

**BURKESVILLE GAS COMPANY, INC.**

119 Upper River St. - 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) 454-2320

**RECEIVED**

MAR 05 2008

PUBLIC SERVICE  
COMMISSION

March 4, 2008

Mark Frost  
Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602-0615

RE: Case No. 2008-00032

Dear Mr. Frost:

Attached please find the additional information requested by the Commission Staff during the telephone conference of February 18, 2008. As requested we have enclosed the original and six copies.

With this letter we wish to clarify the requested minimum billing charge. We referred to this charge in the amount of \$7.50 as a minimum billing charge. This charge will be a customer monthly charge to each customer of Burkesville Gas Company, Inc. in addition to any charges for gas delivered. This charge was also computed incorrectly on the original filing. A revised revenue table reflecting the correct charges is attached.

Please find the following amendments to test year 1/01/06 – 12/31/06:

1. Attachment 7 – Billing Analysis – Revenue from Test Period 1/01/06 – 12/31/06 – Corrected Minimum Billing Charge to Customer Charge and corrected the Requested Revenues.
2. Attachment 1 – 2006 Actual vs. Proposed – Amended the gas sales to reflect the corrected customer charge as referred to in Attachment 7. Also corrected the liability insurance to reflect the correct expected premium charges and property tax to reflect a recently received billing from Cumberland County.
3. Attachment 2 – Exhibit F – Details of Account #92401 – Liability Insurance – Liability insurance was corrected to reflect the current premium charges due to the increased sales. The previous filing included the current premium charges due for the 2006 actual sales.
4. Attachment 2 – Exhibit B – Account 40805 – Property Taxes – This account has been corrected to reflect a revised billing for the tax year 2006. This billing was just received from Cumberland County.

Please find the attached requested addendums:

1. Backup copy of Burkesville's General Ledger for the period of 1/01/07 – 12/31/07
2. Addendum 1 – 2007 Actual Income and Expenses vs. Proposed Income and Expenses
3. Addendum to Attachment 6 – a. Usage Table for the period of 1/01/07 – 12/31/07
4. Addendum to Attachment 7 – b. Revenue Table for the period of 1/01/07 – 12/31/07

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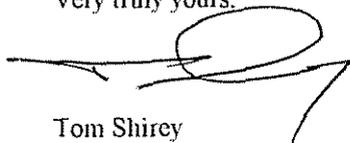
**5005 Live Oak, Greenville, Texas 75402**

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If you need additional information, please feel free to contact Brenda Everett at 903-454-4000 or by e-mail at [brenda.cfri@verizon.net](mailto:brenda.cfri@verizon.net).

Thank you for your consideration of this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Tom Shirey', with a large circular flourish above the name.

Tom Shirey  
President

Enclosure

**BURKESVILLE GAS COMPANY  
2007 ACTUAL  
VS  
PROPOSED**

	Actual Jan - Dec 07	Proposed	Proposed Increase (Decrease)
Ordinary Income/Expense			
Income			
<b>GAS SALES</b>			
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
<b>Total GAS SALES</b>	<u>622,416.03</u>	<u>777,424.55</u>	<u>155,008.52</u>
<b>OTHER GAS REVENUES</b>			
487 · FORFEITED DISCOUNTS	1,290.98	1,290.98	0.00
488 · MISC SERVICE REVENUE	1,038.75	1,038.75	0.00
<b>Total OTHER GAS REVENUES</b>	<u>2,329.73</u>	<u>2,329.73</u>	<u>0.00</u>
<b>Total Income</b>	624,745.76	779,754.28	155,008.52
Expense			
<b>DEPRECIATION &amp; TAXES</b>			
403 · DEPRECIATION EXPENSE	59,222.16	59,222.16	0.00
406 · Utility Plant Acq Adj	(1,594.56)	(1,594.56)	0.00
<b>408 · TAXES OTHER THAN INCOME</b>			
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
<b>Total 408 · TAXES OTHER THAN INCOME</b>	<u>12,775.47</u>	<u>12,809.59</u>	<u>34.12</u>
<b>Total DEPRECIATION &amp; TAXES</b>	70,403.07	70,437.19	34.12
<b>GAS OPERATION &amp; MAINT EXP</b>			
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 REGUL.TR	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
<b>921 · OFFICE SUPPLIES &amp; EXPENSES</b>			

**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
<b>Total 921 · OFFICE SUPPLIES &amp; EXPENSES</b>	<b>6,152.42</b>	<b>6,152.42</b>	<b>0.00</b>
<b>923 · OUTSIDE SERVICES EMPLOYED</b>			
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
<b>Total 923 · OUTSIDE SERVICES EMPLOYED</b>	<b>21,152.30</b>	<b>43,008.59</b>	<b>21,856.29</b>
<b>924 · PROPERTY INSURANCE</b>			
92401 · Liability Insurance	28,819.00	27,103.80	(1,715.20)
<b>Total 924 · PROPERTY INSURANCE</b>	<b>28,819.00</b>	<b>27,103.80</b>	<b>(1,715.20)</b>
<b>926 · EMPLOYEE PENSIONS &amp; BENEFITS</b>			
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)
<b>Total 926 · EMPLOYEE PENSIONS &amp; BENEFITS</b>	<b>17,463.95</b>	<b>16,463.95</b>	<b>(1,000.00)</b>
<b>930.1 · GENERAL ADVERTISING EXPENSES</b>	<b>699.24</b>	<b>1,000.00</b>	<b>300.76</b>
<b>930.2 · MISCELLANEOUS GENERAL EXPENSES</b>			
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
<b>Total 930.2 · MISCELLANEOUS GENERAL EXPENSES</b>	<b>21,335.72</b>	<b>20,391.81</b>	<b>(943.91)</b>

**BURKESVILLE GAS COMPANY  
2007 ACTUAL  
VS  
PROPOSED**

	Actual Jan - Dec 07	Proposed	Proposed Increase (Decrease)
<b>933 - TRANSPORTATION EXPENSES</b>			
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
<b>Total 933 - TRANSPORTATION EXPENSES</b>	<b>20,254.48</b>	<b>20,202.37</b>	<b>(52.11)</b>
<b>Total GAS OPERATION &amp; MAINT EXP</b>	<b>648,472.81</b>	<b>698,414.52</b>	<b>49,941.71</b>
<b>76701 - Payroll Expenses</b>	<b>28.78</b>	<b>0.00</b>	<b>(28.78)</b>
<b>Total Expense</b>	<b>718,904.66</b>	<b>768,851.71</b>	<b>49,947.05</b>
<b>Net Ordinary Income</b>	<b>(94,158.90)</b>	<b>10,902.57</b>	<b>105,061.47</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>OTHER INCOME-JOBING &amp; ADJS</b>			
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
<b>Total OTHER INCOME-JOBING &amp; ADJS</b>	<b>13,428.74</b>	<b>13,428.74</b>	<b>0.00</b>
419 - Interest and Dividend Income			
41901 - Interest Income	4.03	4.03	0.00
41902 - Discounts Earned	178.53	178.53	0.00
<b>Total 419 - Interest and Dividend Income</b>	<b>182.56</b>	<b>182.56</b>	<b>0.00</b>
<b>Total Other Income</b>	<b>13,611.30</b>	<b>13,611.30</b>	<b>0.00</b>
<b>Other Expense</b>			
<b>OTHER DEDUCTIONS JOBBING &amp; ADJS</b>			
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
<b>Total 416 - COSTS &amp; EXP MERCH, JOBB &amp; CT WK</b>	<b>7,423.02</b>	<b>7,423.02</b>	<b>0.00</b>
426 - NONUTILITY DEDUCTIONS			
42601 - Meals	143.04	143.04	0.00
42602 - Travel	1,169.18	1,169.18	0.00
<b>Total 426 - NONUTILITY DEDUCTIONS</b>	<b>1,312.22</b>	<b>1,312.22</b>	<b>0.00</b>
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)	10,468.73	105,952.44

**Addendum to Attachment 6**  
**III. BILLING ANALYSIS**

**Test Period from 1/01/07 to 12/31/07**

**a. USAGE TABLE**  
Usage by Flat Rate

**Class:** Residential

Month	Total Customers	MCF
January	213	2,534.900
February	214	2,990.800
March	215	1,346.800
April	216	939.600
May	216	238.900
June	215	129.600
July	215	122.600
August	215	128.300
September	215	107.300
October	220	278.300
November	220	1,245.800
December	220	2,327.000
<b>TOTAL RESIDENTIAL</b>	<b>2594</b>	<b>12,389.900</b>

**Class:** Industrial

Month	Total Customers	MCF
January	111	4,717.300
February	111	5,519.300
March	112	2,416.400
April	111	1,929.700
May	111	846.700
June	110	771.500
July	109	680.800
August	109	709.400
September	108	636.900
October	109	867.400
November	110	2,175.900
December	110	4,275.400
<b>TOTAL INDUSTRIAL</b>	<b>1321</b>	<b>25,546.700</b>

**TOTAL COMBINED USAGE**

Month	Total Customers	MCF
TOTAL RESIDENTIAL	2594	12,389.900
TOTAL INDUSTRIAL	1321	25,546.700
<b>COMBINED TOTAL</b>	<b>3915</b>	<b>37,936.600</b>

## III. BILLING ANALYSIS

Revenue from Present/Proposed Rates  
Test Period from 1/01/07 through 12/31/07b. Revenue Table  
Revenue by Flat RateClass: Residential

Month	Total Customers	MCF	Revenue at Present Rate Per 2007	Adjusted Test Year Revenue Using The Increased Transmission Fees	Adjusted Test Year Revenue Using The Requested Base Rate Increase	Requested Customer Charge Revenues	Total Proposed Revenues
January	213	2,534.900	\$ 41,169.82	\$ 43,228.16	\$ 49,565.41	\$ 1,597.50	\$ 51,162.91
February	214	2,990.800	48,689.50	51,118.03	58,595.03	1,605.00	60,200.03
March	215	1,346.800	22,678.24	23,771.84	27,138.84	1,612.50	28,751.34
April	216	939.600	15,770.05	16,533.01	18,882.01	1,620.00	20,502.01
May	216	238.900	4,009.74	4,203.73	4,800.98	1,620.00	6,420.98
June	215	129.600	2,175.19	2,280.43	2,604.43	1,612.50	4,216.93
July	215	122.600	2,057.70	2,157.25	2,463.75	1,612.50	4,076.25
August	215	128.300	2,153.37	2,257.55	2,578.30	1,612.50	4,190.80
September	215	107.300	1,824.40	1,911.53	2,179.78	1,612.50	3,792.28
October	220	278.300	4,671.05	4,897.03	5,592.78	1,650.00	7,242.78
November	220	1,245.800	22,711.80	23,723.39	26,837.89	1,650.00	28,487.89
December	220	2,327.000	39,211.77	41,101.29	46,918.79	1,650.00	48,568.79
<b>TOTAL RESIDENTIAL</b>	<b>2594</b>	<b>12,389.900</b>	<b>\$ 207,122.63</b>	<b>\$ 217,183.23</b>	<b>\$ 248,157.98</b>	<b>\$ 19,455.00</b>	<b>\$ 267,612.98</b>

Class: Industrial

Month	Total Customers	MCF	Revenue at Present Rate Per 2007	Adjusted Test Year Revenue Using The Increased Transmission Fees	Adjusted Test Year Revenue Using The Requested Base Rate Increase	Requested Customer Charge Revenues	Total Proposed Revenues
January	111	4,717.300	\$ 74,963.61	\$ 78,794.06	\$ 90,587.31	\$ 832.50	\$ 91,419.81
February	111	5,519.300	87,708.34	92,190.01	105,988.26	832.50	106,820.76
March	112	2,416.400	39,704.60	41,666.72	47,707.72	840.00	48,547.72
April	111	1,929.700	31,709.18	33,276.10	38,100.35	832.50	38,932.85
May	111	846.700	13,913.60	14,601.12	16,717.87	832.50	17,550.37
June	110	771.500	12,678.03	13,304.49	15,233.24	825.00	16,058.24
July	109	680.800	11,187.32	11,740.13	13,442.13	817.50	14,259.63

III. BILLING ANALYSIS

Addendum to Attachment 7

Revenue from Present/Proposed Rates  
 Test Period from 1/01/07 through 12/31/07

Month	Total Customers	MCF	Revenue at Present Rate Per 2007	Adjusted Test Year Revenue Using The Increased Transmission Fees	Adjusted Test Year Revenue Using The Requested Base Rate Increase	Requested Customer Charge Revenues	Total Proposed Revenues
August	109	709,400	11,657.32	12,233.35	14,006.85	817.50	14,824.35
September	108	636,900	10,466.47	10,983.63	12,575.88	810.00	13,385.88
October	109	867,400	14,268.47	14,972.80	17,141.30	817.50	17,958.80
November	110	2,175,900	36,766.01	38,532.84	43,972.59	825.00	44,797.59
December	110	4,275,400	70,270.45	73,742.07	84,430.57	825.00	85,255.57
TOTAL INDUSTRIAL	1321	25,546,700	\$ 415,293.40	\$ 436,037.32	\$ 499,904.07	\$ 9,907.50	\$ 509,811.57

TOTAL COMBINED REVENUE

Month	Total Customers	MCF	Revenue at Present Rate Per 2007	Adjusted Test Year Revenue Using The Increased Transmission Fees	Adjusted Test Year Revenue Using The Requested Base Rate Increase	Requested Customer Charge Revenues	Total Proposed Revenues
TOTAL RESIDENTIAL	2594	12,389,900	\$ 207,122.63	\$ 217,183.23	\$ 248,157.98	\$ 19,455.00	\$ 267,612.98
TOTAL INDUSTRIAL	1321	25,546,700	\$ 415,293.40	\$ 436,037.32	\$ 499,904.07	\$ 9,907.50	\$ 509,811.57
COMBINED TOTAL	3915	37,936,600	\$ 622,416.03	\$ 653,220.55	\$ 748,062.05	\$ 29,362.50	\$ 777,424.55

III. BILLING ANALYSIS

Revenue from Present/Proposed Rates  
Test Period from 1/01/06 to 12/31/06

b. Revenue Table  
Revenue by Flat Rate

Class: Residential

Month	Total Customers	MCF	Revenue at Present Rate Per 2006 Annual Report	Adjusted Test Year Revenue Using The Increased Transmission Fees	Adjusted Test Year Revenue Using The Requested Base Rate Increase	Requested Customer Charge Revenues	Total Proposed Revenues
January	225	1,959,300	\$ 40,475.08	\$ 42,066.03	\$ 46,964.28	\$ 1,687.50	\$ 48,651.78
February	222	2,364,200	48,839.42	50,759.15	56,669.65	1,665.00	58,334.65
March	214	1,456,300	23,652.02	24,834.54	28,475.29	1,605.00	30,080.29
April	214	500,700	8,154.64	8,561.21	9,812.96	1,605.00	11,417.96
May	214	347,500	5,643.75	5,925.92	6,794.67	1,605.00	8,399.67
June	214	155,600	2,527.13	2,653.48	3,042.48	1,605.00	4,647.48
July	211	125,000	2,030.17	2,131.67	2,444.17	1,582.50	4,026.67
August	210	135,000	2,192.59	2,302.21	2,639.71	1,575.00	4,214.71
September	214	121,700	1,976.56	2,075.38	2,379.63	1,605.00	3,984.63
October	216	646,300	10,607.13	11,131.93	12,747.68	1,620.00	14,367.68
November	221	1,561,100	25,386.62	26,654.23	30,566.98	1,657.50	32,214.48
December	224	1,915,900	31,316.21	32,871.92	37,661.67	1,680.00	39,341.67
<b>TOTAL RESIDENTIAL</b>	<b>2599</b>	<b>11,288,600</b>	<b>\$ 202,801.32</b>	<b>\$ 211,967.66</b>	<b>\$ 240,189.16</b>	<b>\$ 19,492.50</b>	<b>\$ 259,681.66</b>

Class: Industrial

Month	Total Customers	MCF	Revenue at Present Rate Per 2006 Annual Report	Adjusted Test Year Revenue Using The Increased Transmission Fees	Adjusted Test Year Revenue Using The Requested Base Rate Increase	Requested Customer Charge Revenues	Total Proposed Revenues
January	111	3,795,100	\$ 76,826.81	\$ 79,908.43	\$ 89,396.18	\$ 832.50	\$ 90,228.68
February	110	4,667,200	94,781.06	98,570.83	110,238.83	825.00	111,063.83
March	111	2,942,600	46,761.45	49,150.84	56,507.34	832.50	57,339.84
April	111	1,518,500	24,130.76	25,363.78	29,160.03	832.50	29,992.53
May	111	1,237,800	19,670.18	20,675.27	23,769.77	832.50	24,602.27
June	111	893,300	14,195.61	14,920.97	17,154.22	832.50	17,986.72
July	111	732,000	11,632.33	12,226.71	14,056.71	832.50	14,889.21

III. BILLING ANALYSIS  
Revenue from Present/Proposed Rates  
Test Period from 1/01/06 to 12/31/06

Month	Total Customers	MCF	Revenue at Present Rate Per 2006 Annual Report	Adjusted Test Year Revenue Using The Increased Transmission Fees	Adjusted Test Year Revenue Using The Requested Base Rate Increase	Requested Customer Charge Revenues	Total Proposed Revenues
August	110	804,500	12,784.44	13,437.69	15,448.94	825.00	16,273.94
September	110	735,600	11,689.56	12,286.87	14,125.87	825.00	14,950.87
October	108	1,405,200	23,050.21	24,191.23	27,704.23	810.00	28,514.23
November	109	2,732,500	43,486.33	45,705.12	52,536.37	817.50	53,353.87
December	112	3,465,900	55,263.26	58,077.57	66,742.32	840.00	67,582.32
<b>TOTAL INDUSTRIAL</b>	<b>1325</b>	<b>24,930,200</b>	<b>\$ 434,272.00</b>	<b>\$ 454,515.32</b>	<b>\$ 516,840.82</b>	<b>\$ 9,937.50</b>	<b>\$ 526,778.32</b>

TOTAL COMBINED REVENUE

Month	Total Customers	MCF	Revenue at Present Rate Per 2006 Annual Report	Adjusted Test Year Revenue Using The Increased Transmission Fees	Adjusted Test Year Revenue Using The Requested Base Rate Increase	Requested Customer Charge Revenues	Total Proposed Revenues
<b>TOTAL RESIDENTIAL</b>	<b>2599</b>	<b>11,288,600</b>	<b>\$ 202,801.32</b>	<b>\$ 211,967.66</b>	<b>\$ 240,189.16</b>	<b>\$ 19,492.50</b>	<b>\$ 259,681.66</b>
<b>TOTAL INDUSTRIAL</b>	<b>1325</b>	<b>24,930,200</b>	<b>\$ 434,272.00</b>	<b>\$ 454,515.32</b>	<b>\$ 516,840.82</b>	<b>\$ 9,937.50</b>	<b>\$ 526,778.32</b>
<b>COMBINED TOTAL</b>	<b>3924</b>	<b>36,218,800</b>	<b>\$ 637,073.32</b>	<b>\$ 666,482.99</b>	<b>\$ 757,029.99</b>	<b>\$ 29,430.00</b>	<b>\$ 786,459.99</b>

- 1) Apache Gas Transmission Company, Inc. received a rate increase effective January 1, 2008 from \$1.74 per MCF to \$2.552 per MCF. This is an increase of \$.812 per MCF. A Gas Cost Adjustment filing will be filed for Burkeville Gas Company, Inc.
- 2) Total Proposed Revenues includes the above increase in transmission fees from Apache Gas Transmission Company, Inc., plus the requested base rate increase of \$2.50 per MCF, plus the requested minimum billing charge.
- 3) The difference between this schedule and the 2006 Annual Report is a correcting entry made by Burkesville's CPA in the amount of \$674.38 to correct previous years.

**Reconciliation of Amended Attachment 1- 2006 Actual vs. Proposed**

Proposed Increase/(Decrease) - Per Original Filing	\$ 84,999.78
<u>Increase in Income Due to Customer Charge</u>	
480 - Residential Sales	12,480.00
481 - Commercial and Industrial Sales	7,462.50
<u>Expenses</u>	
Increase in 40805 - Property Tax	(2,228.13)
Increase in 92401 - Liability Insurance	(4,788.87)
<u>Total Increase/(Decrease) - Per Amended Attachment</u>	<u>\$ 97,925.28</u>

**BURKESVILLE GAS COMPANY, INC.**  
**2006 ACTUAL**  
**VS**  
**PROPOSED**

	Actual Jan - Dec 06	Proposed	Proposed Increase (Decrease)
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>GAS SALES</b>			
480 · RESIDENTIAL SALES	203,475.70	259,681.66	56,205.96
481 · COMMERCIAL & IND SALES	434,272.00	526,778.32	92,506.32
<b>Total GAS SALES</b>	637,747.70	786,459.98	148,712.28
<b>OTHER GAS REVENUES</b>			
487 · FORFEITED DISCOUNTS	893.83	893.83	0.00
488 · MISC SERVICE REVENUE	383.21	383.21	0.00
<b>Total OTHER GAS REVENUES</b>	1,277.04	1,277.04	0.00
<b>Total Income</b>	639,024.74	787,737.02	148,712.28
<b>Expense</b>			
<b>DEPRECIATION &amp; TAXES</b>			
403 · DEPRECIATION EXPENSE	59,222.18	59,222.18	0.00
406 · Utility Plant Acq Adj	(1,594.56)	(1,594.56)	0.00
408 · TAXES OTHER THAN INCOME			
40801 · State	22.19	22.19	0.00
40802 · FICA, MEDICARE	5,528.10	6,113.39	585.29
40803 · FUTA & SUTA	504.00	504.00	0.00
40804 · Local	35.00	35.00	0.00
40805 · Property	1,821.01	4,237.93	2,416.92
<b>Total 408 · TAXES OTHER THAN INCOME</b>	7,910.30	10,912.51	3,002.21
409 · Income Taxes			
409.1 · Income Taxes	1,225.00	1,225.00	0.00
<b>Total 409 · Income Taxes</b>	1,225.00	1,225.00	0.00
<b>Total DEPRECIATION &amp; TAXES</b>	66,762.92	69,765.13	3,002.21
<b>GAS OPERATION &amp; MAINT EXP</b>			
804 · NATURAL GAS PURCHASES	366,890.17	366,890.17	0.00
858 · TRANSMISSION FEE	61,555.98	90,965.65	29,409.67
860 · RENTS - RIGHTS-OF-WAY	3,000.00	3,000.00	0.00
863 · MAINT. OF LINES	552.00	552.00	0.00
874 · MAINS & SERV SUPPLIES & EXP	9,922.49	9,922.49	0.00
875 · MEAS & REG STATION EXP-GENERAL	5,754.27	5,754.27	0.00
878 · METER AND HOUSE REG EXPENSE	4,140.26	4,140.26	0.00
879 · CUSTOMER INSTALLATION EXPENSE	2,413.27	2,413.27	0.00
880 · OTHER GAS SUPPLY EXPENSES	141.12	141.12	0.00
887 · MAINS & SERV LABOR & EXPENSES	20,865.29	26,745.09	5,879.80
892 · MAINTENANCE OF SERVICES	1,229.22	1,229.22	0.00
893 · MAINT OF METERS & HOUSE REGULTR	1,623.28	1,623.28	0.00
902 · METER READING EXPENSE	3,299.06	3,299.06	0.00

**BURKESVILLE GAS COMPANY, INC.**  
**2006 ACTUAL**  
**VS**  
**PROPOSED**

	Actual Jan - Dec 06	Proposed	Proposed Increase (Decrease)
903 · Customer Records/Collection Exp	17,611.94	20,000.82	2,080.00
904 · UNCOLLECTIBLE ACCOUNTS	2,360.17	0.00	(2,360.17)
910 · MISC CUSTOMER ASSISTANCE	738.00	738.00	0.00
921 · OFFICE SUPPLIES & EXPENSES			
92102 · Dues and Subscriptions	449.70	449.70	0.00
92103 · Office Supplies	846.26	846.26	0.00
92104 · Postage and Delivery	2,378.15	2,900.00	521.85
92105 · Computer Repairs/Maintenance	897.00	1,644.00	747.00
<b>Total 921 · OFFICE SUPPLIES &amp; EXPENSES</b>	<b>4,571.11</b>	<b>5,839.96</b>	<b>1,268.85</b>
923 · OUTSIDE SERVICES EMPLOYED			
92301 · Accounting	12,383.20	12,383.20	0.00
92302 · Legal Fees	3,658.39	3,658.39	0.00
92303 · Management Fee	10,600.00	21,600.00	11,000.00
92304 · DRUG TESTING	209.55	209.55	0.00
92305 · CONTRACT LABOR	7,363.08	0.00	(7,363.08)
<b>Total 923 · OUTSIDE SERVICES EMPLOYED</b>	<b>34,214.22</b>	<b>37,851.14</b>	<b>3,636.92</b>
924 · PROPERTY INSURANCE			
92401 · Liability Insurance	26,138.01	27,393.38	1,255.37
<b>Total 924 · PROPERTY INSURANCE</b>	<b>26,138.01</b>	<b>27,393.38</b>	<b>1,255.37</b>
926 · EMPLOYEE PENSIONS & BENEFITS			
92403 · Work Comp	832.00	819.00	(13.00)
92405 · MEDICAL INSURANCE- EMPLOYEES	11,571.20	15,811.80	4,240.60
<b>Total 926 · EMPLOYEE PENSIONS &amp; BENEFITS</b>	<b>12,403.20</b>	<b>16,630.80</b>	<b>4,227.60</b>
930.1 · GENERAL ADVERTISING EXPENSES	1,972.02	1,000.00	(972.02)
930.2 · MISCELLANEOUS GENERAL EXPENSES			
930.22 · Building Repairs	27.70	300.00	272.30
930.23 · Contributions	165.00	165.00	0.00
930.24 · Gas and Electric	3,008.60	3,008.60	0.00
930.26 · Licenses and Permits	237.50	237.50	0.00
930.28 · Printing and Reproduction	269.80	269.80	0.00
930.30 · Telephone	5,548.67	5,548.67	0.00
930.31 · Water	474.48	474.48	0.00
930.32 · Security	588.00	588.00	0.00
930.33 · Equipment Repair	563.77	1,529.06	965.29
930.34 · Training and Education	500.00	1,500.00	1,000.00
930.35 · Miscellaneous Labor	3,419.78	3,419.78	0.00
930.36 · Customer Relations	407.50	407.50	0.00
930.2 · MISCELLANEOUS GENERAL EXPENSES - Other	40.50	40.50	0.00
<b>Total 930.2 · MISCELLANEOUS GENERAL EXPENSES</b>	<b>15,251.30</b>	<b>17,488.89</b>	<b>2,237.59</b>

BURKESVILLE GAS COMPANY, INC.  
2006 ACTUAL  
VS  
PROPOSED

	Actual Jan - Dec 06	Proposed	Proposed Increase (Decrease)
<b>933 · TRANSPORTATION EXPENSES</b>			
933.20 · Repairs and Maintenance	474.03	1,200.00	725.97
933.30 · Vehicle Insurance	3,853.82	3,735.16	(118.66)
933.40 · Fuel	4,117.74	5,000.00	882.26
933 · TRANSPORTATION EXPENSES - Other	10,168.80	10,168.80	0.00
<b>Total 933 · TRANSPORTATION EXPENSES</b>	<b>18,614.39</b>	<b>20,103.96</b>	<b>1,489.57</b>
<b>Total GAS OPERATION &amp; MAINT EXP</b>	<b>615,260.77</b>	<b>663,722.83</b>	<b>47,844.30</b>
<b>Total Expense</b>	<b>682,023.69</b>	<b>733,487.96</b>	<b>50,846.51</b>
<b>Net Ordinary Income</b>	<b>(42,998.95)</b>	<b>54,249.06</b>	<b>97,865.77</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>OTHER INCOME-JOBGING &amp; ADJS</b>			
415 · REV FROM MERCH, JOBBING & CT WK	10,404.99	10,404.99	0.00
<b>Total OTHER INCOME-JOBGING &amp; ADJS</b>	<b>10,404.99</b>	<b>10,404.99</b>	<b>0.00</b>
<b>419 · Interest and Dividend Income</b>			
41901 · Interest Income	4.70	4.70	0.00
41902 · Discounts Earned	280.12	280.12	0.00
<b>Total 419 · Interest and Dividend Income</b>	<b>284.82</b>	<b>284.82</b>	<b>0.00</b>
<b>Total Other Income</b>	<b>10,689.81</b>	<b>10,689.81</b>	<b>0.00</b>
<b>Other Expense</b>			
<b>OTHER DEDUCTIONS JOBBING &amp; ADJS</b>			
<b>416 · COSTS &amp; EXP MERCH, JOBB &amp; CT WK</b>			
41601 · LABOR	4,787.63	4,787.63	0.00
41602 · PARTS	555.75	555.75	0.00
<b>Total 416 · COSTS &amp; EXP MERCH, JOBB &amp; CT WK</b>	<b>5,343.38</b>	<b>5,343.38</b>	<b>0.00</b>
<b>426 · NONUTILITY DEDUCTIONS</b>			
42601 · Meals	107.84	107.84	0.00
42602 · Travel	1,484.77	1,484.77	0.00
<b>Total 426 · NONUTILITY DEDUCTIONS</b>	<b>1,592.61</b>	<b>1,592.61</b>	<b>0.00</b>
<b>427 · INTEREST EXPENSE</b>			
42701 · Finance Charge	1,180.39	1,180.39	0.00
42702 · Loan Interest	12,165.74	12,106.23	(59.51)
<b>Total 427 · INTEREST EXPENSE</b>	<b>13,346.13</b>	<b>13,286.62</b>	<b>(59.51)</b>

BURKESVILLE GAS COMPANY, INC.  
2006 ACTUAL  
VS  
PROPOSED

	Actual Jan - Dec 06	Proposed	Proposed Increase (Decrease)
429.1 - AMORTIZATION-REACQUIRED DEBT	(9,022.00)	(9,022.00)	0.00
431 - OTHER INTEREST EXPENSE	1,962.53	1,962.53	0.00
Total OTHER DEDUCTIONS JOBBING & ADJS	13,222.65	13,163.14	(59.51)
Total Other Expense	13,222.65	13,163.14	(59.51)
Net Other Income	(2,532.84)	(2,473.33)	59.51
Net Income	(45,531.79)	51,775.73	97,925.28

AMENDED ATTACHMENT 2  
AMENDED EXHIBIT B

Account 40805 - Property Taxes

Taxing Entity	Description of Tax	Amount of Tax
Commonwealth of Kentucky	Tax Year 2006 Property Tax Assessment (Year Ending 12/31/05)	\$ 923.76
Cumberland County <sup>1</sup>	Property Tax Due With Vehicle License Renewal	383.20
City of Burkesville	Tax Year 2006 Property Tax Assessment (Year Ending 12/31/05)	561.17
Cumberland County	Property Tax Due With Vehicle License Renewal	141.67
Cumberland County <sup>2</sup>	Tax Year 2006 Property Tax Assessment (Year Ending 12/31/05)	2,228.13
Total Property Taxes		\$ 4,237.93

Burkesville Gas Company, Inc. has filed a protest to the property assessment for the tax year 2007 (for year ending December 31, 2006). The Department of Revenue's proposed value for the tax year 2007 was \$594,270 opposed to a value of \$450,000 in the tax year 2006. The assessed value in tax year 2006 was also the result of a protest.

<sup>1</sup> On the original filing, this was incorrectly listed as 2006 Property Tax, however this was property tax paid when licensing one of the vehicles.

<sup>2</sup> This property tax statement was recently received from Cumberland County. The assessment is for the 2006 tax year.

Account 92401 - Liability Insurance

<b>Insurance Provider</b>	<b>Description</b>	<b>Policy Premium Period</b>	<b>Premium Amount</b>
Century Surety Company	Commercial General Liability	4/24/07 - 4/24/08	\$ 20,417.17
Additional Liability Insurance due to Increased Sales	Commercial General Liability		4,788.87
Auto Owners Insurance Company	Commercial Property Coverge (Buildings and Equipment)	11/15/07 - 11/15/08	2,187.34
Total Insurance			\$ 27,393.38