important that a segregation of duties exist. A lack of segregation of duties and supervision can expose the Company to financial loss.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - January 11, 2007

Hours for the month of October 2006

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
10/2/2006	2.25	15.00	33.75
10/5/2006	1.25	15.00	18.75
10/8/2006	2.75	15.00	41.25
10/9/2006	7.50	15.00	112.50
10/11/2006	2.50	15.00	37.50
10/12/2006	2.75	15.00	41.25
10/13/2006	2.25	15.00	33.75
10/16/2006	5.75	15.00	86.25
10/17/2006	4.75	15.00	71.25
10/18/2006	2.50	15.00	37.50
10/19/2006	4.75	15.00	71.25
10/20/2006	2.00	15.00	30.00
10/24/2006	1.75	15.00	26.25
10/26/2006	2.75	15.00	41.25
10/27/2006	5.50	15.00	82.50
Miscellaneous Phone Calls	1.75	15.00	26.25
Total Hours	52.75	15.00	791.25

Miscellaneous Charges

Stamps	7	0.39	2.73
Long Distance	48	0.10	4.80
Total Miscellaneous Charges			7.53
Total Charges - October 2006			798.78

Average Weekly Hours 13.19

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - March 23, 2007

Hours for the month of January 2007

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
1/1/2007	1.25	15.00	18.75
1/2/2007	1.50	15.00	22.50
1/3/2007	2.75	15.00	41.25
1/4/2007	0.75	15.00	11.25
1/5/2007	1.75	15.00	26.25
1/9/2007	2.50	15.00	37.50
1/10/2007	3.00	15.00	45.00
1/11/2007	6.00	15.00	90.00
1/12/2007	1.50	15.00	22.50
1/15/2007	4.75	15.00	71.25
1/17/2007	1.25	15.00	18.75
1/18/2007	8.00	15.00	120.00
1/19/2007	2.25	15.00	33.75
1/20/2007	2.25	15.00	33.75
1/22/2007	2.50	15.00	37.50
1/25/2007	8.50	15.00	127.50
1/26/2007	6.50	15.00	97.50
1/29/2007	3.75	15.00	56.25
1/30/2007	3.50	15.00	52.50
1/31/2007	4.25	15.00	63.75
Miscellaneous Phone Calls	2.50	15.00	37.50
Total Hours	71.00	15.00	1,065.00

Miscellaneous Charges

Priority Mail	2	4.55	9.10
Stamps	11	0.39	4.29
Long Distance	41	0.10	4.10
Total Miscellaneous Charges			17.49
Total Charges - January 2007			1,082.49

Average Weekly Hours 17.75

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - 4/12/07

Hours for the month of March 2007

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
3/1/2007	6.50	15.00	97.50
3/2/2007	5.50	15.00	82.50
3/4/2007	6.00	15.00	90.00
3/5/2007	8.50	15.00	127.50
3/6/2007	8.00	15.00	120.00
3/7/2007	9.00	15.00	135.00
3/8/2007	6.50	15.00	97.50
3/9/2007	5.50	15.00	82.50
3/12/2007	1.50	15.00	22.50
3/14/2007	0.75	15.00	11.25
3/15/2007	3.50	15.00	52.50
3/16/2007	2.00	15.00	30.00
3/19/2007	6.00	15.00	90.00
3/20/2007	3.50	15.00	52.50
3/21/2007	1.25	15.00	18.75
3/22/2007	3.00	15.00	45.00
3/23/2007	3.75	15.00	56.25
3/25/2007	1.50	15.00	22.50
3/26/2007	2.50	15.00	37.50
3/27/2007	1.75	15.00	26.25
3/28/2007	5.50	15.00	82.50
3/29/2007	6.25	15.00	93.75
3/31/2007	2.00	15.00	30.00
Miscellaneous Phone Calls	1.50	15.00	22.50
Total Hours	101.75	15.00	1,526.25

Miscellaneous Charges

Priority Mail	1	4.55	4.55
Stamps	9	0.39	3.51
Long Distance	26	0.10	2.60
Total Miscellaneous Charges			10.66
Total Charges - March 2007			1,536.91

Average Weekly Hours 25.44

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - 4/11/07

Hours for the month of February 2007

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
2/2/2007	4.75	15.00	71.25
2/3/2007	3.50	15.00	52.50
2/5/2007	2.00	15.00	30.00
2/6/2007	3.75	15.00	56.25
2/7/2007	8.50	15.00	127.50
2/8/2007	8.25	15.00	123.75
2/9/2007	6.25	15.00	93.75
2/12/2007	1.75	15.00	26.25
2/13/2007	1.25	15.00	18.75
2/14/2007	4.75	15.00	71.25
2/15/2007	3.50	15.00	52.50
2/16/2007	1.00	15.00	15.00
2/21/2007	2.25	15.00	33.75
2/23/2007	4.75	15.00	71.25
2/26/2007	7.50	15.00	112.50
2/27/2007	6.50	15.00	97.50
2/28/2007	7.75	15.00	116.25
Miscellaneous Phone Calls	2.50	15.00	37.50
Total Hours	80.50	15.00	1,207.50

Miscellaneous Charges

Priority Mail	1.00	4.55	4.55
Stamps	19	0.39	7.41
Long Distance	49	0.10	4.90
Total Miscellaneous Charges			16.86
Total Charges - February 2007			1,224.36

Average Weekly Hours 20.13



P O Box 104
927 College Street
Bowling Green KY 42102-0104
Phone: (270) 782-0700
Fax: (270) 782-0932

Client ID: 85095

BURKESVILLE GAS COMPANY INC
5005 LIVE OAK
GREENVILLE TX 75402

Date: 3/31/2007
Invoice #: 36579
Date Due: 4/16/2007

Return top portion and write Client # on check.

Amount enclosed \$ _____

For Professional Services Rendered as Follows:

BURKESVILLE GAS COMPANY INC

Consultation: Year-end assistance and PSC Report for 2006 2,350.00
Preparation of Corporation Tax Returns *

* excludes Tangible Return to be completed by 5/01/07

New Charges: \$2,350.00
Plus Prior Balance: 0.00

New Balance: \$2,350.00

Aged Balances						
<u>3/31/2007</u>	<u>2/28/2007</u>	<u>1/31/2007</u>	<u>12/31/2006</u>	<u>11/30/2006</u>	<u>10/31/2006+</u>	<u>Total</u>
2,350.00	0.00	0.00	0.00	0.00	0.00	\$2,350.00

Billing Inquiries contact Peggy Gray. Payments received after month-end not reflected.

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - 6/04/07

Hours for the month of April 2007

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
4/4/2007	3.50	15.00	52.50
4/5/2007	4.00	15.00	60.00
4/6/2007	4.75	15.00	71.25
4/7/2007	3.00	15.00	45.00
4/8/2007	4.00	15.00	60.00
4/9/2007	6.25	15.00	93.75
4/11/2007	2.75	15.00	41.25
4/12/2007	7.50	15.00	112.50
4/13/2007	6.00	15.00	90.00
4/16/2007	3.25	15.00	48.75
4/19/2007	3.50	15.00	52.50
4/23/2007	6.00	15.00	90.00
4/24/2007	5.50	15.00	82.50
4/25/2007	2.75	15.00	41.25
4/26/2007	3.50	15.00	52.50
4/27/2007	3.75	15.00	56.25
4/28/2007	2.75	15.00	41.25
4/30/2007	2.50	15.00	37.50
Miscellaneous Phone Calls	1.75	15.00	26.25
Total Hours	77.00	15.00	1,155.00

Miscellaneous Charges

Stamps	18	0.39	7.02
Long Distance	49	0.10	4.90
Total Miscellaneous Charges			11.92
Total Charges - April 2007			1,166.92

Average Weekly Hours 19.25

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - 6/25/07

Hours for the month of May 2007

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
5/1/2007	7.25	15.00	108.75
5/2/2007	6.25	15.00	93.75
5/3/2007	2.50	15.00	37.50
5/7/2007	6.75	15.00	101.25
5/8/2007	1.50	15.00	22.50
5/13/2007	4.50	15.00	67.50
5/14/2007	6.25	15.00	93.75
5/15/2007	4.75	15.00	71.25
5/16/2007	4.00	15.00	60.00
5/17/2007	9.50	15.00	142.50
5/18/2007	4.25	15.00	63.75
5/21/2007	4.50	15.00	67.50
5/22/2007	1.25	15.00	18.75
5/23/2007	2.50	15.00	37.50
5/27/2007	3.00	15.00	45.00
5/29/2007	6.25	15.00	93.75
5/30/2007	4.75	15.00	71.25
5/31/2007	3.00	15.00	45.00
Miscellaneous Phone Calls	1.25	15.00	18.75
Total Hours	84.00	15.00	1,260.00

Miscellaneous Charges

Stamps	27	0.41	11.07
Long Distance	75	0.10	7.50
Total Miscellaneous Charges			18.57
Total Charges - May 2007			1,278.57

Average Weekly Hours 21.00



P O Box 104
927 College Street
Bowling Green KY 42102-0104
Phone: (270) 782-0700
Fax: (270) 782-0932

Client ID: 85095

BURKESVILLE GAS COMPANY INC
5005 LIVE OAK
GREENVILLE TX 75402

Date: 5/31/2007
Invoice #: 37725
Date Due: 6/22/2007

Return top portion and write Client # on check.

Amount enclosed \$ _____

For Professional Services Rendered as Follows:

BURKESVILLE GAS COMPANY INC
Preparation of 2007 Property Tax Returns.

650.00

New Charges: \$650.00
Plus Prior Balance: 0.00

New Balance: \$650.00

Aged Balances							
<u>5/31/2007</u>	<u>4/30/2007</u>	<u>3/31/2007</u>	<u>2/28/2007</u>	<u>1/31/2007</u>	<u>12/31/2006+</u>	<u>Total</u>	
650.00	0.00	0.00	0.00	0.00	0.00	\$650.00	

Billing Inquiries contact Peggy Gray. Payments received after month-end not reflected.

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - 7/16/07

Hours for the month of June 2007

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
6/1/2007	4.50	15.00	67.50
6/2/2007	1.50	15.00	22.50
6/4/2007	5.50	15.00	82.50
6/5/2007	1.25	15.00	18.75
6/7/2007	5.25	15.00	78.75
6/8/2007	6.50	15.00	97.50
6/11/2007	3.00	15.00	45.00
6/12/2007	4.25	15.00	63.75
6/14/2007	3.00	15.00	45.00
6/15/2007	3.50	15.00	52.50
6/18/2007	2.50	15.00	37.50
6/20/2007	1.00	15.00	15.00
6/21/2007	5.50	15.00	82.50
6/22/2007	4.75	15.00	71.25
6/25/2007	7.50	15.00	112.50
6/26/2007	6.50	15.00	75.00
6/27/2007	5.00	15.00	22.50
6/28/2007	1.50	15.00	18.75
6/29/2007	1.25	15.00	26.25
6/30/2007	1.75	15.00	22.50
Miscellaneous Phone Calls	1.50	15.00	22.50
Total Hours	77.00	15.00	1,155.00

Miscellaneous Charges

Stamps	15	0.41	6.15
Long Distance	42	0.10	4.20
Total Miscellaneous Charges			10.35
Total Charges - June 2007			1,165.35

Average Weekly Hours 19.25

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - 8/06/07

Hours for the month of July 2007

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
7/2/2007	0.25	15.00	3.75
7/9/2007	4.75	15.00	71.25
7/10/2007	3.00	15.00	45.00
7/11/2007	5.50	15.00	82.50
7/12/2007	6.00	15.00	90.00
7/13/2007	5.75	15.00	86.25
7/16/2007	7.25	15.00	108.75
7/18/2007	3.25	15.00	48.75
7/19/2007	4.50	15.00	67.50
7/21/2007	2.25	15.00	33.75
7/22/2007	2.50	15.00	37.50
7/23/2007	4.00	15.00	60.00
7/24/2007	0.75	15.00	11.25
7/25/2007	3.00	15.00	45.00
7/27/2007	1.75	15.00	26.25
7/30/2007	4.25	15.00	52.50
7/31/2007	3.50	15.00	26.25
Miscellaneous Phone Calls	1.75	15.00	26.25
Total Hours	64.00	15.00	960.00

Miscellaneous Charges

Stamps	12	0.41	4.92
Long Distance	62	0.10	6.20
Total Miscellaneous Charges			11.12
Total Charges - July 2007			971.12

Average Weekly Hours 16.00

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - 9/10/07

Hours for the month of August 2007

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
8/3/2007	1.00	15.00	15.00
8/6/2007	4.25	15.00	63.75
8/7/2007	5.50	15.00	82.50
8/12/2007	2.25	15.00	33.75
8/13/2007	6.25	15.00	93.75
8/14/2007	0.75	15.00	11.25
8/17/2007	5.50	15.00	82.50
8/19/2007	3.00	15.00	45.00
8/20/2007	2.50	15.00	37.50
8/24/2007	5.00	15.00	75.00
8/27/2007	0.25	15.00	3.75
8/28/2007	6.00	15.00	90.00
8/30/2007	3.25	15.00	48.75
Miscellaneous Phone Calls	3.75	15.00	56.25
Total Hours	49.25	15.00	738.75

Miscellaneous Charges

Stamps	13	0.41	5.33
Long Distance	33	0.10	3.30
Total Miscellaneous Charges			8.63
Total Charges - August 2007			747.38

Asverage Weekly Hours 12.31

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - October 15, 2007

Hours for the month of September 2007

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
9/4/2007	5.25	15.00	78.75
9/5/2007	2.75	15.00	41.25
9/6/2007	2.75	15.00	41.25
9/7/2007	5.50	15.00	82.50
9/10/2007	0.50	15.00	7.50
9/11/2007	6.25	15.00	93.75
9/13/2007	5.50	15.00	82.50
9/14/2007	5.75	15.00	86.25
9/17/2007	2.50	15.00	37.50
9/18/2007	2.75	15.00	41.25
9/19/2007	2.75	15.00	41.25
9/20/2007	6.75	15.00	101.25
9/21/2007	4.50	15.00	67.50
9/25/2007	2.75	15.00	41.25
9/26/2007	4.25	15.00	63.75
9/27/2007	4.50	15.00	67.50
9/28/2007	3.75	15.00	56.25
Miscellaneous Phone Calls	1.50	15.00	22.50
Total Hours	70.25	15.00	1,053.75

Miscellaneous Charges

Stamps	21	0.41	8.61
Long Distance	52	0.10	5.20
Total Miscellaneous Charges			13.81
Total Charges - September 2007			1,067.56

Average Weekly Hours 17.56

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - November 5, 2007

Hours for the month of October 2007

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
10/1/2007	1.25	15.00	18.75
10/2/2007	7.00	15.00	105.00
10/3/2007	5.50	15.00	82.50
10/6/2007	4.75	15.00	71.25
10/8/2007	6.75	15.00	101.25
10/14/2007	7.00	15.00	105.00
10/17/2007	3.25	15.00	48.75
10/18/2007	6.50	15.00	97.50
10/19/2007	2.50	15.00	37.50
10/22/2007	5.75	15.00	86.25
10/23/2007	2.75	15.00	41.25
10/24/2007	3.00	15.00	45.00
10/25/2007	1.00	15.00	15.00
10/27/2007	4.50	15.00	67.50
10/28/2007	5.50	15.00	82.50
10/29/2007	6.25	15.00	93.75
10/31/2007	2.00	15.00	30.00
Miscellaneous Phone Calls	2.25	15.00	33.75
Total Hours	77.50	15.00	1,162.50

Miscellaneous Charges

Stamps	11	0.41	4.51
Long Distance	12	0.10	1.20
Total Miscellaneous Charges			5.71
Total Charges - October 2007			1,168.21

Average Weekly Hours 19.38

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - December 10, 2007

Hours for the month of November 2007

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
11/1/2007	7.25	15.00	108.75
11/2/2007	4.25	15.00	63.75
11/5/2007	2.50	15.00	37.50
11/6/2007	8.75	15.00	131.25
11/7/2007	8.50	15.00	127.50
11/12/2007	2.75	15.00	41.25
11/14/2007	4.00	15.00	60.00
11/15/2007	0.50	15.00	7.50
11/19/2007	3.50	15.00	52.50
11/20/2007	7.50	15.00	112.50
11/21/2007	0.50	15.00	7.50
11/25/2007	1.50	15.00	22.50
11/26/2007	8.50	15.00	127.50
11/27/2007	4.25	15.00	63.75
11/28/2007	4.75	15.00	71.25
Miscellaneous Phone Calls	2.50	15.00	37.50
Total Hours	71.50	15.00	1,072.50

Miscellaneous Charges

Stamps	15	0.41	6.15
Long Distance	149	0.10	14.90
Total Miscellaneous Charges			21.05
Total Charges - November 2007			1,093.55

Average Weekly Hours 17.88

BRENDA K. EVERETTE
443 Rains County Road # 3501
Emory, Texas 75440
Telephone (903)473-3178 -Fax (903) 473-9939

Billing Date - January 10, 2008

Hours for the month of December 2007

<u>Date</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Total</u>
12/1/2007	2.50	15.00	37.50
12/3/2007	11.00	15.00	165.00
12/4/2007	3.50	15.00	52.50
12/5/2007	0.50	15.00	7.50
12/6/2007	0.50	15.00	7.50
12/7/2007	1.50	15.00	22.50
12/9/2007	0.75	15.00	11.25
12/10/2007	8.25	15.00	123.75
12/11/2007	3.25	15.00	48.75
12/12/2007	8.25	15.00	123.75
12/13/2007	10.50	15.00	157.50
12/14/2007	5.75	15.00	86.25
12/16/2007	4.50	15.00	67.50
12/17/2007	6.00	15.00	90.00
12/18/2007	4.50	15.00	67.50
12/19/2007	2.75	15.00	41.25
12/20/2007	2.25	15.00	33.75
12/26/2007	1.75	15.00	26.25
12/27/2007	3.00	15.00	45.00
12/28/2007	9.75	15.00	146.25
12/31/2007	1.00	15.00	15.00
Miscellaneous Phone Calls	2.25	15.00	33.75
Total Hours	94.00	15.00	1,410.00

Miscellaneous Charges

Priority Mail	1	5.25	5.25
Stamps	11	0.41	4.51
Long Distance	258	0.10	25.80
Total Miscellaneous Charges			35.56
Total Charges - December 2007			1,445.56

Average Weekly Hours 23.50

CASE #2008-00032

17. Refer to page 118 of the General Ledger Burkesville provided in its Response to Commission Staff's First Information Request, Item9.

b. Account No. 923202: Outside Services Employed – Legal Fees. For each item listed in the table attached hereto as Schedule 2, provide a complete and detailed description of the legal service provided and all supporting invoices. State whether the service will be required to be performed in the future and the anticipated date that the service will be required to be performed.

Copies of the invoices supporting the items listed in Schedule 2 are as follows

<u>Date</u>	<u>Check #</u>	<u>Name</u>	<u>Amount</u>	<u>Note #</u>
1/19/2007	8396	Kenneth A. Meredith, II	39 34	1
2/9/2007	8439	Kenneth A. Meredith, II	548 85	2
3/1/2007	8467	Kenneth A. Meredith, II	216 87	3
4/4/2007	8557	Kenneth A. Meredith, II	129 14	4
4/4/2007	8570	Kenneth A. Meredith, II	473 67	5
4/4/2007	Legal	Correction	(129.14)	6
5/1/2007	8628	Kenneth A. Meredith, II	50 00	7
5/18/2007	8675	Kenneth A. Meredith, II	861 56	8
6/7/2007	8707	PETTY CASH	5 00	9
6/21/2007	8731	Kenneth A. Meredith, II	89 47	10
8/6/2007	8859	Kenneth A. Meredith, II	139 46	11
8/23/2007	7993	Kenneth A. Meredith, II	459 39	12
9/10/2007	8913	Kenneth A. Meredith, II	43 05	13
12/10/2007	9898	Kenneth A. Meredith, II	132 46	14
12/17/2007		Kenneth A. Meredith, II	316.00	15
12/27/2007		Kenneth A. Meredith, II	26 98	16

Notes

- 1 Legal services pertaining to the possible ownership and removal of the underground tank.
- 2 Legal services pertaining to the status of the corporate meeting, drafting of Shareholder and Board of Director minutes.
- 3 Legal services pertaining to the stock ownership of Burkesville Gas Company, Inc.
- 4 Legal services for Apache Gas Transmission Company, Inc., paid in error by Burkesville Gas Company, see #6 for entry correcting this error.
- 5 Legal services pertaining to stock ownership of Burkesville Gas and modification of the payments to Monticello Banking Company for the SBA loan.
- 6 This entry is to correct the invoice paid in error. See item #4. This was credited to Burkesville Gas Company and charged to Apache Gas Transmission Company.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

- 7 Legal service pertaining to the revised modification agreement on Monticello Banking Company.
- 8 Legal services pertaining the revised modification agreement of the Monticello Banking Company loan and Burkesville Gas stock ownership.
- 9 Fees from Cumberland County Justice Center for processing collection letter to past due accounts. \$1.00 per letter for 5 letters.
- 10 Legal services pertaining to corporate resolutions on the revised modification agreement of the Monticello Banking Company loan.
- 11 Legal services pertaining to the possible ownership and removal of the underground tank. Legal services pertaining to the agreement of the 2006 property tax
- 12 assessment and drafting of the corporate resolution.
- 13 Legal services pertaining to the agreement of the 2006 property tax assessment.
- 14 Legal services pertaining to the right of way renewal on Lanny Judd.
- 15 Legal services pertaining to the annual vehicle lease renewal and drafting of corporate resolutions.
- 16 Legal services pertaining to the vehicle leases.

Legal services will be required to be performed in the future as needed including, but not limited to the following:

- Preparation of annual shareholder minutes, Board of Director minutes and regular corporate resolutions
- Preparation of leases and contracts
- Negotiation with landowners for acquisition of additional right of ways or lease extension agreements for substation
- Review of modification of SBA Memorandum Agreement or other associated legal documents
- Defense of any future threat of lawsuit filed against Burkesville Gas Company, Inc.
- Any assistance when needed relating to any regulatory body.

With the exception of the revised modification SBA agreement all tasks mentioned in the preceding list are annually recurring. The exact date of the legal services to be performed is very difficult to predict. The date of legal services relating to legal proceedings or other matters needing legal assistance is nearly impossible to predict. However, the average annual expense of recurring legal services and needed periodic legal services has averaged \$3,294.00 per year from 2002 through 2007. The average of these services from 2005 through 2007 averaged \$4,371.00 per year.

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

KENNETH A. MEREDITH, II
ATTORNEY AT LAW
316 East Main
P.O. Box 194
Bowling Green, KY 42102-0194

TELEPHONE
(270)781-6194

FACSIMILE
(270)783-0681

BILLING STATEMENT

To: Mr. Tom Shirey
Burkesville Gas Company, Inc
5005 Live Oak
Greenville, TX 75402

Re: Burkesville Gas Company vs. Pepsi Cola and Commonwealth
of Kentucky - EPA Problem
Client File No. M-0959

January 18, 2007

Beginning balance per statement of December 19, 2006	\$ 39.46
Less payment received on January 17, 2007	<u>\$ 39.46</u>
Beginning balance	-0-

The following legal services have been performed on client's behalf since the last billing date:

12/21/06	Reviewed fax letter from client concerning status	.1
01/17/07	Reviewed updated fax from client concerning status	.1
01/18/07	Drafted reply fax to client	.1
	Cost: \$1.84 (telefax call)	

Time spent: .3 hours at \$125.00 per hour is \$37.50
Itemized costs: \$1.84
Total due: \$39.34

KENNETH A. MEREDITH, II
ATTORNEY AT LAW
319 East Tenth Street
P.O. Box 194
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(270)783-0681

BILLING STATEMENT

To: Mr. Tom Shirey
Consolidated Financial Resources, Inc.
5005 Live Oak
P.O. Box 962
Greenville, TX 75401

Re. Burkesville Gas Company, Inc.
Corporation File
Client File No. M-0452

February 2, 2007

Beginning balance per statement of September 12, 2006	\$ 129.54
Less payment received on 10/06/06	<u>\$ 129.54</u>
Beginning balance	-0-

The following legal services have been performed on client's behalf since the last billing date:

12/15/06	Phone conference with client concerning corporate waiver	1
	Sent corporate waiver to client's office	1
12/18/06	Long distance call with Brenda Everette	1
	Cost: \$1.96 (long distance call)	
	Drafted notice of annual shareholder meeting for 2006 and letter to client	.5
01/29/07	Reviewed return of fax concerning subject matter for meetings from 2004 - 2006 for shareholders and Board of Directors	.5
01/31/07	Reviewed return of notice of 2006 annual shareholder meeting	1
02/02/07	Drafted notice of annual shareholder meeting for 2004 and 2005, annual shareholder and Board of Director meeting minutes for 2004 through 2006, and telefaxed letter to client	2.9
	Cost: \$7.50 (photocopying)	
	\$1.89 (telex call)	

Time spent: 4.3 hours at \$125.00 per hour is \$537.50
Itemized costs: \$11.35 Total: \$548.85

KENNETH A. MEREDITH, II
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(270)783-0681

BILLING STATEMENT

To: Mr. Tom Shirey
Consolidated Financial Resources, Inc.
5005 Live Oak
P.O. Box 962
Greenville, TX 75401

Re: Burkesville Gas Company, Inc.
Corporation File
Client File No. M-0452

February 27, 2007

Beginning balance per statement of February 2, 2007	\$ 548.85
Less payment received on 02/27/07	<u>\$ 548.85</u>
Beginning balance	-0-

The following legal services have been performed on client's behalf since the last billing date:

02/02/07	Reviewed fax concerning shares of Ron Greiner allegedly owned by Tom Shirey	.2
02/05/07	Checked stock transfer agreement for Burkesville Gas Company and telefaxed letter to client Cost: \$2.36 (telefax call)	.8
02/16/07	Long distance call to Tom Shirey's office, telefaxed letter on status of corporate documents	.3
	Reviewed fax from client's office	.1
02/27/07	Reviewed return of corporate minutes and annual Board of Director Minutes Telefaxed letter to client concerning status of stock ownership Cost: \$2.01 (telefax call)	.2 .1

Time spent: 1.7 hours at \$125.00 per hour is \$212.50

Itemized costs: \$4.37

Total: \$216.87

KENNETH A. MEREDITH, II
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319 East Tenth Street
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(270)783-0681

BILLING STATEMENT

To: Mr. Tom Shirey
Consolidated Financial Resources, Inc.
5005 Live Oak
P.O. Box 962
Greenville, TX 75401

Re: Burkesville Gas Company, Inc.
Corporation File
Client File No. M-0452

March 26, 2007

Beginning balance per statement of February 27, 2007	\$ 216.87
Less payment received on 03/12/07	<u>\$ 216.87</u>
Beginning balance	-0-

The following legal services have been performed on client's behalf since the last billing date:

03/01/07	Reviewed telefax from client concerning outline of stock ownership	.1
03/09/07	Telefaxed letter to client concerning status of stock ownership	.1
	Cost: \$1.89 (telefax call)	
03/12/07	Phone conference to Tom Shirey and Jonathan Shirey and reviewed telefax on modification of payment schedule on SBA note	.9
03/15/07	Reviewed telefax from client and reviewed shareholder minutes and drafted reply fax	.9
	Cost: \$1.94 (telefax call)	
03/16/07	Drafted revisions to modification schedule for SBA note and forwarded with letter to client	1.5
	Cost: \$5.50 (photocopying)	
03/21/07	Telefaxed letter to client concerning stock ownership and status of Modification of SBA note	.2
	Cost: \$1.84 (telefax call)	

Time spent: 3.7 hours at \$125.00 per hour is \$462.50

Itemized costs: \$11.17

Total: \$473.67

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319 East Tenth Street
P.O. Box 194
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(270)783-0681

BILLING STATEMENT

To: Mr Tom Shirey
Consolidated Financial Resources, Inc.
5005 Live Oak
P.O. Box 962
Greenville, TX 75401

Re: Burkesville Gas Company, Inc.
Corporation File
Client File No. M-0452

April 25, 2007

Beginning balance per statement of March 26, 2007 \$ 473.67

The following legal services have been performed on client's behalf since the last billing date:

04/04/07	Reviewed telefax letter concerning status from client	.1
04/16/07	Reviewed telefax letter from client, reviewed letter to Monticello Bank concerning revised repayment agreement	.3

Time spent: .4 hours at \$125.00 per hour is \$50.00

Subtotal: \$50.00

Grand Total: \$523.67

KENNETH A. MEREDITH, II
ATTORNEY AT LAW
319 East Tenth Street
P.O. Box 194
Bowling Green, KY 42102-0194

TELEPHONE
(270)781-6094

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(270)783-0681

BILLING STATEMENT

To: Mr. Tom Shirey
Consolidated Financial Resources, Inc.
5005 Live Oak
P.O. Box 962
Greenville, TX 75401

Re: Burkesville Gas Company, Inc.
Corporation File
Client File No. M-0452

May 18, 2007

Beginning balance per statement of April 25, 2007	\$ 523.67
Less payment received on April 27, 2007	\$ 473.67
Less payment received on May 14, 2007	\$ <u>50.00</u>
Beginning balance	-0-

The following legal services have been performed on client's behalf since the last billing date.

05/01/07	Reviewed telefax of changes to SBA modification agreement	6
	Reviewed second fax concerning amortization schedule	.1
05/02/07	Telefaxed letter to client concerning status of finalizing new amortization schedule	1
	Cost: \$1.93 (telefax call)	
05/03/07	Reviewed fax on status of ownership and value of stock and reviewed Corporate file and drafted reply fax to client	2.5
	Cost: \$2.76 (telefax call)	
05/10/07	Telefaxed letter to client concerning status of further modification as to Amortization schedule	2
	Cost \$2.03 (telefax call)	
05/11/07	Reviewed fax letter from client	.1
05/14/07	Reviewed letter from client, reviewed requested revisions to modification to language and modification agreement and also revised amortization schedule and drafted revisions to agreement	1.7
05/17/07	Reviewed telefax concerning accounting for acquisition of Burkesville Gas	.2
05/18/07	Drafted letter and forwarded revised modification agreement with new Amortization schedule and corporate resolutions to client	.3
	Cost: \$2.18 (telefax call)	
	\$2.50 (photocopying)	

05/18/07

Drafted corporate resolution and waivers for Burkesville Gas and Consolidated
to approve revised modification schedule with Monticello Banking
Company

1.0

Time spent: 6.8 hours at \$125.00 per hour is \$850.00

Itemized costs: \$11.56

Total: \$861.56

OFFICIAL NOTICE
OF INTENT TO FILE ACTION
IN SMALL CLAIMS COURT

*This is your official notice that BURKESVILLE GAS COMPANY
may file a small claims action to collect the sum of \$____
_____. Unless this bill is paid or satisfactory arrange-
ments are made for it's payment by 10:00 a.m. on the
____ day of _____, 20____, a court summons
may be sent to you. This procedure may result in court
costs being added to your account.*

BILL ATTACHED

Burkesville GAS
Jenna McCarty

KENNETH A. MEREDITH, II
ATTORNEY AT LAW
319 East Tenth Street
P.O. Box 194
Bowling Green, KY 42102-0194

TELEPHONE
(270)781-694

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(270)783-0681

BILLING STATEMENT

To: Mr. Tom Shirey
Consolidated Financial Resources, Inc.
5005 Live Oak
P.O. Box 962
Greenville, TX 75401

Re: Burkesville Gas Company, Inc.
Corporation File
Client File No. M-0452

June 18, 2007

Beginning balance per statement of May 18, 2007	\$ 861.56
Less payment received on May 24, 2007	<u>\$ 861.56</u>
Beginning balance	-0-

The following legal services have been performed on client's behalf since the last billing date:

05/29/07	Reviewed letter and Public Service Commission order on transfer of shares of stock from CFR to Summit Holding and telefaxed letter to client	.4
	Cost: \$1.97 (telefax call)	
05/30/07	Reviewed telefax letter from client concerning stock	1
06/16/07	Reviewed return of corporate resolution from Burkesville Gas and Consolidated Financial Resources on modification of bank loan and Letter from client	.2

Time spent: .7 hours at \$125.00 per hour is \$87.50

Itemized costs: \$1.97

Total: \$89.47

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318 East Main
P.O. Box 194
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TELEPHONE
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(270)783-0681

BILLING STATEMENT

To: Mr. Tom Shirey
Burkesville Gas Company, Inc.
5005 Live Oak
Greenville, TX 75402

Re: Burkesville Gas Company vs. Pepsi Cola and Commonwealth
of Kentucky - EPA Problem
Client File No. M-0959

August 1, 2007

Beginning balance per statement of December 19, 2006	\$ 39.46
Less payment received on January 30, 2007	<u>\$ 39.46</u>
Beginning balance	-0-

The following legal services have been performed on client's behalf since the last billing date:

07/23/07	Reviewed telefax letter from client and invoice from EPA on underground tank and reviewed file	.5
07/24/07	Drafted letter to Kentucky Environmental Protection Cabinet and letter to client and long distance call to client	.5
07/30/07	Telefaxed letter to client	.1

Time spent: 1.1 hours at \$125.00 per hour is \$137.50

Itemized costs: \$1.96

Total due: \$139.46

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BILLING STATEMENT

To: Mr. Tom Shirey
Burkesville Gas Company, Inc.,
5005 Live Oak
P.O. Box 962
Greenville, TX 75403

Re: Burkesville Gas Company, Inc. vs. Dept. of Revenue and
Commonwealth of Kentucky, 2006 Property Tax Rate Assessment
Client File No.: M-1011

August 6, 2007

The following legal services have been performed on client's behalf in the above styled file:

07/31/07	Reviewed telefax and proposed settlement, release and confidentiality agreement from Kentucky Revenue Cabinet on 2006 tax assessment	1.5
08/02/07	Long distance call with Tom Shirey concerning status of Settlement proposal	.3
08/03/07	Two long distance calls with Brenda Everette concerning payment of taxes in 2006 Cost: \$3.55 (long distance calls)	.3
08/06/07	Telefaxed letter to client concerning changes in Paragraph 3 of Release Agreement Cost: \$3.34 (telefax call) Drafted corporate resolution and waiver of Board of Director Meeting approving settlement agreement on 2006 tax assessment Cost: \$2.50 (photocopying)	.7 1.8

Time spent: 3.6 hours at \$125.00 per hour is \$450.00

Itemized costs: \$9.39

Total due: \$459.39

pd

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BILLING STATEMENT

To: Mr. Tom Shirey
Burkesville Gas Company, Inc
5005 Live Oak
P.O. Box 962
Greenville, TX 75403

Re: Burkesville Gas Company, Inc. vs. Dept. of Revenue and
Commonwealth of Kentucky, 2006 Property Tax Rate Assessment
Client File No.: M-1011

September 4, 2007

Beginning balance per statement of August 6, 2007 \$459.39

The following legal services have been performed on client's behalf since the last billing date:

- 08/21/07 Long distance call to client, telefaxed letter concerning status of execution of agreement by Kentucky Department of Revenue .2
Cost: \$2.37 (telefax call)
- 09/04/07 Telefaxed letter to client concerning status of settlement agreement and corporate resolution 1
Cost: \$2.18 (telefax call)

Time spent: .3 hours at \$125.00 per hour is \$37.50

Itemized costs: ~~\$4.55~~

Subtotal: \$43.05

Grand Total due: \$501.44

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BILLING STATEMENT

To: Mr. Tom Shirey
Consolidated Financial Resources, Inc.
5005 Live Oak
P.O. Box 962
Greenville, TX 75401

Re: Burkesville Gas Company, Inc.
Corporation File
Client File No. M-0452

November 30, 2007

Beginning balance per statement of June 18, 2007	\$ 89.47
Less payment received on July 2, 2007	<u>\$ 89.47</u>
Beginning balance	-0-

The following legal services have been performed on client's behalf since the last billing date:

11/20/07	Reviewed fax concerning right of way easement with Lanny Judd	.1
11/28/07	Phone conference with Brenda Everette concerning right of way easement	.1
11/30/07	Reviewed corporate file and telefaxed copy of lease with letter to client	.8
	Cost: \$3.50 (photocopying)	
	\$3.96 (telefax call)	

Time spent: 1.0 hours at \$125.00 per hour is \$125.00
Itemized costs: \$7.46
Total: \$132.46

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BILLING STATEMENT

To: Mr. Tom Shirey
Consolidated Financial Resources, Inc.
5005 Live Oak
P.O. Box 962
Greenville, TX 75401

Re: Burkesville Gas Company, Inc.
Corporation File
Client File No. M-0452

December 17, 2007

Beginning balance per statement of November 30, 2007 \$ 132.46

The following legal services have been performed on client's behalf since the last billing date:

12/13/07	Reviewed email concerning lease of two vehicles	.1
12/14/07	Drafted lease agreement on two vehicles, corporate resolution on two vehicles and waiver of notice of special meeting of board of directors	2.3
	Cost: \$3.50 (photocopying)	
12/17/07	Drafted letter to client and forwarded lease agreement with Corporate resolution	.1

Time spent: 2.5 hours at \$125.00 per hour is \$312.50

Itemized costs: \$3.50

Subtotal: \$316.00

Total: \$448.46

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BILLING STATEMENT

To: Mr. Tom Shirey
Consolidated Financial Resources, Inc.
5005 Live Oak
P.O. Box 962
Greenville, TX 75401

Re: Burkesville Gas Company, Inc.
Corporation File
Client File No. M-0452

December 27, 2007

Beginning balance per statement of December 17, 2007	\$ 448.46
Less payment received on 12/26/07	<u>\$ 132.46</u>
Beginning balance	\$ 316.00

The following legal services have been performed on client's behalf since the last billing date:

12/27/07	Phone conference to client and telefaxed letter concerning status of lease agreement and corporate resolutions approving same	.2
	Cost: \$1.98 (telefax call)	

Time spent: .2 hours at \$125.00 per hour is \$25.00

Itemized costs: \$1.98

Subtotal: \$26.98

Total: \$342.98

CASE #2008-00032

Amendment to General Liability Insurance

Upon filing of the initial Application for Rate Adjustment, Burkesville Gas Company, Inc. had not received the policy renewal premium amount for the General Liability Insurance. The insurance premium listed on the initial application was based on the policy premium amount for the policy period of 4/24/07 – 4/24/08. Burkesville Gas Company, Inc. has since received the policy renewal premium for the period of 4/24/08 – 4/24/09. The proposed general liability amount listed in the chart below reflects the current renewal premium using the gross sales from Addendum 1 – 2007 Actual Income and Expenses vs. Proposed Income and Expenses. This resulted in a decrease of expenses in the amount of \$2,324.27. A copy of the amended Addendum 1 reflecting the current general liability insurance amount is attached.

Account 92401 - Liability Insurance

Insurance Provider	Description	Premium Basis	Premium Amount
Century Surety Company	Commercial General Liability	\$ 637,074.00	\$ 18,513.60
Additional Liability Insurance due to Increased Sales	Commercial General Liability	140,350.55	4,078.59
Auto Owners Insurance Company	Commercial Property Coverage (Buildings and Equipment)		2,187.34
Total Insurance	Total	\$ 777,424.55	\$ 24,779.53

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

**BURKESVILLE GAS COMPANY
2007 ACTUAL
VS
PROPOSED**

Ordinary Income/Expense	Actual		Proposed
	Jan - Dec 07	Proposed	Proposed Increase (Decrease)
Income			
GAS SALES			
480 · RESIDENTIAL SALES	207,122.63	267,612.98	60,490.35
481 · COMMERCIAL & IND SALES	415,293.40	509,811.57	94,518.17
Total GAS SALES	622,416.03	777,424.55	155,008.52
OTHER GAS REVENUES			
487 · FORFEITED DISCOUNTS	1,290.98	1,290.98	0.00
488 · MISC SERVICE REVENUE	1,038.75	1,038.75	0.00
Total OTHER GAS REVENUES	2,329.73	2,329.73	0.00
Total Income	624,745.76	779,754.28	155,008.52
Expense			
DEPRECIATION & TAXES			
403 · DEPRECIATION EXPENSE	59,222.16	59,222.16	0.00
406 · Utility Plant Acq Adj	(1,594.56)	(1,594.56)	0.00
408 · TAXES OTHER THAN INCOME			
40801 · State	1,105.18	1,105.18	0.00
40802 · FICA, MEDICARE	6,079.27	6,113.39	34.12
40803 · FUTA & SUTA	408.01	408.01	0.00
40804 · Local	35.00	35.00	0.00
40805 · Property	5,148.01	5,148.01	0.00
Total 408 · TAXES OTHER THAN INCOME	12,775.47	12,809.59	34.12
Total DEPRECIATION & TAXES	70,403.07	70,437.19	34.12
GAS OPERATION & MAINT EXP			
804 · NATURAL GAS PURCHASES	388,123.51	388,123.51	0.00
858 · TRANSMISSION FEE	66,238.32	96,814.20	30,575.88
860 · RENTS - RIGHTS-OF-WAY	3,000.00	3,000.00	0.00
874 · MAINS & SERV SUPPLIES & EXP	7,987.14	7,987.14	0.00
875 · MEAS & REG STATION EXP-GENERAL	5,597.20	5,597.20	0.00
878 · METER AND HOUSE REG EXPENSE	2,873.74	2,873.74	0.00
879 · CUSTOMER INSTALLATION EXPENSE	1,850.51	1,850.51	0.00
887 · MAINS & SERV LABOR & EXPENSES	30,022.02	30,022.02	0.00
892 · MAINTENANCE OF SERVICES	457.65	457.65	0.00
893 · MAINT OF METERS & HOUSE REGULTR	4,448.71	4,448.71	0.00
902 · METER READING EXPENSE	3,361.40	3,361.40	0.00
903 · Customer Records/Collection Exp	18,264.50	19,184.50	920.00
910 · MISC CUSTOMER ASSISTANCE	371.00	371.00	0.00
921 · OFFICE SUPPLIES & EXPENSES			

BURKESVILLE GAS COMPANY
2007 ACTUAL
VS
PROPOSED

	Actual		Proposed
	Jan - Dec 07	Proposed	Increase (Decrease)
92101 · Bank Service Charges	40.00	40.00	0.00
92102 · Dues and Subscriptions	499.20	499.20	0.00
92103 · Office Supplies	879.40	879.40	0.00
92104 · Postage and Delivery	3,089.82	3,089.82	0.00
92105 · Computer Repairs/Maintenance	1,644.00	1,644.00	0.00
Total 921 · OFFICE SUPPLIES & EXPENSES	6,152.42	6,152.42	0.00
923 · OUTSIDE SERVICES EMPLOYED			
92301 · Accounting	17,557.50	17,557.50	0.00
92302 · Legal Fees	3,402.10	3,658.39	256.29
92303 · Management Fees	0.00	21,600.00	21,600.00
92304 · DRUG TESTING	192.70	192.70	0.00
Total 923 · OUTSIDE SERVICES EMPLOYED	21,152.30	43,008.59	21,856.29
924 · PROPERTY INSURANCE			
92401 · Liability Insurance	28,819.00	24,779.53	(4,039.47)
Total 924 · PROPERTY INSURANCE	28,819.00	24,779.53	(4,039.47)
926 · EMPLOYEE PENSIONS & BENEFITS			
92403 · Work Comp	819.00	819.00	0.00
92405 · MEDICAL INSURANCE- EMPLOYEES	15,644.95	15,644.95	0.00
926 · EMPLOYEE PENSIONS & BENEFITS - Other	1,000.00	0.00	(1,000.00)
Total 926 · EMPLOYEE PENSIONS & BENEFITS	17,463.95	16,463.95	(1,000.00)
930.1 · GENERAL ADVERTISING EXPENSES	699.24	1,000.00	300.76
930.2 · MISCELLANEOUS GENERAL EXPENSES			
930.22 · Building Repairs	1,243.91	300.00	(943.91)
930.23 · Contributions	100.00	100.00	0.00
930.24 · Gas and Electric	3,416.22	3,416.22	0.00
930.26 · Licenses and Permits	114.49	114.49	0.00
930.28 · Printing and Reproduction	162.94	162.94	0.00
930.29 · Professional Fees	1,640.00	1,640.00	0.00
930.30 · Telephone	5,738.55	5,738.55	0.00
930.31 · Water	443.64	443.64	0.00
930.32 · Security	588.00	588.00	0.00
930.33 · Equipment Repair	2,532.57	2,532.57	0.00
930.34 · Training and Education	1,660.00	1,660.00	0.00
930.35 · Miscellaneous Labor	2,736.50	2,736.50	0.00
930.36 · Customer Relations	121.90	121.90	0.00
930.37 · Rents	69.20	69.20	0.00
930.38 · Training Related Travel	590.58	590.58	0.00
930.39 · Training Related Meals	127.72	127.72	0.00
930.40 · Service Fees	49.50	49.50	0.00
Total 930.2 · MISCELLANEOUS GENERAL EXPENSES	21,335.72	20,391.81	(943.91)

BURKESVILLE GAS COMPANY
2007 ACTUAL
VS
PROPOSED

	Actual Jan - Dec 07	Proposed	Proposed Increase (Decrease)
933 · TRANSPORTATION EXPENSES			
933.10 · Rent and Leases-Transportation	10,168.80	10,168.80	0.00
933.20 · Repairs and Maintenance	1,310.63	1,310.63	0.00
933.30 · Vehicle Insurance	3,596.87	3,544.76	(52.11)
933.40 · Fuel	5,178.18	5,178.18	0.00
Total 933 · TRANSPORTATION EXPENSES	20,254.48	20,202.37	(52.11)
Total GAS OPERATION & MAINT EXP	648,472.81	696,090.25	47,617.44
76701 · Payroll Expenses	28.78	0.00	(28.78)
Total Expense	718,904.66	766,527.44	47,622.78
Net Ordinary Income	(94,158.90)	13,226.84	107,385.74
Other Income/Expense			
Other Income			
OTHER INCOME-JOBING & ADJS			
415 · REV FROM MERCH, JOBBING & CT WK	13,109.05	13,109.05	0.00
41501 · Prior Year Adjustments	319.69	319.69	0.00
Total OTHER INCOME-JOBING & ADJS	13,428.74	13,428.74	0.00
419 · Interest and Dividend Income			
41901 · Interest Income	4.03	4.03	0.00
41902 · Discounts Earned	178.53	178.53	0.00
Total 419 · Interest and Dividend Income	182.56	182.56	0.00
Total Other Income	13,611.30	13,611.30	0.00
Other Expense			
OTHER DEDUCTIONS JOBBING & ADJS			
416 · COSTS & EXP MERCH, JOBB & CT WK			
41601 · LABOR	5,728.63	5,728.63	0.00
41602 · PARTS	1,694.31	1,694.31	0.00
41607 · Fraction of Cents Adjustment	0.08	0.08	0.00
Total 416 · COSTS & EXP MERCH, JOBB & CT WK	7,423.02	7,423.02	0.00
426 · NONUTILITY DEDUCTIONS			
42601 · Meals	143.04	143.04	0.00
42602 · Travel	1,169.18	1,169.18	0.00
Total 426 · NONUTILITY DEDUCTIONS	1,312.22	1,312.22	0.00
427 · INTEREST EXPENSE			
42701 · Finance Charge	439.27	439.27	0.00
42702 · Loan Interest	12,106.23	11,215.26	(890.97)

**BURKESVILLE GAS COMPANY
2007 ACTUAL
VS
PROPOSED**

	Actual Jan - Dec 07	Proposed	Proposed Increase (Decrease)
Total 427 · INTEREST EXPENSE	12,545.50	11,654.53	(890.97)
429.1 · AMORTIZATION-REACQUIRED DEBT	(9,022.00)	(9,022.00)	0.00
431 · OTHER INTEREST EXPENSE	2,677.37	2,677.37	0.00
Total OTHER DEDUCTIONS JOBBING & ADJS	14,936.11	14,045.14	(890.97)
Total Other Expense	14,936.11	14,045.14	(890.97)
Net Other Income	(1,324.81)	(433.84)	890.97
Net Income	(95,483.71)	12,793.00	108,276.71

CASE #2008-00032

Amendment to the Response of the Commission Staff's First Information Request

13.

- b. *Provide the anticipated total cost of the case upon completion. The projected amount should be detailed by type of service and vendor with supporting documentation for each.*

Listed below is an update to the projected total cost of the rate case upon completion.

Test Period 2007 Total Costs

2007 Costs As Detailed in 13a of the Commission's First Request for Information	1,909.09
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2008 Costs to Date

Month	Vendor	Hours	Rate	Total
January	Brenda Everette	13.50	15.00	202.50
January	Tom Shirey	6.00	100.00	600.00
January	UPS			39.67
Total January Costs				802.50

February	Brenda Everette	7.00	15.00	105.00
February	Tom Shirey	7.00	100.00	700.00
Total February Costs				805.00

March	Brenda Everette	13.00	15.00	195.00
March	Tom Shirey	6.50	100.00	650.00
March	UPS			23.34
March	Copying Costs	86	0.05	4.30
Total March Costs				872.64

April	Brenda Everette	69.25	15.00	1,038.75
April	Tom Shirey	34.50	100.00	3,450.00
April	Stephanie Wilson	9.00	10.00	90.00
April	Staples - Binders			30.36
April	Staples - Tabs			2.70
April	Staples - Tabs			59.80
April	Copying Costs	2046	0.05	102.30
April	UPS			40.87
Total April Costs				4,814.78

**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

May Costs

May	Brenda Everette	29.75	15.00	446.25
May	Tom Shirey	14.50	100.00	1,450.00
Total May Costs				1,896.25

June Costs

June	Brenda Everette	35.00	15.00	525.00
June	Tom Shirey	18.00	100.00	1,800.00
June	Stephanie Wilson	7.00	10.00	70.00
June	Kenneth A. Meredith II, Attorney	5.20	125.00	650.00
June	Kenneth A. Meredith II, Attorney	Itemized Costs		16.65
June	Copying Cost	1062	0.05	53.10
June	Staples - Tabs			35.88
June	Staples -Binders			14.31
June	Shipping Boxes			5.49
June	Estimated UPS Charges			40.00
Total June Costs				3,210.43

Total Anticipated Cost of Case Upon Completion				14,310.69
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**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**