

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

APR 25 2008

PUBLIC SERVICE
COMMISSION

April 22, 2008

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

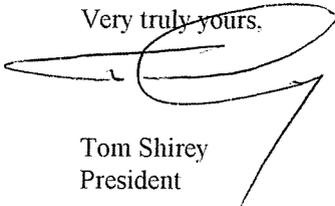
RE: Case No. 2008-00032

Dear Mr. Frost:

Please find attached the information requested in Case Number 2008-0032, *Commission Staff's First Information Request To The Burkesville Gas Company*.

If you need additional information, please feel free to contact Brenda Everette at 903-454-4000 or by e-mail at brenda.cfri@verizon.net.

Very truly yours,



Tom Shirey
President

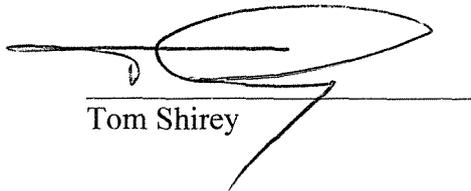
Enclosure

CASE #2008-00032

CERTIFICATION

I, Tom Shirey, certify that the responses contained in the *Commission Staff's First 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

CERTIFICATION

I, Brenda Everette, certify that the responses contained in the *Commission Staff's First 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

1. *Refer to paragraph 2 of Burkesville's letter to the Commission dated March 4, 2008. This paragraph states that the \$7.50 per month identified in its original application as a "minimum billing charge" will be a "customer monthly charge." Is it Burkesville's understanding that a customer charge does not include any usage (i.e., all usage is billed in addition to the customer charge)?*

The \$7.50 per month does not include any usage. All usage will be billed in addition to the customer charge.

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

CASE #2008-00032

2. *Provide a copy of the monthly billing registers for January 2007 through December 2007. The billing registers should show individual customers, usage, and amount billed. Provide only one copy, which can either be a paper copy or on a computer disk in Microsoft Excel format.*

Monthly billing registers for January 2007 through December 2007 enclosed.

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

CASE #2008-00032

3. *Provide a copy of the 2007 purchased gas invoices and transmission fee invoices.*

Purchased gas invoices and transmission fee invoices are attached.

Supplementary Comments:

The reason the Eagle Energy Partners I, L.P. gas purchase invoices are higher for November and December than shown on Burkesville Gas Company, Inc. is the following:

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**

**TRANSMISSION FEE INVOICES
FOR THE PERIOD JANUARY 1, 2007 THROUGH DECEMBER 31, 2007**

<u>Vendor</u>	<u>Month</u>	<u>Invoice #</u>	<u>Amount</u>
Apache Gas Transmission Co., Inc.	January	118	12,550.62
Apache Gas Transmission Co., Inc.	February	119	15,428.58
Apache Gas Transmission Co., Inc.	March	120	6,561.54
Apache Gas Transmission Co., Inc.	April	121	4,567.50
Apache Gas Transmission Co., Inc.	May	122	1,813.08
Apache Gas Transmission Co., Inc.	June	123	1,271.94
Apache Gas Transmission Co., Inc.	July	124	1,268.46
Apache Gas Transmission Co., Inc.	August	125	1,298.04
Apache Gas Transmission Co., Inc.	September	126	1,211.04
Apache Gas Transmission Co., Inc.	October	127	2,067.12
Apache Gas Transmission Co., Inc.	November	128	6,246.60
Apache Gas Transmission Co., Inc.	December	129	9,867.54
Apache Gas Transmission Co., Inc.	December	130	2,086.26 ¹
<u>2007 Total Transmission Fees</u>			<u>66,238.32</u>

¹ Invoice # 130 from Apache is for December 2007 deliveries to Burkesville Gas Company that were delivered after Burkesville's December 2007 meter read date. These deliveries were billed by Burkesville to the customer in January 2008. However, the sales for these deliveries were accrued and included in Burkesville's financials in account number 480 - Residential Sales and account number 481 - Commercial and Industrial Sales.

APACHE GAS TRANSMISSION COMPANY, INC.

Invoice

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Date	Invoice #
1/31/2007	118

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
7,213	Intra-State Gas Transmission Fees	1.74	12,550.62
Total			\$12,550.62

APACHE GAS TRANSMISSION COMPANY, INC.

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Invoice

Date	Invoice #
2/28/2007	119

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
8,867	Intra-State Gas Transmission Fees	1.74	15,428.58
Total			\$15,428.58

APACHE GAS TRANSMISSION COMPANY, INC.

Invoice

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Date	Invoice #
3/31/2007	120

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
3,771	Intra-State Gas Transmission Fees	1.74	6,561.54
Total			\$6,561.54

APACHE GAS TRANSMISSION COMPANY, INC.

Invoice

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Date	Invoice #
4/30/2007	121

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
2,625	Intra-State Gas Transmission Fees	1.74	4,567.50
Total			\$4,567.50

APACHE GAS TRANSMISSION COMPANY, INC.

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Invoice

Date	Invoice #
5/31/2007	122

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
1,042	Intra-State Gas Transmission Fees	1.74	1,813.08
Total			\$1,813.08

APACHE GAS TRANSMISSION COMPANY, INC.

Invoice

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Date	Invoice #
6/30/2007	123

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
731	Intra-State Gas Transmission Fees	1.74	1,271.94
Total			\$1,271.94

APACHE GAS TRANSMISSION COMPANY, INC.

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Invoice

Date	Invoice #
7/31/2007	124

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
729	Intra-State Gas Transmission Fees	1.74	1,268.46
		Total	\$1,268.46

APACHE GAS TRANSMISSION COMPANY, INC.

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Invoice

Date	Invoice #
8/31/2007	125

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
746	Intra-State Gas Transmission Fees	1.74	1,298.04
Total			\$1,298.04

APACHE GAS TRANSMISSION COMPANY, INC.

Invoice

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Date	Invoice #
9/30/2007	126

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
696	Intra-State Gas Transmission Fees	1.74	1,211.04
Total			\$1,211.04

APACHE GAS TRANSMISSION COMPANY, INC.

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Invoice

Date	Invoice #
10/31/2007	127

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
1,188	Intra-State Gas Transmission Fees	1.74	2,067.12
		Total	\$2,067.12

APACHE GAS TRANSMISSION COMPANY, INC.

Invoice

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Date	Invoice #
11/30/2007	128

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
3,590	Intra-State Gas Transmission Fees	1.74	6,246.60
Total			\$6,246.60

APACHE GAS TRANSMISSION COMPANY, INC.

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Invoice

Date	Invoice #
12/31/2007	129

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
5,671	Intra-State Gas Transmission Fees	1.74	9,867.54
Total			\$9,867.54

APACHE GAS TRANSMISSION COMPANY, INC.

5005 Live Oak Street
 Greenville Texas 75402
 Ky Tax # 149047

Invoice

Date	Invoice #
12/31/2007	130

Bill To
BURKESVILLE Gas Co. 119 Upper River Street Burkesville, Ky 42717

P.O. No.	Terms	Project
	NOW	

Quantity	Description	Rate	Amount
1,199	Intra-State Gas Transmission Fees	1.74	2,086.26
L. Series from meter read date of /1226/07 through 12/31/07			Total \$2,086.26

**PURCHASED GAS INVOICES
FOR THE PERIOD JANUARY 1, 2007 THROUGH DECEMBER 31, 2007**

<u>Vendor</u>	<u>Month</u>	<u>Invoice #</u>	<u>Amount</u>
Eagle Energy Partners I, L.P.	January	5856	10,965.91 ¹
Eagle Energy Partners I, L.P.	January	6129	93,875.04
Eagle Energy Partners I, L.P.	February	6235	78,301.34
Eagle Energy Partners I, L.P.	March	6781	45,578.94
Eagle Energy Partners I, L.P.	April	7313	23,378.18
Eagle Energy Partners I, L.P.	May	7410	8,051.03
Eagle Energy Partners I, L.P.	June	8020	6,544.96
Eagle Energy Partners I, L.P.	July	8476	5,958.91
Eagle Energy Partners I, L.P.	August	8542-1	5,012.91
Eagle Energy Partners I, L.P.	September	8963-2	5,163.88
Eagle Energy Partners I, L.P.	October	9423-1	11,380.19
Eagle Energy Partners I, L.P.	November	9903	38,844.22
Eagle Energy Partners I, L.P.	December	10371-1	55,068.00
<u>2007 Total Transmission Fees</u>			<u>388,123.51</u>

¹ Invoice # 5856 is for the portion of the December 2006 invoice for deliveries that were billed by Burkesville to the customer in January 2007. These sales were not accrued in 2006, but were included in the January 2007 customer billings.



Eagle Energy Partners I, L.P.

Burkesville Gas Company
5005 Live Oak Street
Greenville Texas 75402
U.S.A.

Attention: Guiselle, Cindy

Phone: 903/454-4000
Fax: 903/454-2320

Invoice Number: 5856

Invoice Date: January 18, 2007
Payment Terms: Net due on or before
Jan 25, 2007

Period: December 2006

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKE)	50179 / 50412	Dec 01, 2006 - Dec 31, 2006	6,592	\$ 12.619000	\$83,184.45
	61336 / 102883	Dec 01, 2006 - Dec 31, 2006	0	\$ 9.273000	\$0.00
Receivable Subtotal			6,592		\$83,184.45
Net Subtotal Texas Eastern Transmission			6,592		\$83,184.45
Total Receivable Amount Due			6,592		\$83,184.45
Total Amount Due			6,592		\$83,184.45

Eagle Energy Cost per Invoice vs. Actual Billing

Month	DTH	Per DTH Cost	Total
Billed in December 06	5723	12.619	72,218.54
Billed in January 07	869	12.619	10,965.91
Total	6592		83,184.45
Per Invoice	6592		83,184.45
Proof	0		(0.00)

FA X E D
01-18-07
@ 12:15 PM

Eagle Energy Partners I, L.P. has irrevocably assigned all of its right, title and interest (but not its obligations) to the proceeds of this contract to BNP Paribas. You are hereby directed to make payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to:

BNP Paribas
ABA No. 0260-07-68-0
For Further Credit to: Eagle Energy Partners I, L.P.
AC No. 200-864957-001-35-USD

Questions regarding this invoice should be directed to:
Shari Teiner
Staff Accountant (281) 781 0351 (ph)

Please pay amount by 1/25/07

FA X E D



gle Energy Partners I, L.P.

Burkesville Gas Company
 5005 Live Oak Street
 Greenville Texas 75402
 U.S.A.

Attention: Guietta, Cindy

Phone: 903/454-4000
 Fax: 903/454-2320

Invoice Number: 6129

Invoice Date: February 12, 2007

Payment Terms: Net due on or before
 Feb 26, 2007

Period: January 2007

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKE)	84427 / 107283	Jan 01, 2007 - Jan 31, 2007	7,507	\$ 12.505000	\$93,875.04
		Receivable Subtotal	7,507		\$93,875.04
		Net Subtotal Texas Eastern Transmission	7,507		\$93,875.04
		Total Receivable Amount Due	7,507		\$93,875.04
		Total Amount Due	7,507		\$93,875.04

Eagle Energy Partners I, L.P. has irrevocably assigned all of its right, title and interest (but not its obligations) to the proceeds of this contract to BNP Paribas. You are hereby directed to make payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to:

BNP Paribas
 ABA No. 0260-07-68-9
 For Further Credit to: Eagle Energy Partners I, L.P.
 AC No. 200-604057-001-39-USD

Questions regarding this invoice should be directed to:
 Sheri Harvin
 Staff Accountant (281) 781 0351 (ph)



Eagle Energy Partners I, L.P.

Burkesville Gas Company

5005 Live Oak Street
Greenville Texas 75402
U.S.A.

Attention: Gulette, Cindy

Phone: 903/454-4000
Fax: 903/454-2320

Invoice Number: 6235

Invoice Date: March 09, 2007

Payment Terms: Net due on or before
Mar 26, 2007

Period: February 2007

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKE)	50179 / 60414	Feb 01, 2007 ~ Feb 28, 2007	5,292	\$ 11.420000	\$60,434.64
	50179 / 60414	Feb 01, 2007 ~ Feb 28, 2007	0	\$ 0.000000	\$2,093.52
	50179 / 60414	Feb 01, 2007 ~ Feb 28, 2007	428	\$ 11.420000	\$4,887.76
	89898 / 115535	Feb 01, 2007 ~ Feb 28, 2007	1,400	\$ 7.775300	\$10,885.42
	Receivable Subtotal		7,120		\$78,301.34
Net Subtotal Texas Eastern Transmission			7,120		\$78,301.34
Total Receivable Amount Due			7,120		\$78,301.34
Total Amount Due			7,120		\$78,301.34

Eagle Energy Partners I, L.P. has irrevocably assigned all of its right, title and interest (but not its obligations) to the proceeds of this contract to BNP Paribas. You are hereby directed to make payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to:

BNP Paribas
ABA No. 0260-07-68-9
For Further Credit to: Eagle Energy Partners I, L.P.
AC No. 200-604057-001-39-USD

Questions regarding this Invoice should be directed to:
Sheri Harvin
Staff Accountant (281) 781 0351 (ph)

Please fax support for payment to (281) 781 0360



Eagle Energy Partners I, L.P.

Burkesville Gas Company
 5005 Live Oak Street
 Greenville Texas 75402
 U.S.A.

Attention: Guiette, Cindy

Phone: 903/454-4000
 Fax: 903/454-2320

Invoice Number: 6781

Invoice Date: April 12, 2007

Payment Terms: Net due on or before
 Apr 25, 2007

Period: March 2007

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKE: 50179 / 60415		Mar 01, 2007 ~ Mar 31, 2007	2,714	\$ 13.030000	\$35,363.42
95588 / 123798		Mar 01, 2007 ~ Mar 31, 2007	784	\$ 13.030000	\$10,215.52
		Receivable Subtotal	3,498		\$45,578.94
Net Subtotal Texas Eastern Transmission			3,498		\$45,578.94
Total Receivable Amount Due (USD)			3,498		\$45,578.94
Total Amount Due (USD)			3,498		\$45,578.94

less prepaids (20000)
25578.94

FAXED
 4/12/07

Eagle Energy Partners I, L.P. has irrevocably assigned all of its right, title and interest (but not its obligations) to the proceeds of this contract to BNP Paribas. You are hereby directed to make payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to:

BNP Paribas
 ABA No. 0260-07-68-9
 For Further Credit to: Eagle Energy Partners I, L.P.
 AC No. 200-604057-001-39-USD

Questions regarding this invoice should be directed to:
 Sheri Harvin
 Staff Accountant (281) 781 0351 (ph)



Eagle Energy Partners I, L.P.

Burkesville Gas Company
5005 Live Oak Street
Greenville Texas 75402
U.S.A

Attention: Guiette, Cindy

Phone: 903/454-4000
Fax: 903/454-2320

Invoice Number: 7313

Invoice Date: May 15, 2007

Payment Terms: Net due on or before
May 25, 2007

Period: April 2007

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKE: 101868 / 132763		Apr 01, 2007 - Apr 30, 2007	2,726	\$ 8.576000	\$23,378.18
	Receivable Subtotal		2,726		\$23,378.18
Net Subtotal Texas Eastern Transmission			2,726		\$23,378.18
Total Receivable Amount Due (USD)			2,726		\$23,378.18
Total Amount Due (USD)			2,726		\$23,378.18

cks received (22344.19)

1033.99

Eagle Energy Partners I, L.P. has irrevocably assigned all of its right, title and interest (but not its obligations) to the proceeds of this contract to BNP Paribas. You are hereby directed to make payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to:

BNP Paribas
ABA No. 0260-07-68-9
For Further Credit to: Eagle Energy Partners I, L.P.
AC No. 200-604057-001-39-USD

Questions regarding this Invoice should be directed to:
Sheri Harvin
Staff Accountant (281) 781 0351 (ph)

Please fax support for payment to (281) 781 0360

PAID
5-15-07
SIV



Eagle Energy Partners I, L.P.

Burkeville Gas Company
 5005 Live Oak Street
 Greenville Texas 75402
 U.S.A.

Attention: Gulette, Cindy

Phone: 903/454-4000
 Fax: 903/454-2320

Invoice Number: 7410
 Invoice Date: June 11, 2007
 Payment Terms: Net due on or before
 Jun 25, 2007
 Period: May 2007

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKE	107600 / 141017	May 01, 2007 - May 31, 2007	1,085	\$ 8.349912	\$9,059.65
Receivable Subtotal			1,085		\$9,059.65
Net Subtotal Texas Eastern Transmission			1,085		\$9,059.65
Total Receivable Amount Due (USD)			1,085		\$9,059.65
Total Amount Due (USD)			1,085		\$9,058.65

This invoice is incorrect. The correct billing is:

CORRECTED BILLING

Quantity	Rate	Amount
958	8.403997	8,051.03

Eagle Energy Partners I, L.P. has irrevocably assigned all of its right, title and interest (but not its obligations) to the proceeds of this contract to BNP Paribas. You are hereby directed to make payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to:

BNP Paribas
 ABA No 0260-07-68-9
 For Further Credit to: Eagle Energy Partners I, L.P.
 AC No. 200-604057-001-39-USD

Questions regarding this invoice should be directed to:
 Michelle Nguyen
 Accountant 281-653-1724 (ph) or michelle.nguyen@eagleenergypartners.com

Please fax support for payment to 281-781-0360

07/16/2007 17:12 2817810360

EAGLE ENERGY

Eagle Energy Partners I, L.P.

Burkesville Gas Company

5005 Live Oak Street
Greenville Texas 75402
U.S.A.

Attention: Gulette, Cindy

Phone: 903/454-4000

Fax: 903/454-2320

Invoice Number: 8020

Invoice Date: July 16, 2007

Payment Terms: Net due on or before
Jul 25, 2007

Period: June 2007

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKE)	113154 / 150240	Jun 01, 2007 - Jun 30, 2007	769	\$ 8.511000	\$6,544.96
Receivable Subtotal			769		\$6,544.96
Net Subtotal Texas Eastern Transmission			769		\$6,544.96
Total Receivable Amount Due (USD)			769		\$6,544.96
Total Amount Due (USD)			769		\$6,544.96

PAID

Eagle Energy Partners I, L.P. has irrevocably assigned all of its right, title and interest (but not its obligations) to the proceeds of this contract to BNP Paribas. You are hereby directed to make payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to:

BNP Paribas
ABA No. 0260-07-68-9
For Further Credit to: Eagle Energy Partners I, L.P.
AC No. 200-604057-001-99-USD

Questions regarding this invoice should be directed to:
Michelle Nguyen
Accountant 281-653-1724 (ph) or michelle.nguyen@eagleenergypartners.com

Please fax support for payment to 281-781-0360



Eagle Energy Partners I, L.P.

Burkesville Gas Company

5005 Live Oak Street
Greenville Texas 75402
U.S.A.

Attention: Guiette, Cindy

Phone: 903/454-4000

Fax: 903/454-2320

Invoice Number: 8476

Invoice Date: August 21, 2007

Payment Terms: Net due on or before
Aug 24, 2007

Period: July 2007

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKESV)	120361 / 160993	Jul 01, 2007 ~ Jul 31, 2007	768	\$7.759000	\$5,958.91
		Receivable Subtotal	768		\$5,958.91
		Net Subtotal Texas Eastern Transmission	768		\$5,958.91
		Total Receivable Amount Due (USD)	768		\$5,958.91
		Total Amount Due (USD)	768		\$5,958.91

Eagle Energy Partners I, L.P. has irrevocably assigned all of its right, title and interest (but not its obligations) to the proceeds of this contract to BNP Paribas. You are hereby directed to make payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to:

BNP Paribas

ABA No. 0260-07-68-9

For Further Credit to: Eagle Energy Partners I, L.P.

AC No. 200-604057-001-39-USD

Questions regarding this invoice should be directed to:

Michelle Nguyen

Accountant 281-653-1724 (ph) or michelle.nguyen@eagleenergypartners.com

Please fax support for payment to 281-781-0360



Eagle Energy Partners I, L.P.

Burkesville Gas Company
5005 Live Oak Street
Greenville Texas 75402
U.S.A.

Invoice Number: 8542 - 1 Revision
Invoice Date: September 13, 2007
Payment Terms: Net due on or before
Sep 25, 2007

Attention: Everett, Brenda

Phone: 903/454-4000
Fax: 903/454-2320

Period: August 2007

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKE	128177 / 172614	Aug 01, 2007 - Aug 31, 2007	730	\$ 6.867000	\$5,012.91
Receivable Subtotal			730		\$6,012.91
Net Subtotal Texas Eastern Transmission			730		\$6,012.91
Total Receivable Amount Due (USD)			730		\$5,012.91
Total Amount Due (USD)			730		\$5,012.91

Eagle Energy Partners I, L.P. has irrevocably assigned all of its right, title and interest (but not its obligations) to the proceeds of this contract to BNP Paribas. You are hereby directed to make payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to:

BNP Paribas
ABA No. 0260-07-88-9
For Further Credit to: Eagle Energy Partners I, L.P.
AC No 200-604057-001-39-USD

Questions regarding this invoice should be directed to:
Michelle Nguyen
Accountant 281-653-1724 (ph) or michelle.nguyen@eagleenergypartners.com

Please fax support for payment to 281-781-0360



Eagle Energy Partners I, L.P.

Burkesville Gas Company
5005 Live Oak Street
Greenville Texas 75402
U.S.A.

Attention: Everette, Brenda

Phone: 903/454-4000
Fax: 903/454-2320

Invoice Number: 8963 - 2 Revision

Invoice Date: October 18, 2007

Payment Terms: Net due on or before
Oct 25, 2007

Period: September 2007

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKESV	136981 / 186329	Sep 01, 2007 ~ Sep 30, 2007	751	\$6.876000	\$5,163.88
		Receivable Subtotal	751		\$5,163.88
		Net Subtotal Texas Eastern Transmission	751		\$5,163.88
		Total Receivable Amount Due (USD)	751		\$5,163.88
		Total Amount Due (USD)	751		\$5,163.88

Please direct payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to.

BNP Paribas
ABA No. 0260-07-68-9
For Further Credit to: Eagle Energy Partners I, L.P.
AC No. 200-604057-001-39-USD

Questions regarding this invoice should be directed to:
Michelle Nguyen
Accountant 281-653-1724 (ph) or michelle.nguyen@eagleenergypartners.com

Please fax support for payment to 281-781-0360



Eagle Energy Partners I, L.P.

Burkesville Gas Company
 6005 Live Oak Street
 Greenville Texas 76402
 U.S.A.

Attention: Everette, Brenda

Phone: 903/454-4000
 Fax: 903/454-2320

Invoice Number: 9423 - 1 Revision
 Invoice Date: November 19, 2007
 Payment Terms: Net due on or before
 Nov 26, 2007
 Period: October 2007

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKE	144590 / 198088	Oct 01, 2007 ~ Oct 31, 2007	1,583	\$ 7.189000	\$11,380.19
Receivable Subtotal			1,583		\$11,380.19
Net Subtotal Texas Eastern Transmission			1,583		\$11,380.19
Total Receivable Amount Due (USD)			1,583		\$11,380.19
Total Amount Due (USD)			1,583		\$11,380.19

Please direct payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to:

BNP Paribas
 ABA No. 0260-07-68-9
 For Further Credit to: Eagle Energy Partners I, L.P.
 AC No. 200-604057-001-39-USD

Questions regarding this invoice should be directed to:
 Michelle Nguyen
 Accountant 281-853-1724 (ph) or michelle.nguyen@eagleenergypartners.com

Please fax support for payment to 281-781-0360

FAXED
 11/19/07
 MF 2:00



Eagle Energy Partners I, L.P.

Burkesville Gas Company
 5005 Live Oak Street
 Greenville Texas 75402
 U.S.A.

Attention: Everette, Brenda

Phone: 903/454-4000
 Fax: 903/454-2320

Invoice Number: 9903

Invoice Date: December 04, 2007

Payment Terms: Net due on or before
 Dec 26, 2007

Period: **November 2007**

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKESV	155314 / 214202	Nov 01, 2007 ~ Nov 30, 2007	6,763	\$8.221000	\$55,598.62
		Receivable Subtotal	6,763		\$55,598.62
		Net Subtotal Texas Eastern Transmission	6,763		\$55,598.62
		Total Receivable Amount Due (USD)	6,763		\$55,598.62
		Total Amount Due (USD)	6,763		\$55,598.62

Detail of Eagle Energy Charges

<u>Burkesville</u>	<u>MCF</u>	<u>DTH</u>	<u>Gas Cost</u>
Burkesville November Deliveries	3,141	3,241	26,644.26
Burkesville November Deliveries to be billed in December 2007	1,439	1,484	12,199.96
Total Burkesville	4,580	4,725	38,844.22
<u>Apache</u>			
Apache Deliveries	1,980	2,038	16,754.40
Total Apache	1,980	2,038	16,754.40
Total November Eagle Energy Charges	6,560	6,763	55,598.62

Please direct payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to:

BNP Paribas
 ABA No. 0260-07-68-9
 For Further Credit to: Eagle Energy Partners I, L.P.
 AC No. 200-604057-001-39-USD

Questions regarding this invoice should be directed to:
 Michelle Nguyen
 Accountant 281-653-1724 (ph) or michelle.nguyen@eagleenergypartners.com

Please fax support for payment to 281-781-0360



Eagle Energy Partners I, L.P.

Burkesville Gas Company
 5005 Live Oak Street
 Greenville Texas 75402
 U.S.A.

Attention: Everett, Brenda

Phone: 903/454-4000
 Fax: 903/454-2320

Invoice Number: 10371 - 1 Revision

Invoice Date: January 13, 2008

Payment Terms: Net due on or before
 Jan 25, 2008

Period: December 2007

Facility Location	Item Description	Delivery Start / End Date	Quantity (MMBTU)	Rate (\$/MMBTU)	Amount
Texas Eastern Transmission					
Kentucky Energy (BURKESV	159095 / 219703	Dec 01, 2007 ~ Dec 31, 2007	5,984	\$9.750000	\$58,344.00
	162967 / 224989	Dec 01, 2007 ~ Dec 31, 2007	0	\$8.014032	\$0.00
Receivable Subtotal			5,984		\$58,344.00
Net Subtotal Texas Eastern Transmission			5,984		\$58,344.00
Total Receivable Amount Due (USD)			5,984		\$58,344.00
Total Amount Due (USD)			5,984		\$58,344.00

Detail of Eagle Energy Charges

<u>Burkesville</u>	<u>MCF</u>	<u>DTH</u>	<u>Gas Cost</u>
Burkesville December Deliveries	4,232	4,396	42,861.00
Burkesville December Deliveries to be billed in January 2008 - Accrues	1,199	1,252	12,207.00
Total Burkesville	5,431	5,648	55,068.00

<u>Apache</u>			
Apache Deliveries	326	336	3,276.00
Total Apache	326	336	3,276.00

Total December Eagle Energy Charges	5,757	5,984	58,344.00
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Please direct payment without offset, counterclaim or deduction, by wire transfer of immediately available funds to.

Citibank
 ABA No. 021000089
 For Further Credit to: Eagle Energy Partners I, L.P.
 AC No. 30746372

Questions regarding this invoice should be directed to:
 Michelle Nguyen
 Accountant 281-653-1724 (ph) or michelle.nguyen@eagleenergypartners.com

Please fax support for payment to 281-781-0360

CASE #2008-00032

4. Refer to the Addendum to Attachment 7 of Burkesville's application. This document shows the revenue from present and proposed rates for the test period 2007. Does the total customer number in the second column include inactive customers?

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 as a primary energy source 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 include these customers.

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

CASE #2008-00032

4. *Refer to the Addendum to Attachment 7 of Burkesville's application. This document shows the revenue from present and proposed rates for the test period 2007. Does the total customer number in the second column include inactive customers?*

a. *If yes, provide the 2007 customer totals by month for active customers only.*

Defining active customers as those customers that Burkesville Gas Company, Inc. holds a meter deposit and are connected to use natural gas at will, total customer number in the second column of the Addendum to Attachment 7 does not include any inactive customers.

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

CASE #2008-00032

4. *Refer to the Addendum to Attachment 7 of Burkesville's application. This document shows the revenue from present and proposed rates for the test period 2007. Does the total customer number in the second column include inactive customers?*

b. *If yes, for purposes of calculating the customer charge revenue in the seventh column, explain why inactive customers are included in the calculation.*

As referenced in item 4, 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 as a primary energy source 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 include these customers.

The customer charge will require these customers to either pay the monthly customer charge to keep natural gas as a "back-up" energy source or disconnect thereby saving the company the cost of servicing, reading and maintaining those customers.

In Case No. 2000-158, the Commission Staff recommended "such a charge to assist in recovering its fixed costs."

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

CASE #2008-00032

5. *Refer to page 1 of Addendum 1 (2007 Actual vs. Proposed) of Burkesville's March 4, 2008 letter. Provide a breakdown by month and type of service charge for Account 488, Miscellaneous Service Revenue which is shown at \$1,038.75.*

Month	Return Check Charge	Reconnect Fees	Entry to Align Accounts Receivable to Actual	Total
January	25.00	35.00		60.00
February	75.00	70.00		145.00
March		35.00		35.00
April		35.00		35.00
May				0.00
June				0.00
July				0.00
August				0.00
September				0.00
October				0.00
November		70.00		70.00
December		35.00	658.75	693.75
Total	100.00	280.00	658.75	1,038.75

On January 22, 2008 Burkesville Gas Company, Inc. filed a revised tariff for additional charges. Case No. 2008-00123 is now before the Commission awaiting approval. In Case No. 2000-158, the Commission Staff recommended "such a charge to assist in recovering its fixed costs", so Burkesville subsequently included such charges. Last year, Burkesville realized the revised tariff was not included in the Commission's records so we then filed the revised tariff referenced above.

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

CASE #2008-00032

6. *List all business activities of Burkesville aside from its regulated utility activities. For each activity listed, describe the accounting policies and procedures in place to ensure that those activities are not subsidized by regulated rates or vice versa.*

1. Natural gas transmission line surveillance, maintenance and repairs.
2. Merchandising, Jobbing and Contract Work.

All payroll labor for the above is included in Other Expense in account #41601-Labor. Parts sold or used in repairs and maintenance are moved from account #154 – Plant and Operating Supplies to account #41602 – Parts. Revenues for the above are included in Other Income in account #415 - Revenue from Merchandising, Jobbing and Contract Work.

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

CASE #2008-00032

7. *Attached to its March 4, 2008 letter is an electronic copy of Burkesville's general ledger for the 12-month period ending December 31, 2007. Provide one paper copy of Burkesville's general ledger for the 12-month period ending December 31, 2007.*

Per our telephone conversation with Commission Staff on April 9, 2008, enclosed is one paper copy of the general ledger for the 12-month period ending December 31, 2007 reflecting CPA adjustments for this period.

Also, per our conversation with Commission Staff, enclosed is one electronic copy of the general ledger for the 12-month period ending December 31, 2007 reflecting CPA adjustments for this period.

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

CASE #2008-00032

8. *For each cash account used by Burkesville during the test year provide a cash disbursements ledger that lists all checks in chronological order and details the date paid, check number, vendor, and amount.*

Per our telephone conversation with Commission Staff on April 9, 2008, enclosed is the original and one copy of the cash disbursements ledger for the test period of January 1, 2007 through December 31, 2007.

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

CASE #2008-00032

9. *Provide a copy of the audited financial statements for the 12-month period ending December 31, 2007. Include a copy of all audit adjustments made to the financial statements. If those audited financial statements are not currently available, give a reasonable date on when this information will be submitted to the Commission.*

Burkesville Gas Company, Inc. does not incur the additional cost of audited financials. However, Burkesville's financial information is reviewed by our CPAs, Holland CPAs, in Bowling Green, Kentucky. Holland CPAs makes any necessary adjustments and prepares all State and Federal tax returns.

Attached is a copy of the financial statements for the fiscal year ended December 31, 2007 after all CPA adjustments. Also, attached is a copy of the CPA's adjusting journal entries for the December 31, 2007 year ended.

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

1: M
 04/14/08
 Accrual Basis

BURKESVILLE GAS COMPANY
Profit & Loss
 January through December 2007

	Jan - Dec 07
Ordinary Income/Expense	
Income	
GAS SALES	
480 · RESIDENTIAL SALES	207,122.63
481 · COMMERCIAL & IND SALES	415,293.40
Total GAS SALES	622,416.03
OTHER GAS REVENUES	
487 · FORFEITED DISCOUNTS	1,290.98
488 · MISC SERVICE REVENUE	1,038.75
Total OTHER GAS REVENUES	2,329.73
Total Income	624,745.76
Expense	
DEPRECIATION & TAXES	
403 · DEPRECIATION EXPENSE	59,849.99
406 · Utility Plant Acq Adj	-1,594.56
408 · TAXES OTHER THAN INCOME	
40801 · State	1,105.18
40802 · FICA, MEDICARE	6,079.27
40803 · FUTA & SUTA	408.01
40804 · Local	35.00
40805 · Property	5,343.03
Total 408 · TAXES OTHER THAN INCOME	12,970.49
409 · Income Taxes	
409.1 · Income Taxes	175.00
Total 409 · Income Taxes	175.00
Total DEPRECIATION & TAXES	71,400.92
GAS OPERATION & MAINT EXP	
804 · NATURAL GAS PURCHASES	388,123.51
858 · TRANSMISSION FEE	66,238.32
860 · RENTS - RIGHTS-OF-WAY	3,000.00
874 · MAINS & SERV SUPPLIES & EXP	7,987.14
875 · MEAS & REG STATION EXP-GENERAL	5,597.20
878 · METER AND HOUSE REG EXPENSE	3,357.59
879 · CUSTOMER INSTALLATION EXPENSE	1,850.51
887 · MAINS & SERV LABOR & EXPENSES	30,022.02
892 · MAINTENANCE OF SERVICES	457.65
893 · MAINT OF METERS & HOUSE REGULTR	4,448.71
902 · METER READING EXPENSE	3,361.40
903 · Customer Records/Collection Exp	18,264.50
910 · MISC CUSTOMER ASSISTANCE	371.00
912 · MARKETING & SALES LABOR	0.00
921 · OFFICE SUPPLIES & EXPENSES	
92101 · Bank Service Charges	40.00
92102 · Dues and Subscriptions	499.20
92103 · Office Supplies	1,113.06
92104 · Postage and Delivery	3,089.82
92105 · Computer Repairs/Maintenance	1,644.00
Total 921 · OFFICE SUPPLIES & EXPENSES	6,386.08
923 · OUTSIDE SERVICES EMPLOYED	
92301 · Accounting	17,557.50
92302 · Legal Fees	3,402.10
92304 · DRUG TESTING	192.70
92305 · CONTRACT LABOR	0.00
Total 923 · OUTSIDE SERVICES EMPLOYED	21,152.30
924 · PROPERTY INSURANCE	
92401 · Liability Insurance	28,819.00
92406 · Vehicle Insurance	0.00

1: ✓ VI

04/14/08

Accrual Basis

BURKESVILLE GAS COMPANY
Profit & Loss
January through December 2007

	Jan - Dec 07
Total 924 · PROPERTY INSURANCE	28,819.00
925 · INJURIES & DAMAGES	
92403 · Workers Compensation	819.00
Total 925 · INJURIES & DAMAGES	819.00
926 · EMPLOYEE PENSIONS & BENEFITS	
92405 · MEDICAL INSURANCE- EMPLOYEES	15,644.95
92601 · Bonuses	1,000.00
Total 926 · EMPLOYEE PENSIONS & BENEFITS	16,644.95
930.1 · GENERAL ADVERTISING EXPENSES	699.24
930.2 · MISCELLANEOUS GENERAL EXPENSES	
930.22 · Building Repairs	1,243.91
930.23 · Contributions	100.00
930.24 · Gas and Electric	3,416.22
930.26 · Licenses and Permits	114.49
930.28 · Printing and Reproduction	162.94
930.29 · Professional Fees	1,640.00
930.30 · Telephone	5,738.55
930.31 · Water	443.64
930.32 · Security	588.00
930.33 · Equipment Repair	2,532.57
930.34 · Training and Education	1,660.00
930.35 · Miscellaneous Labor	2,736.50
930.36 · Customer Relations	121.90
930.37 · Rents	69.20
930.38 · Training Related Travel	590.58
930.39 · Training Related Meals	127.72
930.40 · Service Fees	49.50
Total 930.2 · MISCELLANEOUS GENERAL EXPENSES	21,335.72
933 · TRANSPORTATION EXPENSES	
933.10 · Rent and Leases-Transportation	10,168.80
933.20 · Repairs and Maintenance	1,310.63
933.30 · Vehicle Insurance	3,596.87
933.40 · Fuel	5,178.18
Total 933 · TRANSPORTATION EXPENSES	20,254.48
Total GAS OPERATION & MAINT EXP	649,190.32
76701 · Payroll Expenses	28.78
Total Expense	720,620.02
Net Ordinary Income	-95,874.26
Other Income/Expense	
Other Income	
OTHER INCOME-JOBGING & ADJS	
415 · REV FROM MERCH, JOBBING & CT WK	13,109.05
41501 · Material & Supplies Adjustment	319.69
Total OTHER INCOME-JOBGING & ADJS	13,428.74
419 · Interest and Dividend Income	
41901 · Interest Income	4.03
41902 · Discounts Earned	178.53
Total 419 · Interest and Dividend Income	182.56
Total Other Income	13,611.30
Other Expense	
OTHER DEDUCTIONS JOBBING & ADJS	
416 · COSTS & EXP MERCH, JOBB & CT WK	
41601 · LABOR	5,728.63
41602 · PARTS	1,694.31

1: VI
04/14/08
Accrual Basis

BURKESVILLE GAS COMPANY
Profit & Loss
January through December 2007

	<u>Jan - Dec 07</u>
41607 · Fraction of Cents Adjustment	0.08
Total 416 · COSTS & EXP MERCH, JOBB & CT WK	<u>7,423.02</u>
426 · NONUTILITY DEDUCTIONS	
42601 · Meals	143.04
42602 · Travel	1,169.18
Total 426 · NONUTILITY DEDUCTIONS	<u>1,312.22</u>
427 · INTEREST EXPENSE	
42701 · Finance Charge	439.27
42702 · Loan Interest	12,106.23
427 · INTEREST EXPENSE - Other	591.50
Total 427 · INTEREST EXPENSE	<u>13,137.00</u>
429.1 · AMORTIZATION-REACQUIRED DEBT	-9,022.00
431 · OTHER INTEREST EXPENSE	2,677.37
Total OTHER DEDUCTIONS JOBBING & ADJS	<u>15,527.61</u>
Total Other Expense	<u>15,527.61</u>
Net Other Income	<u>-1,916.31</u>
Net Income	<u><u>-97,790.57</u></u>

1: M
 04/14/08
 Accrual Basis

BURKESVILLE GAS COMPANY
Balance Sheet
 As of December 31, 2007

	Dec 31, 07
ASSETS	
Current Assets	
Checking/Savings	
131A · CASH-NONRESTRICTED	
13101 · BANK OF CUMBERLAND	-608.36
13102 · MONTICELLO BANKING COMPANY	643.90
13104 · Petty Cash	98.16
Total 131A · CASH-NONRESTRICTED	133.70
131B · CASH-RESTRICTED	3,500.00
Total Checking/Savings	3,633.70
Other Current Assets	
142 · CUSTOMER ACCTS RECEIVABLE	115,677.16
154 · PLANT MATERIALS & OP SUPPLIES	11,838.46
165 · PREPAYMENTS	7,116.02
Total Other Current Assets	134,631.64
Total Current Assets	138,265.34
Fixed Assets	
100 · UTILITY PLANT	
101 · UTILITY PLANT IN SERVICE	
101-301 · INTANGIBLE PLANT	17,120.00
101-376 · MAINS	693,518.64
101-379 · MEAS & REG STAT EQUIP-CITY GATE	43,065.68
101-380 · SERVICES/METERS/HOUSE REGULATOR	446,421.64
101-387 · OTHER EQUIPMENT	7,200.02
101-389 · LAND AND LAND RIGHTS	30,331.80
101-390 · STRUCTURES & IMPROVEMENTS	52,002.20
101-391 · OFFICE FURN & EQUIPMENT	11,406.30
101-392 · TRANSPORTATION EQUIPMENT	1,000.00
101-394 · TOOLS, SHOP & GARAGE EQUIP	24,127.27
101-396 · POWER OPERATED EQUIPMENT	37,456.21
101-397 · COMMUNICATION EQUIPMENT	18,722.78
Total 101 · UTILITY PLANT IN SERVICE	1,382,372.54
108 · ACCUMULATED DEPRECIATION	-684,918.49
114 · UTILITY PLANT ACQ ADJ	-17,649.26
Total 100 · UTILITY PLANT	679,804.79
Total Fixed Assets	679,804.79
TOTAL ASSETS	818,070.13
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
232 · Accounts Payable	85,194.71
Total Accounts Payable	85,194.71
Other Current Liabilities	
233 · NOTES PAYABLE	
23304 · N/P SUMMIT	11,697.52
23305 · N/P FIRST INSURANCE FUNDING COR	4,504.45
Total 233 · NOTES PAYABLE	16,201.97
234 · ACCOUNTS PAYABLES	
23403 · A/P CFRI - NATURAL GAS	163,566.27
23405 · APACHE GAS TRANSMISSION CO INC	23,983.92
Total 234 · ACCOUNTS PAYABLES	187,550.19
235 · CUSTOMER DEPOSITS	31,122.86
236 · TAXES ACCRUED	

1: M
04/14/08
Accrual Basis

BURKESVILLE GAS COMPANY
Balance Sheet
As of December 31, 2007

	<u>Dec 31, 07</u>
23609 - COUNTY NON-SCH TAX	152.43
23601 - BURKESVILLE CITY W/H	203.20
23602 - CUMBERLAND CO. W/H	101.59
23605 - KENTUCKY WITHHOLDING	310.72
23608 - FWT, FICA & MEDICARE	1,580.96
23610 - FRANCHISE SALES TAX	10,289.08
23611 - SCHOOL TAX	2,689.22
23612 - SALES TAX	2,176.98
23613 - ACCRUED INCOME TAX	175.00
Total 236 - TAXES ACCRUED	<u>17,679.18</u>
Total Other Current Liabilities	<u>252,554.20</u>
Total Current Liabilities	337,748.91
Long Term Liabilities	
224 - OTHER LONG-TERM DEBT	
22401 - Plant Debt	576,025.44
Total 224 - OTHER LONG-TERM DEBT	<u>576,025.44</u>
257 - UNAMORTIZED GAIN	99,250.01
Total Long Term Liabilities	<u>675,275.45</u>
Total Liabilities	1,013,024.36
Equity	
201 - COMMON STOCK ISSUED	25,000.00
211 - MISC PAID-IN CAPITAL	254,775.64
216 - Retained Earnings	-376,939.30
Net Income	-97,790.57
Total Equity	<u>-194,954.23</u>
TOTAL LIABILITIES & EQUITY	<u><u>818,070.13</u></u>

4:36 PM

03/28/08

Accrual Basis

BURKESVILLE GAS COMPANY
Adjusting Journal Entries
 January through December 2007

Date	Num	Memo	Account	Debit	Credit
12/31/2007	HCPAS 07-01	RECLASS QB PURCHASE RECLASS QB PURCHASE	92103 · Office Supplies 101-391 · OFFICE FURN & EQUIPMENT	233.66	233.66
				233.66	233.66
12/31/2007	HCPAS 07-02	RECLASS CHART RECORDER RECLASS CHART RECORDER	878 · METER AND HOUSE REG EXPENSE 101-379 · MEAS & REG STAT EQUIP-CITY GATE	483.85	483.85
				483.85	483.85
12/31/2007	HCPAS 07-03	TO ADJ. DEPRECIATION TO DEPR. SCHED. TO ADJ. DEPRECIATION TO DEPR. SCHED.	108 · ACCUMULATED DEPRECIATION 403 · DEPRECIATION EXPENSE	627.83	627.83
				627.83	627.83
12/31/2007	HCPAS 07-04	TO ACCRUE PROPERTY TAX BILL TO ACCRUE PROPERTY TAX BILL	40805 · Property 232 · Accounts Payable	195.02	195.02
				195.02	195.02
12/31/2007	HCPAS 07-05	TO ACCRUE KY LLET TO ACCRUE KY LLET	409.1 · Income Taxes 23613 · ACCRUED INCOME TAX	175.00	175.00
				175.00	175.00
12/31/2007	HCPAS 07-06	TO RECORD IMPUTED INTEREST TO RECORD IMPUTED INTEREST	23304 · N/P SUMMIT 427 · INTEREST EXPENSE	591.50	591.50
				591.50	591.50
TOTAL				2,306.86	2,306.86

CASE #2008-00032

10. *Refer to the Application, Attachment 2, Exhibit A, Account 40802 – FICA, Medicare.*
 - a. *Provide an updated schedule showing the actual payroll and FICA/Medicare for calendar year 2007.*

Attached is a copy of Burkesville's payroll summary for the fiscal year ended December 31, 2007.

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

BURKESVILLE GAS COMPANY
Payroll Summary
January through December 2007

	HURT, KENNITH M.	KEMPTON, DAVID	MC CARTY, JUANA	TOTAL
	Jan - Dec 07			
Employee Wages, Taxes and Adjustments				
Gross Pay				
874 MAINS AND SERVICES LABOR	3,638.17	3,107.00	0.00	6,745.17
874 OT MAINS AND SERVICES LABOR	415.40	257.25	0.00	672.65
875 MEAS AND REG STATION LABOR	2,324.17	3,159.00	0.00	5,483.17
878 MTR & HOUSE REG LABOR	918.79	365.50	0.00	1,284.29
878 O/T MTR & HOUSE REG EXP	419.15	0.00	0.00	419.15
879 CUSTOMER INSTALLATIONS LABO	313.56	898.00	0.00	1,211.56
879 OT CUST INSTALLATIONS LABOR	306.82	312.75	0.00	619.57
887 O/T MAINTENANCE	13.07	0.00	0.00	13.07
887 REG MAINTENANCE LABOR	15,292.82	8,048.00	0.00	23,340.82
892 Maintenance of Services	135.36	78.00	0.00	213.36
892 O/T MAINT OF SERVICES	206.04	38.25	0.00	244.29
893 MAINT OF MTRS & HOUSE REG	452.92	1,126.50	0.00	1,579.42
902 O/T MTR READING	0.00	0.00	0.00	0.00
902METER READING	1,040.83	914.50	1,244.50	3,199.83
903CUSTOMER RECORDS & COLLECT.	0.00	0.00	0.00	0.00
908CUSTOMER ASSISTANCE	0.00	0.00	341.00	341.00
910 MISC CUST SV & INFO EXP	0.00	0.00	30.00	30.00
912MARKETING & DEMONSTRATION	0.00	0.00	0.00	0.00
930.35 O/T MISC LABOR	13.07	49.50	0.00	62.57
930.35 REG MISC LABOR	1,781.60	880.00	0.00	2,661.60
HOLIDAY ACCOUNTING	0.00	0.00	860.00	860.00
HOLIDAY MAINS/SERVICE	1,542.64	952.00	0.00	2,494.64
O/T ACCOUNTING	0.00	0.00	0.00	0.00
O/T MAINS	0.00	0.00	0.00	0.00
O/T NON-REGULATED	352.76	222.75	0.00	575.51
O/T SERVICE/METERS/HOUSE	61.58	37.50	0.00	99.08
REG ACCOUNTING	0.00	0.00	15,976.50	15,976.50
REG MAINS	0.00	0.00	0.00	0.00
REG MTR READING	131.36	0.00	0.00	131.36
REG NON REGULATED	4,044.12	1,109.00	0.00	5,153.12
REG SERVICE/METERS/HOUSE	459.55	266.50	0.00	726.05
SICK ACCOUNTING	0.00	0.00	484.00	484.00
SICK MAINTENANCE LABOR	807.37	176.00	0.00	983.37
VAC ACCOUNTING	0.00	0.00	944.00	944.00
VAC MAINS/SERVICE	2,038.40	880.00	0.00	2,918.40
Total Gross Pay	36,709.55	22,878.00	19,880.00	79,467.55
Deductions from Gross Pay				
DENTAL INSURANCE	-23.76	0.00	-308.88	-332.64
Total Deductions from Gross Pay	-23.76	0.00	-308.88	-332.64
Adjusted Gross Pay	36,685.79	22,878.00	19,571.12	79,134.91

BURKESVILLE GAS COMPANY
Payroll Summary
January through December 2007

	<u>HURT, KENNITH M.</u> Jan - Dec 07	<u>KEMPTON, DAVID</u> Jan - Dec 07	<u>MC CARTY, JUANA</u> Jan - Dec 07	<u>TOTAL</u> Jan - Dec 07
Taxes Withheld				
Federal Withholding	-3,549.00	-1,535.00	-1,624.00	-6,708.00
Medicare Employee	-532.29	-331.73	-288.26	-1,152.28
Social Security Employee	-2,275.99	-1,418.44	-1,232.56	-4,926.99
KY - Withholding	-1,826.28	-1,024.23	-850.40	-3,700.91
BURKESVILLE	-367.16	-228.78	-198.80	-794.74
COUNTY NON-SCH TAX	-275.47	-171.61	-149.10	-596.18
CUMBERLAND CO.	-183.42	-114.39	-99.40	-397.21
Total Taxes Withheld	<u>-9,009.61</u>	<u>-4,824.18</u>	<u>-4,442.52</u>	<u>-18,276.31</u>
Net Pay	<u>27,676.18</u>	<u>18,053.82</u>	<u>15,128.60</u>	<u>60,858.60</u>
Employer Taxes and Contributions				
Federal Unemployment	56.00	56.00	56.00	168.00
Medicare Company	532.29	331.73	288.26	1,152.28
Social Security Company	2,275.99	1,418.44	1,232.56	4,926.99
KY - Unemployment Company	80.00	80.00	80.00	240.00
Total Employer Taxes and Contributions	<u>2,944.28</u>	<u>1,886.17</u>	<u>1,656.82</u>	<u>6,487.27</u>

CASE #2008-00032

10. Refer to the Application, Attachment 2, Exhibit A, Account 40802 – FICA, Medicare.

b. Using the employee pay rates effective in 2008 provide the same information requested in 10(a). Include copies of all workpapers, calculations, and assumptions used in this response.

The expected FICA and Medicare for 2008 are:

Employee	Total Yearly Pay	2008 FICA	2008 Medicare
Kenny Hurt	38,694.58	2,399.06	561.07
David Kempton	25,084.25	1,555.22	363.72
Juana McCarty	21,400.00	1,326.80	310.30
2008 Total	85,178.83	5,281.09	1,235.09

The total yearly pay is based on the following assumptions:

1. Overtime hours are based on the number of overtime hours worked by each employee during 2007.
2. Payroll is calculated from January 1, 2008 through May 31, 2008 using the current rate of pay for each individual employee.
3. Payroll is calculated from June 1, 2008 through December 31, 2008 with the following expected hourly pay increases.

Kenny Hurt - \$.50 per hour

David Kempton- \$ 1.00 per hour

Juana McCarty - \$.50 per hour

All workpapers and calculations are attached.

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

**BURKESVILLE GAS COMPANY
EXPECTED SOCIAL SECURITY AND MEDICARE
FOR THE PERIOD JANUARY 1, 2008 THROUGH DECEMBER 31, 2008**

Expected Payroll For the Period of January 1, 2008 - December 31, 2008

January 1, 2008 - May 31, 2008

Calculated Using Current Pay Rates

Employee	Regular Time Pay Rate	Regular Hours	Regular Pay	Overtime Pay Rate	Overtime Hours	Overtime Pay	Total Yearly Pay
Kenny Hurt	17.42	880.00	15,329.60	26.13	27.50	718.58	16,048.18
David Kempton	11.00	880.00	9,680.00	16.50	20.50	338.25	10,018.25
Juana McCarty	10.00	880.00	8,800.00	15.00	0.00	0.00	8,800.00
Total January 1, 2008 - May 31, 2008		2,640.00	33,809.60		48.00	1,056.83	34,866.43

June 1, 2008 - December 31, 2008

Calculated Using Expected Pay Rates After Scheduled Pay Increase

Employee	Regular Time Pay Rate	Regular Hours	Regular Pay	Overtime Pay Rate	Overtime Hours	Overtime Pay	Total Yearly Pay
Kenny Hurt	17.92	1,200.00	21,504.00	26.88	42.50	1,142.40	22,646.40
David Kempton	12.00	1,200.00	14,400.00	18.00	37.00	666.00	15,066.00
Juana McCarty	10.50	1,200.00	12,600.00	15.75	0.00	0.00	12,600.00
Total June 1, 2008 - December 31, 2008		3,600.00	48,504.00		79.50	1,808.40	50,312.40

Expected Payroll for the Period of January 1, 2008 - December 31, 2008

Employee	Regular Hours	Regular Pay	Overtime Hours	Overtime Pay	Total Yearly Pay	FICA	Medicare
Kenny Hurt	2,080.00	36,833.60	70.00	1,860.98	38,694.58	2,399.06	561.07
David Kempton	2,080.00	24,080.00	57.50	1,004.25	25,084.25	1,555.22	363.72
Juana McCarty	2,080.00	21,400.00	0.00	0.00	21,400.00	1,326.80	310.30
2008 Total	6,240.00	82,313.60	127.50	2,865.23	85,178.83	5,281.09	1,235.09

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04/19/08

BURKESVILLE GAS COMPANY Overtime Payroll Summary January through May 2007

	HURT, KENNITH M.			KEMPTON, DAVID			MC CARTY, JUANA		
	Hours	Rate	Jan - May 07	Hours	Rate	Jan - May 07	Hours	Rate	Jan - May 07
Employee Wages, Taxes and Adjustments									
Gross Pay									0.00
874 OT MAINS AND SERVICES LABOR	10.5	24.63	258.62	10	15.00	150.00			0.00
878 O/T MTR & HOUSE REG EXP	8	24.63	197.04			0.00			0.00
879 OT CUST INSTALLATIONS LABOR	4.5	24.63	110.84	6	15.00	90.00			0.00
892 O/T MAINT OF SERVICES	2	24.63	49.26	2	15.00	30.00			0.00
902 O/T MTR READING			0.00		15.00	0.00			0.00
930.35 O/T MISC LABOR			0.00		15.00	0.00		13.50	0.00
O/T ACCOUNTING			0.00			0.00			0.00
O/T SERVICE/METERS/HOUSE	2.5	24.63	61.58	2.5	15.00	37.50			0.00
Total Gross Pay	<u>27.5</u>		<u>677.34</u>	<u>20.5</u>		<u>307.50</u>			<u>0.00</u>
Adjusted Gross Pay	<u>27.5</u>		<u>677.34</u>	<u>20.5</u>		<u>307.50</u>			<u>0.00</u>
Net Pay	<u>27.5</u>		<u>677.34</u>	<u>20.5</u>		<u>307.50</u>			<u>0.00</u>
Employer Taxes and Contributions			0.00			0.00			0.00

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04/19/08

BURKESVILLE GAS COMPANY
Overtime Payroll Summary
June through December 2007

	HURT, KENNITH M.			KEMPTON, DAVID			MC CARTY, JUANA		
	Hours	Rate	Jun - Dec 07	Hours	Rate	Jun - Dec 07	Hours	Rate	Jun - Dec 07
Employee Wages, Taxes and Adjustments									
Gross Pay									
874 OT MAINS AND SERVICES LABOR	6	26.13	156.78	6.5	16.50	107.25			0.00
878 O/T MTR & HOUSE REG EXP	8.5	26.13	222.11			0.00			0.00
879 OT CUST INSTALLATIONS LABOR	7.5	26.13	195.98	13.5	16.50	222.75			0.00
887 O/T MAINTENANCE	0.5	26.13	13.07			0.00			0.00
892 O/T MAINT OF SERVICES	6	26.13	156.78	0.5	16.50	8.25			0.00
902 O/T MTR READING			0.00		16.50	0.00			0.00
930.35 O/T MISC LABOR	0.5	26.13	13.07	3	16.50	49.50			0.00
O/T ACCOUNTING			0.00			0.00	15.00		0.00
O/T MAINS			0.00			0.00			0.00
O/T NON-REGULATED	13.5	26.13	352.76	13.5	16.50	222.75			0.00
O/T SERVICE/METERS/HOUSE			0.00		16.50	0.00			0.00
Total Gross Pay	42.5		1,110.55	37		610.50			0.00
Adjusted Gross Pay	42.5		1,110.55	37		610.50			0.00
Net Pay	42.5		1,110.55	37		610.50			0.00
Employer Taxes and Contributions			0.00			0.00			0.00

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04/19/08

BURKESVILLE GAS COMPANY Overtime Payroll Summary January through December 2007

	HURT, KENNITH M.			KEMPTON, DAVID			MC CARTY, JUANA		
	Hours	Rate	Jan - Dec 07	Hours	Rate	Jan - Dec 07	Hours	Rate	Jan - Dec 07
Employee Wages, Taxes and Adjustments									
Gross Pay									0.00
874 OT MAINS AND SERVICES LABOR	16.5	26.13	415.40	16.5	16.50	257.25			0.00
878 O/T MTR & HOUSE REG EXP	16.5	26.13	419.15			0.00			0.00
879 OT CUST INSTALLATIONS LABOR	12	26.13	306.82	19.5	16.50	312.75			0.00
887 O/T MAINTENANCE	0.5	26.13	13.07			0.00			0.00
892 O/T MAINT OF SERVICES	8	26.13	206.04	2.5	16.50	38.25			0.00
902 O/T MTR READING			0.00			0.00			0.00
930.35 O/T MISC LABOR	0.5	26.13	13.07	3	16.50	49.50			0.00
O/T ACCOUNTING			0.00			0.00	15.00		0.00
O/T MAINS			0.00			0.00			0.00
O/T NON-REGULATED	13.5	26.13	352.76	13.5	16.50	222.75			0.00
O/T SERVICE/METERS/HOUSE	2.5	24.63	61.58	2.5	16.50	37.50			0.00
Total Gross Pay	<u>70</u>		<u>1,787.89</u>	<u>57.5</u>		<u>918.00</u>			<u>0.00</u>
Adjusted Gross Pay	<u>70</u>		<u>1,787.89</u>	<u>57.5</u>		<u>918.00</u>			<u>0.00</u>
Net Pay	<u>70</u>		<u>1,787.89</u>	<u>57.5</u>		<u>918.00</u>			<u>0.00</u>
Employer Taxes and Contributions			0.00			0.00			0.00

CASE #2008-00032

11. *Provide a list of all employees employed during the calendar year 2007. For each employee listed, provide the following:*

a. *Name.*

Kenny Hurt
David Kempton
Juana McCarty

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

CASE #2008-00032

11. *Provide a list of all employees employed during the calendar year 2007. For each employee listed, provide the following:*

b. *Title.*

Kenny Hurt – Service Manager

David Kempton – Assistant Service Manager

Juana McCarty – Office Manager

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

CASE #2008-00032

11. *Provide a list of all employees employed during the calendar year 2007. For each employee listed, provide the following:*

c. Length of employment with Burkesville.

Kenny Hurt - 17 Years – Date of employment – 4/07/91

David Kempton – 4 Years – Date of Employment – 1/02/04

Juana McCarty – 16 Years – Date of Employment – 2/28/92

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

CASE #2008-00032

11. *Provide a list of all employees employed during the calendar year 2007. For each employee listed, provide the following:*

d. Job duties.

Job duties for each employee attached.

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

CASE #2008-00032

11. Provide a list of all employees employed during the calendar year 2007. For each employee listed, provide the following:

d. Job duties.

Kenny Hurt's job duties include, but are not limited to the following:

- Responds to service calls
- Supervises and evaluates the performance of the assistant service manager
- Orders supplies and materials
- Inventory control
- Implementing the Public Awareness Plan
- Implementing the Emergency Operating Plan
- Meet continuing education requirements
- Meter Reading
- Initiating and terminating service
- Making routine leak surveys
- Driving trucks used in mains and services operations (CDL license)
- Walking and patrolling lines
- Turning on and off meters
- Resetting meters
- Install service lines
- Test service lines
- Maintenance of service lines
- Locate and mark underground facilities
- Monitor corrosion on metal pipelines
- Maintain corrosion control records
- Installation of customer meters and regulators
- Install meter and regulator sets
- Maintain line valves
- Inspect and test pressure limit stations and regulating stations
- Purge pipelines
- Tap pipelines under pressure
- Maintenance of services
- Join plastic pipe with heat fusion
- Join plastic pipe with mechanical fittings
- Make permanent field repairs on transmission lines
- Operate back hoe, trencher, air compressor for road boring and other heavy equipment used in daily operations

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

CASE #2008-00032

Kenny Hurt continued

- Sampling for odorant levels
- Maintains records as required by regulatory agencies
- Recording pressures, changing charts, keeping records
- Performs job duties includable in the following accounts:
 - 874 – Mains and Services Expenses
 - 875 – Measuring and Regulating Station Expenses – General
 - 878 – Meter and House Regulator Expenses
 - 879 – Customer Installations Expense
 - 887 – Maintenance of Mains
 - 892 – Maintenance of Services
 - 893 – Maintenance of Meters and House Regulators
 - 902 – Meter Reading Expense

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

CASE #2008-00032

Juana McCarty's job duties include, but are not limited to the following:

- Billing of accounts
- Receiving and posting payments to customer accounts
- Deposit money received on customer accounts
- Handle all incoming and outgoing mail
- Review vendor invoices and fax to Corporate office for payment
- Filing
- Answer Telephone
- Maintain Meter Books and Meter Readings
- Customer Relations
- Maintains customer records and collection reports
- Maintains records of customer complaints
- Review and fax employee time sheets to Corporate office for payment
- Record and update meter history files
- File reports concerning gas leaks and reports of leaks
- Collection of past due accounts including filing in small claims court.
- Maintaining easement files.
- Dispatching field personnel
- Maintain and data entry of sales
- Generate gas sales reports
- Community Public Relations
- Resolve Disputes
- Works with customers regarding winter hardship and disconnect, certificates of need, medical certificates, arrears repayment plans, budget billing, partial and budget payment plans.
- Assist in implementing the Public Awareness Plan
- Closing office
- Responsible for office equipment maintenance and replacement
- Computer backups of all customer data
- Completes service orders
- Reconciles petty cash and daily collections
- Performs job duties includable in the following accounts:
 - 903 – Meter Reading Expenses (limited to recordkeeping, billing customers, maintaining customers records, addressing forms,
 - 903 – Customer Records and Collection Expenses
 - 905 – Miscellaneous Customer Accounts Expense
 - 908 – Customer Assistance Expense

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

CASE #2008-00032

11. Provide a list of all employees employed during the calendar year 2007. For each employee listed, provide the following:

d. Job duties.

David Kempton's job duties include, but are not limited to the following:

- Responds to service calls
- Meet continuing education requirements
- Meter Reading
- Initiating and terminating service
- Making routine leak surveys
- Walking and patrolling lines
- Turning on and off meters
- Resetting meters
- Paint meter sets
- Install service lines
- Test service lines
- Maintenance of service lines
- Monitor corrosion on metal pipelines
- Installation of customer meters and regulators
- Install meter and regulator sets
- Maintain line valves
- Inspect and test pressure limit stations and regulating stations
- Purge pipelines
- Tap pipelines under pressure
- Maintenance of services
- Join plastic pipe with heat fusion
- Join plastic pipe with mechanical fittings
- Make permanent field repairs on transmission lines
- Operate back hoe, trencher, air compressor for road boring and other heavy equipment used in daily operations
- Locate and mark underground facilities
- Sampling for odorant levels
- With the exception of recordkeeping and supervising, performs job duties includable in the following accounts:
874 – Mains and Services Expenses

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

CASE #2008-00032

David Kempton continued

- 875 – Measuring and Regulating Station Expenses – General
- 878 – Meter and House Regulator Expenses
- 879 – Customer Installations Expense
- 887 – Maintenance of Mains
- 892 – Maintenance of Services
- 893 – Maintenance of Meters and House Regulators
- 902 – Meter Reading Expense

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

CASE #2008-00032

11. *Provide a list of all employees employed during the calendar year 2007. For each employee listed, provide the following:*

e. The pay rate effective in calendar year 2007 and the current pay rate.

2007 Pay Rates

January 1, 2007 – May 31, 2007

Kenny Hurt - \$16.42 per hour

David Kempton - \$10.00 per hour

Juana McCarty - \$9.00 per hour

June 1, 2007 – December 31, 2007

Kenny Hurt - \$17.42 per hour

David Kempton - \$11.00 per hour

Juana McCarty - \$10.00 per hour

2008 Current Pay Rates

Kenny Hurt - \$17.42 per hour

David Kempton - \$11.00 per hour

Juana McCarty - \$10.00 per hour

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

CASE #2008-00032

11. Provide a list of all employees employed during the calendar year 2007. For each employee listed, provide the following:

f. The regular time worked and overtime worked in calendar year 2007.

<u>Employee</u>	<u>Regular Hours</u>	<u>Overtime Hours</u>	<u>Total Hours</u>
Kenny Hurt	2,057.50	70.00	2,127.50
David Kempton	2,080.00	57.50	2,137.50
Juana McCarty	2,080.00	0.00	2,080.00

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

CASE #2008-00032

11. Provide a list of all employees employed during the calendar year 2007. For each employee listed, provide the following:

g. Percentage of calendar year 2007 payroll that was capitalized.

Employee	Total Payroll	% Capitalized
Kenny Hurt	36,709.55	1.4196%
David Hurt	22,878.00	1.3288%
Juana McCarty	19,880.00	0.0000%
Total	79,467.55	1.0383%

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

CASE #2008-00032

11. Provide a list of all employees employed during the calendar year 2007. For each employee listed, provide the following:

h. Percentage of calendar year 2007 payroll that was allocated to unregulated operations.

<u>Employee</u>	<u>Total Payroll</u>	<u>% Unregulated</u>
Kenny Hurt	36,709.55	11.9775%
David Hurt	22,878.00	5.8211%
Juana McCarty	19,880.00	0.0000%
Total	79,467.55	7.2088%

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

CASE #2008-00032

11. Provide a list of all employees employed during the calendar year 2007. For each employee listed, provide the following:

i. Total test-period payroll expensed and capitalized.

<u>Employee</u>	<u>Total Payroll</u>	<u>Payroll Capitalized</u>	<u>Payroll Expensed</u>
Kenny Hurt	36,709.55	521.13	36,188.42
David Hurt	22,878.00	304.00	22,574.00
Juana McCarty	19,880.00	0.00	19,880.00
Total	79,467.55	825.13	78,642.42

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

CASE #2008-00032

11. Provide a list of all employees employed during the calendar year 2007. For each employee listed, provide the following:

- j. Type of employee benefits (i.e., health insurance, vision insurance, pension, etc.) and amounts paid for each by Burkesville.

Employee benefits include:

Health Insurance – Provided to employee only at 100%

Dental Insurance – Paid by the employee

Employee benefits are only available to the three full-time employees at Burkesville Gas Company, Inc.

Insurance costs by employee:

Employee	Insurance Amounts Paid
Kenny Hurt	6,473.21
David Kempton	3,951.49
Juana McCarty	3,389.42
Total	13,814.12

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

CASE #2008-00032

12. *Provide a detailed list of all fringe benefits available to Burkesville employees and the actual test-period cost of each benefit and the pro forma cost. Provide comparative cost information for calendar years 2005, 2006, 2007, and 2008. Indicate which fringe benefits, if any, are limited to management or full-time employees. Explain any changes in fringe benefits occurring over this period.*

- All fringe benefits are limited to the three full-time employees of Burkesville Gas Company, Inc. Management is not entitled to any fringe benefits.

The only fringe benefits available to full time employees are vacations, sick leave and holidays. These fringe benefits are:

Vacation

- 1 Week – Available after one year of full time employment
- 2 Weeks – Available after three years of full time employment
- 3 Weeks – Available after five years of full time employment

Sick Leave

- 6 Days – Accrued ½ day per month after one year of full time employment

Holidays

- New Years Eve – ½ day
- New Years
- Martin Luther King Day
- Good Friday
- Memorial Day
- Fourth of July
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve
- Christmas Day
- Birthday

- Actual test period cost, pro forma cost and comparative cost information for the calendar years 2005, 2006, 2007 and 2008 are as follows:

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

CASE #2008-00032

12 continued

• Vacation Pay

Employee	2005	2006	2007	2008
Kenny Hurt	1,730.40	1,602.21	2,038.40	2,120.40
David Kempton	360.00	400.00	880.00	920.00
Juana McCarty	936.00	1,080.00	944.00	1,230.00
Total	3,026.40	3,082.21	3,862.40	4,270.40

• Sick Pay

Employee	2005	2006	2007	2008
Kenny Hurt	692.16	1,397.75	807.37	850.16
David Kempton	441.00	406.50	176.00	556.00
Juana McCarty	144.00	504.00	484.00	494.00
Total	1,277.16	2,308.25	1,467.37	1,900.16

• Holiday Pay

Employee	2005	2006	2007	2008
Kenny Hurt	922.88	1,390.64	1,542.64	1,630.84
David Kempton	720.00	860.00	952.00	1,068.00
Juana McCarty	828.00	828.00	860.00	948.00
Total	2,470.88	3,078.64	3,354.64	3,646.84

Other Benefits

Each employee of Burkesville Gas Company, Inc. was paid a bonus in the amount of \$250.00 following the 2007 field inspection from the Kentucky Public Service Commission. This bonus is not a fringe benefit usually offered to our employees. Brenda Everette was also paid the \$250.00 bonus. The total cost of the bonuses was \$1,000.00. The purpose of the bonus was a reward to the stakeholders for obtaining a favorable report on the Commission's field report and to communicate to the stakeholders the importance of performing all duties to obtain a favorable report in the future.

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

CASE #2008-00032

13.

- a. *Provide a schedule detailing all test-period expenditures related to the application filed in this current proceeding. Provide in the schedule the nature and amounts of all charges along with a copy of vendor invoices. The invoices should contain detailed descriptions of the services, the amount of time billed for each service, and the hourly billing rate. Identify the account number and title to which each amount was charged.*

The test-period expenditures related to the application filed in this current proceeding are \$1,909.09. Listed below is a detail of the charges:

Brenda Everette Costs

Date	Number of Hours	Rate Per Hour	Total Charges
05/02/07	3.00	15.00	45.00
06/20/07	1.00	15.00	15.00
06/21/07	4.00	15.00	60.00
12/11/07	2.75	15.00	41.25
12/12/07	8.25	15.00	123.75
12/13/07	10.50	15.00	157.50
12/14/07	5.75	15.00	86.25
12/18/07	3.00	15.00	45.00
Total - Brenda Everette Costs	38.25		573.75

Tom Shirey's Costs

Date	Number of Hours	Rate Per Hour	Total Charges
12/12/07	6.00	100.00	600.00
12/13/07	6.00	100.00	600.00
Total - Tom Shirey Costs	12.00		1,200.00

Copying Costs

Date	Number of Copies	Rate Per Hour	Total Charges
2007	521	0.05	26.05
Total - Copying Costs	521		26.05

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

CASE #2008-00032

13a continued.....

Advertising Costs - Cumberland County News

Date			Total Charges
12/12/07			36.43
12/19/07			36.43
12/26/07			36.43
Total - Copying Costs			109.29

Total 2007 Costs			1,909.09
------------------	--	--	----------

Brenda Everette's costs are included in Account # 92301 – Accounting. Brenda performed all the work necessary to the filing including; researching, preparation of the application, preparing all schedules, attachments, and letters, gathering information for comparison, reviewing financial information, typing and any other items necessary to the completion of the application. Copies of the invoices from Brenda Everette are attached.

Tom Shirey's costs would normally be included in Account # 92303 – Management. These hours are in addition to the hours spent in monthly management of Burkesville Gas Company, Inc. Mr. Shirey reviewed and assisted in preparing all documents, attachments and schedules necessary to the application filed in the current proceeding. However, nothing was charged to Burkesville Gas Company, Inc. for these services. Also, as described in response 16a, beginning with fiscal year ending 2004 there was a change in fiscal policy to only accrue any management and accounting fees that Burkesville Gas Company, Inc. might be financially able to pay.

Copying costs are an estimated cost of copying the pages necessary for the filing. The estimated cost of paper and copying is \$.05 per page. These supplies are included in Account # 92103 – Office Supplies.

Advertising costs are included in Account # 930.1 – General Advertising Expense.

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

CASE #2008-00032

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.*

Assuming adherence to the time schedule as set fort in the Commission’s March 25, 2008 communication, the total anticipated cost of the case upon completion are as follows:

Test Period 2007 Total Costs

2007 Costs As Detailed in 13a	1,909.09
----------------------------------	----------

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	Staples - Binders			30.36
April	Staples - Tabs			2.70
April	Staples - Tabs			59.80
April	Copying Costs	2046	0.05	102.30
April	Estimated UPS			50.00
Total April Costs				4,733.91

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

CASE #2008-00032

13b continued

May Estimated Costs

May	Brenda Everette	69.25	15.00	1,038.75
May	Tom Shirey	34.50	100.00	3,450.00
May	Copying Cost	1000	0.05	50.00
May	Ups			50.00
Total May Costs				4,588.75

Total Anticipated Cost of Case Upon Completion	13,711.89
--	-----------

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

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

Vendor Invoice

This invoice has been prepared showing only the charges relating to the Application for Rate Adjustment filed in the current proceeding for services rendered and billed from May 1, 2007 through March 31, 2008.

<u>Date</u>	<u>Description</u>	<u>Number of Hours</u>	<u>Rate Per Hour</u>	<u>Total Charges</u>
05/02/07	Work associated with the Application for Rate Adjustment	3.00	15.00	45.00
06/20/07	Work associated with the Application for Rate Adjustment	1.00	15.00	15.00
06/21/07	Work associated with the Application for Rate Adjustment	4.00	15.00	60.00
12/11/07	Work associated with the Application for Rate Adjustment	2.75	15.00	41.25
12/12/07	Work associated with the Application for Rate Adjustment	8.25	15.00	123.75
12/13/07	Work associated with the Application for Rate Adjustment	10.50	15.00	157.50
12/14/07	Work associated with the Application for Rate Adjustment	5.75	15.00	86.25
12/18/07	Work associated with the Application for Rate Adjustment	3.00	15.00	45.00
01/22/08	Work associated with the Application for Rate Adjustment	7.50	15.00	112.50
01/23/08	Work associated with the Application for Rate Adjustment	6.00	15.00	90.00
02/18/08	Work associated with the Application for Rate Adjustment	7.00	15.00	105.00
03/03/08	Work associated with the Application for Rate Adjustment	8.50	15.00	127.50
03/04/08	Work associated with the Application for Rate Adjustment	4.50	15.00	67.50
<u>Total 5/01/07 through 3/31/08</u>		<u>71.75</u>		<u>1,076.25</u>

STATEMENT

Cumberland County News
 P.O. Box 307
 Burkesville, KY 42717

Account No.	Date
BURKES G	02/29/08

(270)864-3891 FX:(270)864-3497

Total Amount Due
15.00

Amount Remitted
\$

BURKESVILLE GAS
 PO BOX 69
 BURKESVILLE, KY 42717

Please cut at dotted line and return with your payment

Date	Invoice No.	Description	Charges	Payments	Balance
12/01/07		OPENING BALANCE			15.00
12/12/07		1X7.75 LN	36.43		51.43
12/14/07		PMT CK#9292		15.00	36.43
12/19/07		1X5 CHRISTMAS	24.00		60.43
12/19/07		1X7.75 LN	36.43		96.86
12/26/07		1X7.75 LN	36.43		133.29
01/25/08		PMT CK#9345		133.29	0.00
02/20/08		DIST TOURN	15.00		15.00
ENDING BALANCE					15.00

Current	31 - 60	61 - 90	90+	Total Amount Due
15.00	0.00	0.00	0.00	15.00



that was easy.

Low prices. Every item. Every day.
6834 Wesley Street
GREENVILLE, TX 75401
(903) 450-9899

SALE 455972 12 001 28636
1098 04/23/08 09:20
QTY SKU PRICE

9	1IN POLY BINDER AS 718103054553	1.590ea	14.31
1	12X12X12 SHIPPING 797133493853		5.49
1	18X12X12 SHIPPING 797133500230		8.25
SUBTOTAL			28.05

Standard Tax 8.25% 2.31

TOTAL \$30.36

Cash 31.00

Cash Change 0.64

TOTAL ITEMS 11

Compare and Save
with Staples-brand products.

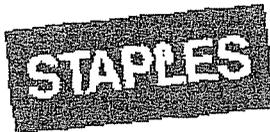
THANK YOU FOR SHOPPING AT STAPLES !

Shop online at www.staples.com

RECYCLE ANY PRINTER AND
SAVE \$50 ON A NEW HP PRINTER!
Valid thru 5/3/08. HP printer must be
\$159 or more (reg price) and may
not be combined with any other offer.



1 0 9 8 0 4 2 3 0 8 2 8 6 3 6 0 1



that was easy.

Low prices. Every item. Every day.

6834 Wesley Street
GREENVILLE, TX 75401
(903) 450-9899

SALE 461146 15 002 16024
1098 04/22/08 03:21
QTY SKU PRICE

1 AVRY 1IN TAB LASER
072782162214 2.49
SUBTOTAL 2.49

Standard Tax 8.25% 0.21

TOTAL \$2.70

Cash 20.00

Cash Change 17.30

TOTAL ITEMS 1

Compare and Save
with Staples-brand products.

THANK YOU FOR SHOPPING AT STAPLES !

Shop online at www.staples.com

RECYCLE ANY PRINTER AND
SAVE \$50 ON A NEW HP PRINTER!
Valid thru 5/3/08. HP printer must be
\$159 or more (reg price) and may
not be combined with any other offer.





For Customer Service, call 1-800-333-3330, or email at support@orders.staples.com. Order online, by phone or by fax 24 hours a day, 7 days a week.

that was easy.

REFER TO THIS ORDER NO. FOR ALL INQUIRIES

CUSTOMER NO.	SHIP DATE	ORDER NO.
406441 54	4/04/08	9182269122-000001
PURCHASE ORDER NO.		RELEASE NO.
COST CENTER		REQUISITIONER

STAPLES BUSINESS DELIVERY. that was easy.

SHIPPING LOCATION: Dal as, TX FC

CARRIER/ROUTE: CRP/UPS /U2

CONSOLIDATED FINANCIAL RESOURCES, INC.

STEPHANIE WILSON

Floor: 1

5005 LIVE OAK STREET

GREENVILLE, TX 754026 64

Contact: (903) 454-4000 - STEPHANIE WILSON

TOTAL PACKAGES: 1

PAGE: 1

SPECIAL INSTRUCTIONS

Order Date: 04/04, 2008

LINE	ITEM NUMBER	ITEM DESCRIPTION / MODEL NUMBER	UNIT/ MEAS.	QTY. ORDERED	QTY. SHIPPED	Staples Price	Extended Amount
Coupons and other adjustments are deducted after the Merchandise Total							
On large orders some boxes may be arriving in separate shipments.							
1	493305	DIVIDERS INSERTABLE 8TAB CLEAR /13521/14487	P	10	10	5.98	59.80
2	576342	STAPLER EZ VIEW IN-GAUGE CHARG /82801	E	1	1	11.49	11.49
3	702564	1/2IN POLY BINDER GRAPHITE /15148-CC	E	15	15	1.98	29.70
4	881245	OAK FRAME 8.5X11 WALNUT FINISH /15815	E	1	1	8.24	8.24
Merchandise total.....							109.23
Delivery.....							.00
Coupon Credit.....							2.00CR
Tax.....							3.85
Check your order status online by going to www.Staples.com and click on "Order Status".							

THIS IS NOT AN INVOICE

Staples has to return something? Please

return to Customer service to process

Return to:
 R. P. Reviews
 urn.

PAYMENT METHOD: AM

TERMS:

TOTAL VALUE OF ORDER:

6.08

Thank You For Your Order! Staples, Inc.



Delivery Service Invoice

Invoice date **January 26, 2008**

Invoice number **0000F7E563048**

Shipper number **F7E563**

Page 3 of 3

Outbound

UPS Shipping Document

Pickup Date	Tracking Number	Service	ZIP Code	Zone	Weight	Billed Charge
01/23	1ZF7E5632210002511	Next Day Air Commercial Delivery Area Surcharge Fuel Surcharge	42717	105	Letter	19.70 1.50 4.13
Sender : UNREADABLE BURKESVILLE GAS COMP GREENVILLE TX 75401						
Receiver: JUANA MCCARTY BURKESVILLE GAS COMP BURKESVILLE KY 42717-7666						
	1ZF7E5632210002977	Next Day Air Commercial Fuel Surcharge	40601	105	2	33.20 6.47
1st ref: APPLICATION FOR RATE ADJ						
Sender : BRENDA EVERETTE BURKESVILLE GAS COMP SULPHUR SPRINGS TX 75401						
Receiver: EXECUTIVE DIRECTOR KENTUCKY PUBLIC SERV FRANKFORT KY 40601-8294						
	1ZF7E5633710002743	2nd Day Air Commercial Fuel Surcharge	77064	203	Letter	9.15 1.78
Sender : BRENDA EVERETTE BURKESVILLE GAS COMP GREENVILLE TX 75401						
Receiver: CHRISTINE RUFFING EAGLE ENERGY ILP HOUSTON TX 77064-3453						
Total UPS Shipping Document						3 Package(s) 75.93
Total Outbound						3 Package(s) 75.93



**Delivery Service Invoice**

Invoice date **March 8, 2008**
 Invoice number 0000F7E563108
 Shipper number F7E563
 Page 3 of 3

Outbound**UPS Shipping Document**

Pickup Date	Tracking Number	Service	ZIP Code	Zone	Weight	Billed Charge
03/04	1ZF7E5632210000988	Next Day Air Commercial Fuel Surcharge	40601	105	Letter	19.70 3.64
Total						23.34
1st ref: 2008- 00032						
Sender : BRENDA EVERETTE BURKESVILLE GAS COMP SULPHUR SPRINGS TX 75401			Receiver: MARK FROST KY PUBLIC SERVICE CO FRANKFORT KY 40601-8294			
	1ZF7E5633710003037	2nd Day Air Commercial Delivery Area Surcharge Fuel Surcharge	42717	205	Letter	10.25 1.50 2.17
Total						13.92
Sender : BRENDA EVELETTE BURKESVILLE GAS COMP SULPHUR SPRINGS TX 75401			Receiver: JUANA MCCASTY BURKESVILLE GAS COMP BURKESVILLE KY 42717-7666			
03/05	1ZF7E5632210002931	Next Day Air Commercial Fuel Surcharge	42102	105	Letter	19.70 3.64
Total						23.34
1st ref: BURKERSVILLE AND APACHE						
Sender : BRENDA EVERETTE BURKESVILLE GAS COMP EMORY TX 75440			Receiver: LANEY WHITE HOLLAND CPAS BOWLING GREEN KY 42102-2134			
Total UPS Shipping Document			3 Package(s)			60.60
Total Outbound			3 Package(s)			60.60

Fees

WeekEnding Date		Unpaid Balance	Rate	Billed Charge
02/09	Late Payment Fee <i>Pursuant to the UPS Tariff, a late payment fee has been assessed.</i>	47.29	5.00 %	2.36
Total Fees				2.36



CASE #2008-00032

13.

c. Provide a monthly update of the schedule requested in 13(a) showing all of the costs incurred as of that date. Include the supporting detailed vendor invoices as requested in 13(a).

Listed below is a monthly detail of the test period expenditures related to the application filed in this proceeding:

May 2007	Brenda Everette	3.00	15.00	45.00
Total May 2007				45.00

June 2007	Brenda Everette	5.00	15.00	75.00
Total June 2007				75.00

December 2007	Brenda Everette	30.25	15.00	453.75
December 2007	Tom Shirey	12.00	100.00	1,200.00
December 2007	Copying Costs	521	0.05	26.05
December 2007	Cumberland County News			109.29
Total December 2007				1,789.09

Total 2007 Costs By Month				1,909.09
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**Name of witness responsible for responding to this question:
Tom Shirey and Brenda Everette**

CASE #2008-00032

14. Refer to Burkesville's March 4, 2008 letter, Attachment 2 – Exhibit F, Account 92401 – Liability Insurance.

a. Provide copies of all liability insurance invoices received in 2007 to support the expense level of \$28,819.

Copies of insurance premium declarations and audit premium invoices are attached.

2007 total insurance paid includes:

Description	Amount Paid
General Liability 1/01/07 - 4/24/07	6,170.04
General Liability 4/24/07 - 12/31/07	13,611.44
Property Liability 1/01/07 - 11/15/07	1,951.20
Property Liability 11/15/07 - 12/31/07	300.32
Audit Premium 4/24/06 - 4/24/07	6,786.00
Total Insurance Paid in 2007	28,819.00 ⁽¹⁾

⁽¹⁾ The premium for the policy period 4/24/06 - 4/24/07 was based on sales of \$464,396. The audit premium was for additional premium due to actual sales.

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



Century Surety Company

465 Cleveland Avenue
Westerville, Ohio 43082
614-895-2000

www.centurysurety.com

COMMERCIAL LINES POLICY COMMON POLICY DECLARATIONS

POLICY NO.: CCP416769
NAMED INSURED AND ADDRESS:

BURKESVILLE GAS COMPANY, INC.
P.O. BOX 962
GREENVILLE, TX 75403

RENEWAL OF: CCP351476
CODE NO.: 5618A
INSUREDS BROKER:
EQUITY INSURANCE
P.O. BOX 14032
LEXINGTON, KY 40512

POLICY PERIOD: From: 04/24/06 To: 04/24/07 at 12:01 A.M. Standard time at your mailing address shown above.

Business Description: GAS UTILITY

Individual Joint Venture Partnership XX Organization (Other than Partnership or Joint Venture)

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

COMMERCIAL GENERAL LIABILITY

This insurance has been placed with an insurer not licensed to transact business in the Commonwealth of Kentucky, but eligible as a surplus lines insurer. The insurer is not a member of the Kentucky Insurance Guaranty Association. Should the insurer become insolvent, the protection and benefits of the Kentucky Insurance Guaranty Association are not available.

PREMIUM
\$15,557

PREMIUM PAYABLE TO INSURER

S/L Tax 478.71; KDRS 239.36; Mun Tax 1,835.06; Exp. Const. 400.00
TOTAL COST

\$15,557
\$2,953.13
\$18,510.13

25% of the Policy Premium is fully earned as of the effective date of this policy and is not subject to return or refund.
Service of Suit (if form CCP 20 10 is attached) may be made upon:
Business Risk Services of Ohio, Inc.
4236 Tuller Road, One North; Dublin, Ohio 43017

Form(s) and Endorsement(s) made a part of this policy at time of issue*:
CSCP1000(02/04); CCP 2010 (09-00); IL 0017 (11-98); IL 0003 (07-02); OIG 1202 (10-03); OIG 1203 (10-03); IL 0021 (07-02); CGL 1500 (01-03)

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations.
Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing false or deceptive statement is guilty of insurance fraud.

COMPANY REPRESENTATIVE:
BUSINESS RISK SERVICES OF OHIO, INC.-OIG1
4236 TULLER ROAD, ONE NORTH
DUBLIN, OHIO 43017

Countersigned By

Authorized Representative

IN WITNESS WHEREOF, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly Authorized Agent of this Company at the Agency hereinbefore mentioned.

Secretary

President

Invoice

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



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

Contact Code: BURKESVI001
Agency Contact: Steve Parrish



5/30/2007

SP

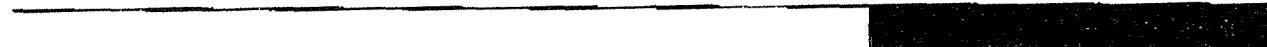
6/6/2007

4/24/2007

4/24/2008



AUD	CGL	CEN	CCP 416769	06/07 Audit - Burkesville Gas Company, Inc.	\$5,850.00
TS			CCP 416769	Tax/Surcharge - Burkesville Gas Company, Inc.	\$936.00





This insurance has been placed with an insurer not licensed to transact business in the Commonwealth of Kentucky, but eligible as a surplus lines insurer. The insurer is not a member of the Kentucky Insurance Guaranty Association. Should the insurer become insolvent, the protection and benefits of the Kentucky Insurance Guaranty Association are not available.

Century Surety Company

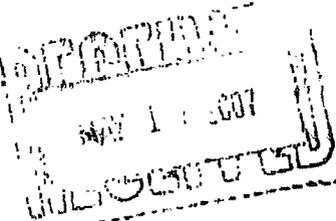
465 Cleveland Avenue
Westerville, Ohio 43082
614-895-2000

www.centurysurety.com

COMMERCIAL LINES POLICY COMMON POLICY DECLARATIONS

POLICY NO.: CCP481342
NAMED INSURED AND ADDRESS:

BURKESVILLE GAS COMPANY, INC.
P.O. BOX 962
GREENVILLE, TX 75403



RENEWAL OF: CCP416769
CODE NO.: 5618A
INSUREDS BROKER:
RISK PLACEMENT SERVICES
OF LEXINGTON
P.O. BOX 14032
LEXINGTON, KY 40512

POLICY PERIOD: From: 04/24/07 To: 04/24/08 at 12:01 A.M. Standard time at your mailing address shown above.

Business Description: GAS UTILITY

Individual Joint Venture Partnership Limited Liability Company (LLC) X Organization (Other than Partnership, LLC or Joint Venture)

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

COMMERCIAL GENERAL LIABILITY	PREMIUM \$17,201
PREMIUM PAYABLE TO INSURER	\$17,201
Taxes, Surcharges or Fees	\$ 200
TOTAL COST	\$17,401

25% of the Policy Premium is fully earned as of the effective date of this policy and is not subject to return or refund.
Service of Suit (if form CCP 20 10 is attached) may be made upon:
Business Risk Services of Ohio, Inc.
4236 Tuller Road, One North, Dublin, Ohio 43017

Surplus Lines Tax: \$ 528.03
KY Surcharge: \$ 264.02
Municipal Tax: \$ 2024.12
Expense Constant: \$ 200.00
Total Premium Due: \$ 20417.17

Form(s) and Endorsement(s) made a part of this policy at time of issue*:
CSCP1000(02/04); CCP 2010 (09-00); IL 0017 (11-98); IL 0003 (07-02); OIG 1202 (10-03); OIG 1203 (10-03); IL 0021 (05-04);
CGL 1500 (01-03)

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations.
Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing false or deceptive statement is guilty of insurance fraud.

COMPANY REPRESENTATIVE:
BUSINESS RISK SERVICES OF OHIO, INC.-OIG1
4236 TULLER ROAD, ONE NORTH
DUBLIN, OHIO 43017

Countersigned By Authorized Representative

IN WITNESS WHEREOF, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly Authorized Agent of this Company at the Agency hereinbefore mentioned.

Secretary

President

Century Surety Company

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy No: CCP481342

Effective Date: 04/24/07 **
12:01 A.M. Standard Time**NAMED INSURED: BURKESVILLE GAS COMPANY, INC.****LIMITS OF INSURANCE:**

General Aggregate Limit (Other than Product-Completed Operations)	\$2,000,000	
Products-Completed Operations Aggregate Limit	\$1,000,000	
Personal and Advertising Injury Limit	\$1,000,000	
Each Occurrence Limit	\$1,000,000	
Damage to Premises Rented to You	\$ 50,000	Any one Fire/ Occurrence
Medical Expense Limit	\$ 5,000	Any one Person

RETROACTIVE DATE: (CG 00 02, CGL 1551 or CGL 1553)

Coverage A and B of this insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" which occurs before the retroactive date shown here:

DEDUCTIBLE:

\$ SEE FORM CG 0300 0196

Bodily Injury Liability & Property Damage Liability Combined

(this deductible also applies to Personal and Advertising Injury Liability.) Deductible also applies to Supplementary Payments - Coverages A and B

LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:

01 119 UPPER RIVER STREET; BURKESVILLE, KY 42717

PREMIUM SV/Terr	Code	Classification	Prem. Basis	RATE:		ADVANCED PREMIUM	
				Pr/Co	All Other	Pr/Co	All Other
KY	95305	Gas Companies	✓ (S) \$837,074	INCL	\$27.00	INCL	\$17,201

KY	91586	Contractors - subcontracted work - in connection with oil and gas field construction, reconstruction or repair	(C) If Any	INCL	\$3.00	INCL	INCL
----	-------	--	------------	------	--------	------	------

Audit Period is Annual Unless Otherwise Stated

Total Advance Premium

\$ INCL

Policy Premium is Minimum and Deposit

Subtotal Coverage Premium

\$17,201

FORMS AND ENDORSEMENTS (other than applicable Forms and Endorsements shown elsewhere in the policy):

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:

SEE ATTACHED SCHEDULE OF POLICY FORMS AND ENDORSEMENTS SAA-100

*Inclusion of Date Optional

**THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE
NAME OF THIS INSURED AND THE POLICY PERIOD**

CGL 1500 01 03

INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

TAILORED PROTECTION POLICY DECLARATIONS

Renewal Effective 11-15-2006

AGENCY UNDERWOOD PARRISH & ASSOCIATES
14-0163-00 MKT TERR 069 (502) 267-6949

POLICY NUMBER 054714-52597451-06

INSURED BURKESVILLE GAS COMPANY INC
C/O CONSOLIDATED FINANCIAL RES

ADDRESS 5005 LIVE OAK ST
GREENVILLE, TX 75402-6364

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
11-15-2006 ^{to}	11-15-2007

In consideration of payment of the premium shown below, this policy is renewed. Please attach this
Declarations and attachments to your policy. If you have any questions, please consult with your agent.

COMMON POLICY INFORMATION

BUSINESS DESCRIPTION: Gas Utility

ENTITY: Corporation

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PART(S).	PREMIUM
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
COMMERCIAL PROPERTY COVERAGE	\$1,582.00
MINIMUM PROPERTY PLUS PREMIUM ADJUSTMENT (CP)	25.00
COMMERCIAL INLAND MARINE COVERAGE	897.00
KENTUCKY PREMIUM SURCHARGE	37.19
KENTUCKY TAX/SURCHARGE ON MIN PREM	0.38
TOTAL	\$2,541.57

FORMS THAT APPLY TO ALL COVERAGE PART SHOWN ABOVE (EXCEPT GARAGE LIABILITY, DEALER'S
BLANKET, COMMERCIAL AUTOMOBILE, IF APPLICABLE)
55000 (01-87) IL0017 (11-85)

11-15-06 - 11-15-07

Countersigned By: COMPANY ISSUED



Auto-Owners

INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

TAILORED PROTECTION POLICY DECLARATIONS

Renewal Effective 11-15-2007

AGENCY UNDERWOOD PARRISH & ASSOCIATES
14-0163-00 MKT TERR 069 (502) 267-6949

POLICY NUMBER 054714-52597451-07

INSURED BURKESVILLE GAS COMPANY INC
C/O CONSOLIDATED FINANCIAL RES

ADDRESS 5005 LIVE OAK ST
GREENVILLE, TX 75402-6364

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
11-15-2007	to 11-15-2008

In consideration of payment of the premium shown below, this policy is renewed. Please attach this Declarations and attachments to your policy. If you have any questions, please consult with your agent.

COMMON POLICY INFORMATION

BUSINESS DESCRIPTION: Gas Utility

ENTITY: Corporation

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PART(S).	PREMIUM
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
COMMERCIAL PROPERTY COVERAGE	\$1,516.00
MINIMUM PROPERTY PLUS PREMIUM ADJUSTMENT (CP)	42.00
MINIMUM EQUIPMENT BREAKDOWN PREMIUM ADJUSTMENT (CP)	2.00
COMMERCIAL INLAND MARINE COVERAGE	807.00
KENTUCKY PREMIUM SURCHARGE	34.85
KENTUCKY TAX/SURCHARGE ON MIN PREM	0.66
TOTAL	\$2,402.51
PAID IN FULL DISCOUNT	\$215.17
TOTAL POLICY PREMIUM IF PAID IN FULL	\$2,187.34
The Paid in Full Discount does not apply to fixed fees, statutory charges or minimum premiums. The Paid in Full Discount is based on favorable loss experience for the collective group of policyholders who choose to pay their premiums in full directly to the Company.	

FORMS THAT APPLY TO ALL COVERAGE PART SHOWN ABOVE (EXCEPT GARAGE LIABILITY, DEALER'S BLANKET, COMMERCIAL AUTOMOBILE, IF APPLICABLE)
55000 (01-87) IL0017 (11-85)

A Merit Rating Plan Factor of 0.90 Applies.

Countersigned By: COMPANY ISSUED

11-15-07 ————— 11-15-08



CASE #2008-00032

14. *Refer to Burkesville's March 4, 2008 letter, Attachment 2 – Exhibit F, Account 92401 – Liability Insurance.*

b. *Provide copies of any liability insurance invoices that Burkesville has received in 2008.*

Burkesville Gas Company, Inc. has not received any invoices or insurance premium renewals for 2008. Since the policy renewal date is 4/24/08, Burkesville's agent is in the process of securing the lowest available quote. Burkesville Gas has an independent insurance agent who request insurance liability quotes from different companies.

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

CASE #2008-00032

14. Refer to Burkesville's March 4, 2008 letter, Attachment 2 – Exhibit F, Account 92401 – Liability Insurance.

c. The proposed Liability Insurance expense reflects a decrease of \$1,715.20. Provide a detailed explanation for the proposed decrease.

General liability insurance premium is based on gross sales. During the policy period 4/24/06 – 4/24/07, the rate per \$1,000 of gross sales was \$33.50 per \$1,000 plus all applicable taxes, fees and surcharges. During policy period 4/24/07 – 4/24/08, the rate per \$1,000 of gross sales was \$27.00 per \$1,000 plus all applicable taxes, fees and surcharges. Also, in order to avoid a large audit premium, the premium basis was increased. The proposed premium for 2008 was based on the rates from the policy period 4/24/07 – 4/24/08.

Listed below is a detail of the expected 2008 insurance premium:

Description	Premium Basis	Premium Amount
Commercial General Liability	\$ 637,074.00	\$ 20,417.17
Commercial General Liability	140,350.55	4,499.29
Commercial Property Coverage (Buildings and Equipment)		2,187.34
Total	\$ 777,424.55	\$ 27,103.80

¹ This Insurer offers a "paid full discount". This amount reflects the premium if paid in full opposed to monthly payments.

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

CASE #2008-00032

15. *Provide a copy of Burkesville's latest state and federal income tax returns with the taxpayer identification number redacted.*

State and Federal Income Tax Returns for the fiscal year ended December 31, 2007 are attached.

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

85095 EFL d 3/11/08
Accepted 3/11/08

Form **7004**

(Rev. December 2007)
Department of the Treasury
Internal Revenue Service

**Application for Automatic 6-Month Extension of Time To File
Certain Business Income Tax, Information, and Other Returns**

OMB No. 1545-0233

▶ File a separate application for each return.

Type or Print	Name BURKESVILLE GAS COMPANY, INC	Identifying number
	Number, street, and room or suite no. (if P.O. box, see instructions.) 5005 LIVE OAK STREET	
	City, town, state, and ZIP code (if a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). GREENVILLE, TX 75402	

Note. See instructions before completing this form.

- 1 Enter the form code for the return that this application is for (see below) 12
- 2 If the foreign corporation does not have an office or place of business in the United States, check here ▶
- 3 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here ▶
- 4a The application is for calendar year 2007, or tax year beginning _____; and ending _____
- b Short tax year. If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

5 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ▶
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

6 Tentative total tax	6	0.
7 Total payments and credits (see instructions)	7	0.
8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)	8	0.

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND	19
Form 706-GS(T)	02	Form 1120-ND (section 4951 taxes)	20
Form 1041 (estate)	04	Form 1120-PC	21
Form 1041 (trust)	05	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120-S	25
Form 1065	09	Form 1120-SF	26
Form 1065-B	10	Form 3520-A	27
Form 1066	11	Form 8612	28
Form 1120	12	Form 8613	29
Form 1120-A (fiscal-year 2006-2007 corporations)	14	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18		

HA For Paperwork Reduction Act Notice, see instructions.

Form 7004 (Rev. 12-2007)

U.S. Corporation Income Tax Return

For calendar year 2007 or tax year

2007

beginning _____, ending _____
EXTENSION GRANTED TO 09/15/08

Check if: <input type="checkbox"/> Consolidated return (attach Form 951) <input type="checkbox"/> Life/nonlife consolidated return <input type="checkbox"/> Personal holding co. (attach Sch. PH) <input type="checkbox"/> Personal service corp. (see instructions) <input type="checkbox"/> Schedule M-3 attached	Use IRS label. Other-wise, print or type.	Name BURKESVILLE GAS COMPANY, INC Number, street, and room or suite no. If a P.O. box, see instructions. 5005 LIVE OAK STREET City or town, state, and ZIP code GREENVILLE, TX 75402	B Employer identification number C Date incorporated 09/25/1990 D Total assets (see instructions) \$ 818,070.
E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change			

	1 a Gross receipts or sales	624,746.	b Less returns and allowances		c Bal ▶		624,746.
Income	2	Cost of goods sold (Schedule A, line 8)					518,506.
	3	Gross profit. Subtract line 2 from line 1c					106,240.
	4	Dividends (Schedule C, line 19)					
	5	Interest					4.
	6	Gross rents					
	7	Gross royalties					
	8	Capital gain net income (attach Schedule D (Form 1120))					
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					
	10	Other income (attach schedule)	SEE STATEMENT 1				13,608.
	11	Total income. Add lines 3 through 10					119,852.

Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)					
	13	Salaries and wages (less employment credits)					21,997.
	14	Repairs and maintenance					
	15	Bad debts					
	16	Rents					
	17	Taxes and licenses	SEE STATEMENT 2				13,145.
	18	Interest					15,814.
	19	Charitable contributions	SEE STATEMENT 3				0.
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)					59,849.
	21	Depletion					
	22	Advertising					699.
	23	Pension, profit-sharing, etc., plans					
	24	Employee benefit programs					16,645.
	25	Domestic production activities deduction (attach Form 8903)					
	26	Other deductions (attach schedule)	SEE STATEMENT 4				100,040.
	27	Total deductions. Add lines 12 through 26					228,189.
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					<108,337.>
29	Less: a Net operating loss deduction	STATEMENT 5	29a			0.	
	b Special deductions (Schedule C, line 20)		29b				
29c							

Tax and Payments	30	Taxable income. Subtract line 29c from line 28 (see instructions)					<108,337.>
	31	Total tax (Schedule J, line 10)					0.
	32a	2006 overpayment credited to 2007	32a				
	32b	2007 estimated tax payments	32b				
	32c	2007 refund applied for on Form 4466	32c				
		d Bal ▶	32d				
	32e	Tax deposited with Form 7004	32e				
	f Credits: (1) Form 2439 (2) Form 4136	32f				32g	
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached					33	
34	Amount owed. If line 32g is smaller than the total of lines 31 and 33, enter amount owed					34	0.
35	Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid					35	
36	Enter amount from line 35 you want: Credited to 2008 estimated tax ▶ Refunded ▶					36	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature of officer: *[Signature]* Date: **4-14-08** Title: **president**
 May the IRS discuss this return with the preparer shown below? Yes No

Paid Preparer's Use Only
 Preparer's signature: *[Signature]* Date: **04/01/08** Check if self-employed
 Firm's name (or yours if self-employed), address, and ZIP code: **HOLLAND CPAS, PSC 927 COLLEGE STREET BOWLING GREEN, KY 42102-0104**
 EIN: _____ Phone no.: **(270)782-0700**

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	10,682.
	Purchases	2	512,239.
	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	7,423.
6	Total. Add lines 1 through 5	6	530,344.
7	Inventory at end of year	7	11,838.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	518,506.

9a Check all methods used for valuing closing inventory:

(i) Cost

(ii) Lower of cost or market

(iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No

If "Yes," attach explanation

Schedule C Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			

Schedule E Compensation of Officers (see instructions for page 1, line 12) Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.					
(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
TOM SHIREY		PART	.00%		0.
KEN JOYCE		PART	.00%		0.
2 Total compensation of officers					
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					

Schedule J Tax Computation (see instructions)			
1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	▶ <input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	▶ <input type="checkbox"/>	0.
3	Alternative minimum tax (attach Form 4626)		
4	Add lines 2 and 3		0.
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credits from Forms 5735 and 8834	5b	
c	General business credit. Check applicable box(es): <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8835, Section B <input type="checkbox"/> Form 8844 <input type="checkbox"/> Form 8846	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	0.
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	9	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31	10	0.

Schedule K Other Information (see instructions)		Yes	No		Yes	No
1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶					
2	See the instructions and enter the: a Business activity code no. ▶ 221210 b Business activity ▶ DISTRIBUTION c Product or service ▶ NATURAL GAS					
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deduction of such corporation for the tax year ending with or within your tax year.		X			
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ SUMMITT NATIONAL HOLDING CO	X				
5	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶	X				
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452, Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		X			
7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? If "Yes," enter: (a) Percentage owned ▶ and (b) Owner's country ▶					X
8	The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶					
9	Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.					
10	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$					
11	Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ 2					
12	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input checked="" type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.					
13	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ \$ 592,141.					
14	Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$					X

JWA

Depreciation and Amortization
(Including Information on Listed Property) **OTHER**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return Business or activity to which this form relates Identifying number

BURKESVILLE GAS COMPANY, INC

OTHER DEPRECIATION

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	125,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	500,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	65.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	59,568.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property		1,000.	7 YRS	HY	200DB	143.
d 10-year property						
e 15-year property						
f 20-year property		2,129.	20 YRS	HY	SL-HY	53.
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	09 / 07	2,700.	39 yrs.	MM	S/L	20.
	/			MM	S/L	

Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (see instructions)

Listed property. Enter amount from line 28	21	
Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	59,849.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use						25		
26 Property used more than 50% in a qualified business use:		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No										
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
Amortization of costs that begins during your 2007 tax year:					
43 Amortization of costs that began before your 2007 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

ELECTION TO WAIVE THE NET OPERATING LOSS CARRYBACK PERIOD

BURKESVILLE GAS COMPANY, INC
5005 LIVE OAK STREET
GREENVILLE, TX 75402

EMPLOYER IDENTIFICATION NUMBER:

FOR THE YEAR ENDING DECEMBER 31, 2007

BURKESVILLE GAS COMPANY, INC HEREBY ELECTS, PURSUANT TO SEC. 172(B)(3) OF THE INTERNAL REVENUE CODE, TO RELINQUISH THE ENTIRE CARRYBACK PERIOD WITH RESPECT TO THE NET OPERATING LOSS INCURRED FOR THE TAX YEAR ENDED DECEMBER 31, 2007, AND WILL HAVE SUCH LOSS AVAILABLE FOR CARRYFORWARD ONLY.

BURKESVILLE GAS COMPANY, INC

FORM 1120	OTHER INCOME	STATEMENT	1
DESCRIPTION		AMOUNT	
JOBGING		13,429.	
DISCOUNTS		179.	
TOTAL TO FORM 1120, LINE 10		13,608.	

FORM 1120	TAXES AND LICENSES	STATEMENT	2
DESCRIPTION		AMOUNT	
PROPERTY		5,343.	
PAYROLL		6,487.	
KENTUCKY TAXES - OTHER		1,280.	
KENTUCKY CITY TAXES - OTHER		35.	
TOTAL TO FORM 1120, LINE 17		13,145.	

CONTRIBUTIONS

STATEMENT 3

CONTRIBUTION SUBJECT TO LIMITATION:

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS
 FOR TAX YEAR 2002
 FOR TAX YEAR 2003 1,354
 FOR TAX YEAR 2004 300
 FOR TAX YEAR 2005 425
 FOR TAX YEAR 2006

TOTAL CARRYOVER 2,079
 CURRENT YEAR CONTRIBUTIONS

TOTAL CONTRIBUTIONS AVAILABLE 2,079
 TAXABLE INCOME LIMITATION AS ADJUSTED 0

EXCESS CONTRIBUTIONS 2,079

ALLOWABLE CONTRIBUTIONS DEDUCTION 0

TOTAL CONTRIBUTION DEDUCTION 0

BURKESVILLE GAS COMPANY, INC

FORM 1120 OTHER DEDUCTIONS STATEMENT 4

DESCRIPTION	AMOUNT
OFFICE EXPENSE	6,386.
OUTSIDE SERVICES	21,152.
INSURANCE	29,638.
MISCELLANEOUS GENERAL EXPENSE	21,336.
TRANSPORTATION EXPENSE	20,254.
TRAVEL	1,169.
MISCELLANEOUS	33.
MEALS AND ENTERTAINMENT	72.
TOTAL TO FORM 1120, LINE 26	100,040.

NET OPERATING LOSS DEDUCTION STATEMENT 5

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
12/31/93	13,346.		13,346.	13,346.
12/31/94	116,341.		116,341.	116,341.
12/31/95	17,717.		17,717.	17,717.
12/31/96	35,847.		35,847.	35,847.
12/31/99	34,028.		34,028.	34,028.
12/31/00	77,382.		77,382.	77,382.
12/31/01	51,734.		51,734.	51,734.
12/31/02	43,970.		43,970.	43,970.
12/31/03	82,940.		82,940.	82,940.
12/31/04	3,104.		3,104.	3,104.
12/31/05	59,757.		59,757.	59,757.
12/31/06	55,975.		55,975.	55,975.
NOL CARRYOVER AVAILABLE THIS YEAR			592,141.	592,141.

SCHEDULE A COST OF GOODS SOLD - OTHER COSTS STATEMENT 6

DESCRIPTION	AMOUNT
COST OF CONTRACT WORK	7,423.
TOTAL TO SCHEDULE A, LINE 5	7,423.

BURKESVILLE GAS COMPANY, INC

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT	7
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
PREPAID EXPENSES	4,935.	7,116.	
TOTAL TO SCHEDULE L, LINE 6	4,935.	7,116.	

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT	8
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
CUSTOMER DEPOSITS	32,273.	31,123.	
ACCRUED TAXES	16,076.	17,504.	
STATE ACCRUED TAXES	175.	175.	
TOTAL TO SCHEDULE L, LINE 18	48,524.	48,802.	

SCHEDULE L	OTHER LIABILITIES	STATEMENT	9
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
UNAMORTIZED GAIN ON REACQUIRED DEBT	108,272.	99,250.	
TOTAL TO SCHEDULE L, LINE 21	108,272.	99,250.	

SCHEDULE M-1	OTHER INCOME RECORDED ON BOOKS NOT INCLUDED IN THIS RETURN	STATEMENT	10
DESCRIPTION		AMOUNT	
AMORTIZED PLANT ACQUISITION ADJUSTMENT		1,595.	
AMORTIZED REACQUIRED DEBT		9,022.	
TOTAL TO SCHEDULE M-1, LINE 7		10,617.	

720
41A720

Kentucky
UNBRIDLED SPIRIT

Department of Revenue



A _____
Kentucky Corporation/LLET Account Number

Kentucky Corporation Income Tax And LLET Return

2007

Taxable period beginning JAN 1, 2007, and ending DEC 31, 2007.

<input type="checkbox"/> Check applicable box(es) LLET Receipts Method <input type="checkbox"/> Gross Receipts <input type="checkbox"/> Gross Profits <input checked="" type="checkbox"/> \$175 minimum Nonfiling Status Code _____ Enter Code _____	D Federal Identification Number Name of Corporation or Affiliated Group (Print or type) <input type="checkbox"/> Change of name BURKESVILLE GAS COMPANY, INC Number and Street <input type="checkbox"/> Change of address 5005 LIVE OAK STREET City State ZIP Code Telephone Number GREENVILLE TX 75402 9034544000	Taxable Year <u>12 / 07</u> Ending Mo. Yr. State and Date of Incorporation KY 09/25/1990 Principal Business Activity in KY DISTRIBUTION NAICS Code Number (Relating to Kentucky Activity) (See www.census.gov) 221210
	E Name of Common Parent _____ Kentucky Corporation/LLET Account Number _____ F Check if applicable: <input type="checkbox"/> Initial return <input type="checkbox"/> Short-period return (attach explanation) <input type="checkbox"/> Final return (attach explanation)	

PART I - LLET COMPUTATION		PART III - INCOME TAX COMPUTATION	
1. Schedule LLET, Section D, line 1	175	14. Depreciation adjustment	
2. Recycling/composting equipment tax credit recapture		15. Other (attach schedule)	
3. Total (add lines 1 and 2)	175	16. Net income (line 10 less lines 11 through 15)	<108,337>
4. Nonrefundable LLET credit from Kentucky Schedule(s) K-1		17. Current net operating loss adjustment (mandatory nexus only)	
5. Nonrefundable tax credits (Schedule TCS)		18. Kentucky net income (add lines 16 and 17)	<108,337>
6. LLET liability (greater of line 3 less lines 4 and 5 or \$175 minimum)	175	19. Taxable net income (attach Schedule A if applicable)	<108,337>
7. Withholding tax (PTE-WH)		20. Net operating loss deduction (NOLD) STMT 2	
8. Estimated tax payments		21. Taxable net income after NOLD (line 19 less line 20)	<108,337>
9. Extension payment		22. Kentucky domestic production activities deduction (KDPAD)	
10. Income tax overpayment from Part III, line 15		23. Taxable net income after KDPAD (line 21 less line 22)	<108,337>
11. LLET due (line 6 less lines 7 through 10)	175		
12. LLET overpayment (lines 7 through 10 less line 8)			
13. Credited to 2007 income tax			
14. Credited to 2008 LLET			
15. Amount to be refunded			

PART II - TAXABLE INCOME COMPUTATION		PART III - INCOME TAX COMPUTATION	
1. Federal taxable income (Form 1120, line 28)	<108,337>	1. Income tax (multiply Part II, line 23 by tax rates)	
ADDITIONS:	STMT 1	2. Recycling/composting equipment tax credit recapture	
2. Interest income (state and local obligations)		3. Tax installment on LIFO recapture	
3. State taxes based on net/gross income		4. Total (add lines 1 through 3)	
4. Depreciation adjustment		5. Nonrefundable LLET credit from the Limited Liability Pass-through Entity LLET Credit Worksheet(s) (see instructions)	
5. Deductions attributable to nontaxable income		6. Nonrefundable LLET credit (Part I, line 6 less \$175)	
6. Related party expenses		7. Nonrefundable tax credits (Schedule TCS)	
7. Dividend paid deduction (REIT)		8. Net income tax liability (line 4 less lines 5 through 7, but not less than zero)	
8. Domestic production activities deduction		9. Estimated tax payments <input type="checkbox"/> Check if Form 2220-K attached	
9. Other (attach schedule)		10. Extension payment	
10. Total (add lines 1 through 9)	<108,337>	11. Prior year's tax credit	
SUBTRACTIONS:		12. LLET overpayment from Part I, line 13	
11. Interest income (U.S. obligations)		13. Income tax due (line 8 less lines 9 through 12)	0
12. Dividend income		14. Income tax overpayment (lines 9 through 12 less line 8)	
13. Federal work opportunity credit		15. Credited to 2007 LLET	
		16. Credited to 2008 corporation income tax	
		17. Amount to be refunded	

TAX PAYMENT SUMMARY (Round to nearest dollar)			
LLET		INCOME	
LLET due (Part I, Line 11) \$	175	Income tax due (Part III, Line 13) \$	
Penalty \$		Penalty \$	
Interest \$		Interest \$	
Subtotal \$	175	Subtotal \$	
TOTAL PAYMENT (Add Subtotals)			175

Federal Form 1120, pages 1, 2, and 4, and any supporting schedules must be attached.

Make check payable to:
Kentucky State Treasurer
Mail return with payment to:
Kentucky Department of Revenue
Frankfort, Kentucky 40620



SCHEDULE Q - KENTUCKY CORPORATION/LLET QUESTIONNAIRE

IMPORTANT: Questions 4 - 12 must be completed by all corporations. If this is the corporation's initial return or if the corporation did not file a return under the same name and same federal I.D. number for the preceding year, questions 1, 2 and 3 must be answered. Failure to do so may result in a request for a delinquent return.

1. Indicate whether: (a) [] new business; (b) [] successor to previously existing business which was organized as: (1) [] corporation; (2) [] partnership; (3) [] sole proprietorship; or (4) [] other
If successor to previously existing business, give name, address and federal I.D. number of the previous business organization.
2. List the following Kentucky account numbers. Enter N/A for any number not applicable.
Employer Withholding
Sales and Use Tax Permit
Consumer Use Tax
Unemployment Insurance
Coal Severance and/or Processing Tax
3. If a foreign corporation, enter the date qualified to do business in Kentucky.

7. Are related party costs made to related members as defined in KRS 141.205(1)(I) included in this return? [] Yes [X] No
If yes, list name, federal I.D. and/or Kentucky Corporation/LLET account number of the individual or entity.

Caution: If the corporation elected to file a consolidated income tax return for tax years beginning prior to January 1, 2005, skip questions 8 and 9 and go to question 10.

8. Did the corporation at any time during the taxable year do business in Kentucky and own 80 percent or more of the voting stock of another corporation doing business in Kentucky? [] Yes [X] No. If yes, list name, address and federal I.D. number of the entity.

9. Was 80 percent or more of the corporation's voting stock owned by any corporation doing business in Kentucky at any time of the year? [] Yes [X] No. If yes, list name, address and federal I.D. number of the entity.

4. The corporation's books are in care of: (name and address)
TOM SHIREY
PO BOX 228 GREENVILLE TX 75403

10. Was this return prepared on: (a) [] cash basis, (b) [X] accrual basis, (c) [] other

11. Did the corporation file a Kentucky tangible personal property tax return for January 1, 2008? [X] Yes [] No

5. Are disregarded entities included in this return? [] Yes [X] No
If yes, list name, address and federal I.D. number of the entity.

12. Is the corporation currently under audit by the Internal Revenue Service? [] Yes [X] No. If yes, enter years under audit
If the Internal Revenue Service has made final and unappealable adjustments to the corporation's taxable income which have not been reported to this department, check here [] and file Form 720X or Form 720-Amended, whichever is applicable, for each year adjusted and attach a copy of the final determination.

6. Was the corporation a partner or a member in a pass-through entity doing business in Kentucky? [] Yes [X] No
If yes, attach schedule listing name and federal I.D. number of the pass-through entity.

Was the corporation doing business in Kentucky, outside of its interest in a pass-through entity? [] Yes [X] No

OFFICER INFORMATION (Failure to Provide Requested Information May Result in a Penalty)

Attach a schedule listing the name, home address and Social Security number of the vice president, secretary and treasurer.
Has the attached officer information changed from the last return filed? [] Yes [X] No
President's Name TOM SHIREY President's Home Address PO BOX 228 GREENVILLE TX 75403
President's Social Security Number SEE STATEMENT 3

I, the undersigned, declare under the penalties of perjury, that I have examined this return, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of principal officer or chief accounting officer
HOLLAND CPAS, PSC Mulla Z. White Jr.
Name of person or firm preparing return

Date 4-14-08
SSN, PTIN or FEIN

May the DOR discuss this return with the preparer? [X] Yes [] No

E-mail Address:
Telephone Number: (270) 782-0700

SCHEDULE LLET

41A720LLET (10-07)



Taxable Year Ending

1 / 2 / 07
Mo. Yr.

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

LIMITED LIABILITY ENTITY TAX
KRS 141.0401

Member of a Combined Group
Reason Code

- ▶ See instructions.
- ▶ Attach to Form 720, Form 720S, Form 725 or Form 765.

Name of Corporation/Limited Liability Entity BURKESVILLE GAS COMPANY, INC	Kentucky Corporation/LLET Account No.
---	--

If the corporation or limited liability pass-through entity is a partner, member, or shareholder of a limited liability pass-through entity or general partnership organized or formed as a general partnership after January 1, 2006 check this box and complete Schedule LLET-C and enter the total amounts from Schedule LLET-C in Section A of this form.

Section A - Computation of Gross Receipts and Gross Profits

		Column A Kentucky	Column B Total
1. Gross receipts	1	638,358.	638,358.
2. Returns and allowances	2		
3. Gross receipts after returns and allowances (line 1 minus line 2 or amount from Schedule LLET-C)	3	638,358.	638,358.
4. Cost of goods sold	4	518,506.	518,506.
5. Gross profits (line 3 minus line 4 or amount from Schedule LLET-C)	5	119,852.	119,852.

Section B - Computation of Gross Receipts LLET

1. If gross receipts from all sources (Column B, line 3) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1	1		
2. If gross receipts from all sources (Column B, line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 3 x 0.00095) - $\left[\frac{\$2,850 \times (\$6,000,000 - \text{Column A, line 3})}{\$3,000,000} \right]$ but in no case shall the result be less than zero	2	0.	
3. If gross receipts from all sources (Column B, line 3) are \$6,000,000 or greater, enter the following: Column A, line 3 x 0.00095	3	0.	
4. Enter the amount from line 2 or line 3	4	0.	

Section C - Computation of Gross Profits LLET

1. If gross profits from all sources (Column B, line 5) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1	1		
2. If gross profits from all sources (Column B, line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 5 x 0.0075) - $\left[\frac{\$22,500 \times (\$6,000,000 - \text{Column A, line 5})}{\$3,000,000} \right]$ but in no case shall the result be less than zero	2	0.	
3. If gross receipts from all sources (Column B, line 5) are \$6,000,000 or greater, enter the following: Column A, line 5 x 0.0075	3	0.	
4. Enter the amount from line 2 or line 3	4	0.	

Section D - Computation of LLET

1. Enter the lesser of Section B, line 4 or Section C, line 4 on this line or if -0-, enter \$175 on Form 720, Part I, line 1; and for Form 720S, 725, or 765, enter on Part II, line 1	1	175.	
---	---	------	--

STOP Mark the applicable Receipts Method box on Form 720, Form 720S, Form 725 or Form 765, page 1, Item B.

Form **4562**

Department of the Treasury
Internal Revenue Service
Name(s) shown on return

Depreciation and Amortization
(Including Information on Listed Property) OTHER

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2007

Attachment
Sequence No. 67

BURKESVILLE GAS COMPANY, INC

OTHER DEPRECIATION

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	125,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	500,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	65.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	59,568.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property		1,000.	7 YRS	HY	200DB	143.
d 10-year property						
e 15-year property						
f 20-year property		2,129.	20 YRS	HY	SL	53.
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	09 / 07	2,700.	39 yrs.	MM	S/L	20.
	/			MM	S/L	

Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year	/	40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	59,849.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	-------------------------------------	--	-------------------------------	--	---------------------------	------------------------------	----------------------------------	---------------------------------------

25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use **25**

26 Property used more than 50% in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		%						
		%						
		%						

27 Property used 50% or less in a qualified business use:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		%				S/L -		
		%				S/L -		
		%				S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28**

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29**

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No										
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
Amortization of costs that begins during your 2007 tax year:					

43 Amortization of costs that began before your 2007 tax year **43**

44 Total. Add amounts in column (f). See the instructions for where to report **44**

BURKESVILLE GAS COMPANY, INC

KY 720	CONTRIBUTIONS	STATEMENT	1
CARRYOVER OF PRIOR YEARS UNUSED CHARITABLE CONTRIBUTIONS		AMOUNT	
FOR TAX YEAR 2002			
FOR TAX YEAR 2003		1,354.	
FOR TAX YEAR 2004		300.	
FOR TAX YEAR 2005		425.	
FOR TAX YEAR 2006			
TOTAL CARRYOVER		2,079.	
CURRENT YEAR CHARITABLE CONTRIBUTIONS			
TOTAL CHARITABLE CONTRIBUTIONS		2,079.	
10% OF KENTUCKY NET INCOME		0.	
EXCESS CHARITABLE CONTRIBUTIONS		2,079.	
TOTAL TO FORM 720, PAGE 1		0.	

KY 720	NET OPERATING LOSS DEDUCTION	STATEMENT	2
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING
12/31/93	13,346.		13,346.
12/31/94	116,341.		116,341.
12/31/95	17,717.		17,717.
12/31/96	35,847.		35,847.
12/31/99	34,028.		34,028.
12/31/00	77,382.		77,382.
12/31/01	51,734.		51,734.
12/31/02	43,970.		43,970.
12/31/03	82,940.		82,940.
12/31/04	3,104.		3,104.
12/31/05	59,757.		59,757.
12/31/06	54,750.		54,750.
TOTAL TO FORM 720, PAGE 1			590,916.

BURKESVILLE GAS COMPANY, INC

KY SCHEDULE Q

OFFICER INFORMATION

STATEMENT 3

NAME AND ADDRESS AND TITLE

SOCIAL SECURITY
NUMBER

KEN JOYCE
PO BOX 228 GREENVILLE TX 75403
SEC TREAS

U.S. Corporation Income Tax Return

For calendar year 2007 or tax year

OMB No. 1545-0123

2007

beginning _____, ending _____
EXTENSION GRANTED TO 09/15/08

- Check if:
- Consolidated return (attach Form 851)
 - Life/nonlife consolidated return
 - Personal holding co. (attach Sch. PH)
 - Personal service corp. (see instructions)
 - Schedule M-3 attached

Use IRS label. Otherwise, print or type.

Name: **BURKESVILLE GAS COMPANY, INC**

Number, street, and room or suite no. If a P.O. box, see instructions.
5005 LIVE OAK STREET

City or town, state, and ZIP code
GREENVILLE, TX 75402

B Employer identification number _____

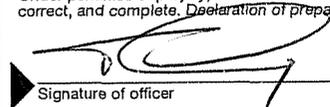
C Date incorporated
09/25/1990

D Total assets (see instructions)
\$ 818,070.

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income	1 a Gross receipts or sales	624,746.	b Less returns and allowances		c Bal	1c	624,746.
	2 Cost of goods sold (Schedule A, line 8)					2	518,506.
	3 Gross profit. Subtract line 2 from line 1c					3	106,240.
	4 Dividends (Schedule C, line 19)					4	
	5 Interest					5	4.
	6 Gross rents					6	
	7 Gross royalties					7	
	8 Capital gain net income (attach Schedule D (Form 1120))					8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					9	
	10 Other income (attach schedule)		SEE STATEMENT 4			10	13,608.
	11 Total income. Add lines 3 through 10					11	119,852.
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)					12	
	13 Salaries and wages (less employment credits)					13	21,997.
	14 Repairs and maintenance					14	
	15 Bad debts					15	
	16 Rents					16	
	17 Taxes and licenses		SEE STATEMENT 5			17	13,145.
	18 Interest					18	15,814.
	19 Charitable contributions		SEE STATEMENT 6			19	0.
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)					20	59,849.
	21 Depletion					21	
	22 Advertising					22	699.
	23 Pension, profit-sharing, etc., plans					23	
	24 Employee benefit programs					24	16,645.
	25 Domestic production activities deduction (attach Form 8903)					25	
	26 Other deductions (attach schedule)		SEE STATEMENT 7			26	100,040.
	27 Total deductions. Add lines 12 through 26					27	228,189.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	<108,337.>
29 Less: a Net operating loss deduction	STATEMENT 8	29a		0.			
	b Special deductions (Schedule C, line 20)		29b		29c		
30 Taxable income. Subtract line 29c from line 28 (see instructions)					30	<108,337.>	
Tax and Payments	31 Total tax (Schedule J, line 10)					31	0.
	32 a 2006 overpayment credited to 2007	32a					
	b 2007 estimated tax payments	32b					
	c 2007 refund applied for on Form 4466	32c	()	d Bal	32d		
	e Tax deposited with Form 7004				32e		
	f Credits: (1) Form 2439 (2) Form 4136				32f		
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached					33	
34 Amount owed. If line 32g is smaller than the total of lines 31 and 33, enter amount owed					34	0.	
35 Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid					35		
36 Enter amount from line 35 you want: Credited to 2008 estimated tax Refunded					36		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer:  Date: 4-14-08 Title: president

May the IRS discuss this return with the preparer shown below? Yes No

Paid Preparer's Use Only

Preparer's signature: _____ Date: 04/01/08 Check if self-employed Preparer's EIN: _____

Firm's name (or yours if self-employed), address, and ZIP code: **HOLLAND CPAS, PSC
927 COLLEGE STREET
BOWLING GREEN, KY 42102-0104**

EIN: _____ Phone no.: (270) 782-0700

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		4,376.		3,634.
2a	Trade notes and accounts receivable	93,797.		115,677.	
b	Less allowance for bad debts	()	93,797.	()	115,677.
3	Inventories		10,682.		11,838.
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (att. sch.) STMT 9		4,935.		7,116.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (att. sch.)				
10a	Buildings and other depreciable assets	1,376,543.		1,382,373.	
b	Less accumulated depreciation	(644,312.)	732,231.	(702,568.)	679,805.
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (att. sch.)				
15	Total assets		846,021.		818,070.
Liabilities and Shareholders' Equity					
16	Accounts payable		183,257.		272,745.
17	Mortgages, notes, bonds payable in less than 1 year				4,504.
18	Other current liabilities (att. sch.) STMT 10		48,524.		48,802.
19	Loans from shareholders		12,106.		11,698.
20	Mortgages, notes, bonds payable in 1 year or more		591,025.		576,025.
21	Other liabilities (att. sch.) STMT 11		108,272.		99,250.
22	Capital stock: a Preferred stock				
b	Common stock	25,000.	25,000.	25,000.	25,000.
23	Additional paid-in capital		254,776.		254,776.
24	Retained earnings - Appropriated (attach schedule)				
25	Retained earnings - Unappropriated		<376,939.>		<474,730.>
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		846,021.		818,070.

Schedule M-1		Reconciliation of Income (Loss) per Books With Income per Return	
Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions			
1	Net income (loss) per books	<97,791.>	7
2	Federal income tax per books		
3	Excess of capital losses over capital gains		
4	Income subject to tax not recorded on books this year (itemize):		
5	Expenses recorded on books this year not deducted on this return (itemize):		
a	Depreciation		
b	Charitable contributions		
c	Travel and entertainment	71.	
6	Add lines 1 through 5	<97,720.>	10
7	Income recorded on books this year not included on this return (itemize):		
	Tax-exempt interest	\$	
	STMT 12	10,617.	
8	Deductions on this return not charged against book income this year (itemize):		
a	Depreciation	\$	
b	Charitable contributions	\$	
9	Add lines 7 and 8	10,617.	
10	Income (page 1, line 28) - line 6 less line 9	<108,337.>	

Schedule M-2		Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)	
1	Balance at beginning of year	<376,939.>	5
2	Net income (loss) per books	<97,791.>	
	Other increases (itemize):		
3	Add lines 1, 2, and 3	<474,730.>	8
4	Balance at end of year (line 4 less line 7)	<474,730.>	

CASE #2008-00032

16. *Refer to the application, Attachment 2, Exhibit E, Account 92303 – Management Fee and to Addendum 1 of Burkesville’s March 4, 2008 letter.*

a. *Explain why Burkesville did not record Management Fees in its 2007 operations.*

In the past, Burkesville Gas Company’s fiscal policy had been to accrue all management fees whether or not Burkesville Gas Company was able to pay for those services. Beginning with fiscal year ending 2004 there was a change in fiscal policy to only accrue any management and accounting fees that Burkesville Gas Company, Inc might be financially able to pay.

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

CASE #2008-00032

16. Refer to the application, Attachment 2, Exhibit E, Account 92303 – Management Fee and to Addendum 1 of Burkesville’s March 4, 2008 letter.

b. Burkesville states that Tom Shirey is the officer responsible for the management services rendered. Provide a detailed list of management duties performed by Mr. Shirey.

Mr. Shirey does not keep up with each individual task nor the amount of time spent on each individual task.

However, some of the services provided by Mr. Shirey include:

- 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 and/or advise.
- Reviews invoices being paid by Brenda Everette.
- Signs all checks.
- 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 all financial information.
- Explores and researches opportunities to improve sales.
- Manages all work performed by Brenda Everette.
- Conferences with the attorney on all 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 any 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 any personnel issues.

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

CASE #2008-00032

16. *Refer to the application, Attachment 2, Exhibit E, Account 92303 – Management Fee and to Addendum 1 of Burkesville’s March 4, 2008 letter.*

- c. *Burkesville estimates that Mr. Shirey devotes 18 hours per month providing services and expertise to Burkesville. Provide documentation to support Burkesville’s estimated hours.*

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. Mr. Shirey devote a minimum of 4 to 8 hours per week in reviewing all weekly activities and outstanding issues.

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

CASE #2008-00032

16. Refer to the application, Attachment 2, Exhibit E, Account 92303 – Management Fee and to Addendum 1 of Burkesville's March 4, 2008 letter.

d. According to Burkesville the billing rate for Mr. Shirey's services is \$100 per hour. Provide a detailed calculation of how the \$100 billing rate was derived.

Although Mr. Shirey is a salaried employee, his billing rate is approximately \$100.00 per hour for each hour that he spends on providing his services to a company in which he is an acting officer.

The Commission found in rate Case No. 2007-00354 that only \$1,500 should be allowed for Mr. Shirey's contribution to the management of Apache. This equates to approximately \$83.00 per hour. However, as stated in response #16c, while Mr. Shirey devotes a minimum of 18 hours to Burkesville Gas Company, Inc., an additional 3 to 4 hours is usually necessary in order to accomplish all tasks. Furthermore, Burkesville Gas Company, Inc. has a broader scope of tasks than does Apache.

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

CASE #2008-00032

16. Refer to the application, Attachment 2, Exhibit E, Account 92303 – Management Fee and to Addendum 1 of Burkesville’s March 4, 2008 letter.

e. Provide a schedule comparing the management fees paid by Burkesville for Mr. Shirey’s management services for the calendar years 2000 through 2007.

<u>Year</u>	<u>Amount</u>
2000	12,000.00
2001	12,000.00
2002	13,148.79
2003	12,000.00
2004	4,200.00
2005	0.00
2006	10,600.00
2007	0.00

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

CASE #2008-00032

17. On Page 4 of its application, Burkesville states that it is requesting an increase in revenues of \$100,034.

a. Provide a detailed calculation of Burkesville's original revenue requirement showing how it arrived at its requested increase if \$100,034.

• REVENUE REQUIREMENT TABLE

Operating Expenses Before Depreciation and Taxes	\$ 658,933.56	(1)
Divide by .88	0.88	
Subtotal	748,788.14	
Plus Other Income & Deductions (excluding deduction for 429.1 Amortization-Reacquired Debt)	11,495.33	
Total Revenue Requirement	\$ 760,283.47	
Plus: Provision for Income Taxes (calculated at 20% of expected net income of \$38,850.23)	7,770.05	
Total Revenue Requirement	\$ 768,053.51	

(1) Burkesville mistakenly omitted depreciation and taxes when calculating the above revenue requirement table.

- The increase in revenues of \$100,034.50 as stated on page 4 of the initial application does not include the increase in transmission fees. Burkesville is not requesting an increase in transmission fees with this application. The transmission fee increase was approved in Case # 2007-00354 for Apache Gas Transmission Company, Inc. Burkesville has filed a gas cost recovery filing, Case #2008-0071, to include the increase in transmission fees of \$.812 per MCF. The additional expense due to the increase of transmission fees is included in the test year expenses in Account # 858 – Transmission Fees.

Description	Amount	
Proposed Increased Revenues per Test Year 12/31/06	\$ 128,769.78	
Add Back CPA Prior Year Adjustment	674.38	(2)
Less Increased Transmission Fees	(29,409.67)	
Adjusted Increased Revenues	\$ 100,034.49	

(2) This is an adjustment made by Burkesville Gas Company's CPA to adjust a prior year.

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

CASE #2008-00032

17 a continued

- The rate increase of \$ 2.50 was calculated using the adjusted increased revenues as listed on the previous page. The calculation is as follows:

Description	Amount
Revenue Requirement per Above Table	768,053.51
Less Test Year 12/31/06 Revenues (Less CPA prior year adjustment of \$ 674.38)	(637,073.32)
Less Increased Transmission Fees	(29,409.67)
Increased Revenues Using Above Revenue Requirement Table	101,570.52
Less Proposed Customer Charge	(9,487.50)
Revenues to be Included in Base Rate	92,083.02
Base Rate Increase per MCF Based on 2006 MCF Sales of 36,218.800	2.5424 ⁽³⁾

⁽³⁾ Burkesville rounded the increase to \$2.50 per MCF.

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

CASE #2008-00032

17. On Page 4 of its application, Burkesville states that it is requesting an increase in revenues of \$100,034.

b. Provide a schedule showing the calculation of Burkesville's revised revenue requirement and requested increase using the proposed operations contained in Addendum 1 of Burkesville's March 4, 2008 letter.

- The proposed increased revenues from the increase of the base rate and the addition of the customer charge was calculated as follows:

Revenue From Base Rate Increase

MCF Sales - Per Revenue Table - Attachment 7	37,936.60
Requested Dollar Amount of Increase per MCF	\$ 2.50
Increased Revenue From Base Rate Increase	\$ 94,841.50

Revenue From Minimum Billing Charge

Inactive Customers - Per Revenue Table - Attachment 7	3,915
Requested Minimum Billing Charge	\$ 7.50
Increase Revenue From Minimum Billing Charge	\$ 29,362.50

TOTAL AMOUNT OF INCREASED REVENUE REQUESTED	\$ 124,204.00
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- Revenue Requirement Table

Operating Expenses Less Gas Costs and Gas Transportation Costs	\$ 283,914.00	(1)
Divide by .88	0.88	
Subtotal	322,629.55	
Plus Other Income & Deductions (excluding deduction for 429.1 Amortization-Reacquired Debt)	433.84	
Total Revenue Requirement	\$ 323,063.39	
Plus: Provision for Income Taxes (calculated at 20% of expected net income)	7,829.88	
Total Revenue Requirement	\$ 330,893.26	

(1) Operating expenses included in the above revenue requirement table do not include gas costs and transportation costs.

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

CASE #2008-00032

17b continued

- The base rate per MCF calculates as follows:

Description	Amount
Revenue Requirement per Above Table	\$ 330,893.26
Test Year 12/31/07 Revenues (less gas costs and gas transportation costs)	(170,383.93)
Net Revenue Requirement (less test year revenues)	\$ 160,509.33
Less Proposed Customer Charge	(29,362.50)
Requested Base Rate Revenue Increase	\$ 131,146.83
Base Rate Increase per MCF Based on 2007 MCF sales of 37,936.60	\$ 3.4570

(2)

⁽²⁾ Burkesville Gas Company, Inc. early estimated a \$2.50 per MCF increase to the base rate. The \$2.50 was the amount used for publication purposes. The forgoing has demonstrated a need for \$3.4570 per MCF to produce a \$330,893.26 revenue requirement. If the Commission is able to approve a rate that exceeds the original published amount, we pray that the Commission will grant a \$3.4570 per MCF base rate increase.

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

CASE #2008-00032

17. On Page 4 of its application, Burkesville states that it is requesting an increase in revenues of \$100,034.

c. For the calculation in 17(a) and 17(b) show the amount of requested revenue requirement that is attributable to the purchase of gas and gas transportation costs.

The calculation for 17a includes the following purchased gas costs and gas transportation costs:

Purchased Gas Costs	366,890.17
Transportation Costs	90,965.65

The calculation for 17b does not include purchased gas costs and gas transportation costs.

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

CASE #2008-00032

18. *For each debt of Burkesville currently outstanding during the test year, provide the following:*

- a. *A current amortization schedule that includes the entire life of the loan or bond and that details the payment amounts, principal retirements, interest payments, interest rates, and outstanding balances.*

A current amortization schedule is included for the following:

SBA Loan – Monticello Banking Company – The borrowed funds were used for capital improvements.

First Insurance Funding – The borrowed funds were used for liability insurance. The total insurance premium is due to the insurer upon renewal on April 24th of each year. Since Burkesville Gas Company, Inc. is unable to pay the premium in full, the balance remaining after the down payment is paid over a 10 month period. An audit premium due from the previous policy is also included.

There is not a current amortization schedule for the following:

Summit National Holding Corporation – The borrowed funds were used to assist in paying operating expenses. On 10/25/06 Summit National Holding Corporation loan Burkesville Gas Company, Inc. \$12,000.00. No payments were made to Summit during 2006 so interest in the amount of \$106.02 was accrued on 12/31/06. On 12/17/07 Burkesville re-paid \$1,000.00 to Summit. Interest in the amount of \$591.50 was accrued on 12/31/07.

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

Burkesville Gas Company, Inc - Revised SBA Loan - Monticello Banking Company

Compound Period: Monthly

Nominal Annual Rate: 2.000%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	5/1/2007	582,111.48	1		
2 Payment	6/15/2007	1,800.00	6	Monthly	11/15/2007
3 Payment	12/15/2007	2,500.00	1		
4 Payment	1/15/2008	5,000.00	4	Monthly	4/15/2008
5 Payment	5/15/2008	2,500.00	1		
6 Payment	6/15/2008	1,800.00	6	Monthly	11/15/2008
7 Payment	12/15/2008	2,500.00	1		
8 Payment	1/15/2009	5,000.00	4	Monthly	4/15/2009
9 Payment	5/15/2009	2,500.00	1		
10 Payment	6/15/2009	1,800.00	6	Monthly	11/15/2009
11 Payment	12/15/2009	2,500.00	1		
12 Payment	1/15/2010	5,000.00	4	Monthly	4/15/2010
13 Payment	5/15/2010	2,500.00	1		
14 Payment	6/15/2010	1,800.00	6	Monthly	11/15/2010
15 Payment	12/15/2010	2,500.00	1		
16 Payment	1/15/2011	5,000.00	4	Monthly	4/15/2011
17 Payment	5/15/2011	2,500.00	1		
18 Payment	6/15/2011	1,800.00	6	Monthly	11/15/2011
19 Payment	12/15/2011	2,500.00	1		
20 Payment	1/15/2012	5,000.00	4	Monthly	4/15/2012
21 Payment	5/15/2012	2,500.00	1		
22 Payment	6/15/2012	1,800.00	6	Monthly	11/15/2012
23 Payment	12/15/2012	2,500.00	1		
24 Payment	1/15/2013	5,000.00	4	Monthly	4/15/2013
25 Payment	5/15/2013	2,500.00	1		
26 Payment	6/15/2013	1,800.00	6	Monthly	11/15/2013
27 Payment	12/15/2013	2,500.00	1		
28 Payment	1/15/2014	5,000.00	4	Monthly	4/15/2014
29 Payment	5/15/2014	2,500.00	1		
30 Payment	6/15/2014	1,800.00	6	Monthly	11/15/2014
31 Payment	12/15/2014	2,500.00	1		
32 Payment	1/15/2015	5,000.00	4	Monthly	4/15/2015
33 Payment	5/15/2015	2,500.00	1		
34 Payment	6/15/2015	1,800.00	6	Monthly	11/15/2015
35 Payment	12/15/2015	2,500.00	1		
36 Payment	1/15/2016	5,000.00	4	Monthly	4/15/2016
37 Payment	5/15/2016	2,500.00	1		
38 Payment	6/15/2016	1,800.00	6	Monthly	11/15/2016
39 Payment	12/15/2016	2,500.00	1		
40 Payment	1/15/2017	5,000.00	4	Monthly	4/15/2017
41 Payment	5/15/2017	2,500.00	1		
42 Payment	6/15/2017	1,800.00	6	Monthly	11/15/2017
43 Payment	12/15/2017	2,500.00	1		
44 Payment	1/15/2018	5,000.00	4	Monthly	4/15/2018
45 Payment	5/15/2018	2,500.00	1		
46 Payment	6/15/2018	1,800.00	6	Monthly	11/15/2018
47 Payment	12/15/2018	2,500.00	1		

48 Payment	1/15/2019	5,000.00	4	Monthly	4/15/2019
49 Payment	5/15/2019	2,500.00	1		
50 Payment	6/15/2019	1,800.00	6	Monthly	11/15/2019
51 Payment	12/15/2019	2,500.00	1		
52 Payment	1/15/2020	5,000.00	4	Monthly	4/15/2020
53 Payment	5/15/2020	2,500.00	1		
54 Payment	6/15/2020	1,800.00	6	Monthly	11/15/2020
55 Payment	12/15/2020	2,500.00	1		
56 Payment	1/15/2021	5,000.00	4	Monthly	4/15/2021
57 Payment	5/15/2021	2,500.00	1		
58 Payment	6/15/2021	1,800.00	6	Monthly	11/15/2021
59 Payment	12/15/2021	2,500.00	1		
60 Payment	1/15/2022	5,000.00	4	Monthly	4/15/2022
61 Payment	5/15/2022	2,500.00	1		
62 Payment	6/15/2022	1,800.00	6	Monthly	11/15/2022
63 Payment	12/15/2022	2,500.00	1		
64 Payment	1/15/2023	5,000.00	4	Monthly	4/15/2023
65 Payment	5/15/2023	2,500.00	1		
66 Payment	6/15/2023	1,800.00	6	Monthly	11/15/2023
67 Payment	12/15/2023	2,500.00	1		
68 Payment	1/15/2024	5,000.00	4	Monthly	4/15/2024
69 Payment	5/15/2024	2,500.00	1		
70 Payment	6/15/2024	1,800.00	6	Monthly	11/15/2024
71 Payment	12/15/2024	2,500.00	1		
72 Payment	1/15/2025	5,000.00	4	Monthly	4/15/2025
73 Payment	5/15/2025	2,500.00	1		
74 Payment	6/15/2025	1,800.00	6	Monthly	11/15/2025
75 Payment	12/15/2025	2,500.00	1		
76 Payment	1/15/2026	5,000.00	4	Monthly	4/15/2026
77 Payment	5/15/2026	2,500.00	1		
78 Payment	6/15/2026	1,800.00	6	Monthly	11/15/2026
79 Payment	12/15/2026	2,500.00	1		
80 Payment	1/15/2027	5,000.00	2	Monthly	2/15/2027
81 Payment	3/15/2027	3,564.35	1		

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	5/1/2007				582,111.48
1	6/15/2007	1,800.00	1,417.48	382.52	581,728.96
2	7/15/2007	1,800.00	969.55	830.45	580,898.51
3	8/15/2007	1,800.00	968.16	831.84	580,066.67
4	9/15/2007	1,800.00	966.78	833.22	579,233.45
5	10/15/2007	1,800.00	965.39	834.61	578,398.84
6	11/15/2007	1,800.00	964.00	836.00	577,562.84
7	12/15/2007	2,500.00	962.60	1,537.40	576,025.44
2007 Totals		13,300.00	7,213.96	6,086.04	
8	1/15/2008	5,000.00	960.04	4,039.96	571,985.48
9	2/15/2008	5,000.00	953.31	4,046.69	567,938.79
10	3/15/2008	5,000.00	946.56	4,053.44	563,885.35
11	4/15/2008	5,000.00	939.81	4,060.19	559,825.16
12	5/15/2008	2,500.00	933.04	1,566.96	558,258.20
13	6/15/2008	1,800.00	930.43	869.57	557,388.63
14	7/15/2008	1,800.00	928.98	871.02	556,517.61
15	8/15/2008	1,800.00	927.53	872.47	555,645.14

16	9/15/2008	1,800.00	926.08	873.92	554,771.22
17	10/15/2008	1,800.00	924.62	875.38	553,895.84
18	11/15/2008	1,800.00	923.16	876.84	553,019.00
19	12/15/2008	2,500.00	921.70	1,578.30	551,440.70
2008 Totals		35,800.00	11,215.26	24,584.74	
20	1/15/2009	5,000.00	919.07	4,080.93	547,359.77
21	2/15/2009	5,000.00	912.27	4,087.73	543,272.04
22	3/15/2009	5,000.00	905.45	4,094.55	539,177.49
23	4/15/2009	5,000.00	898.63	4,101.37	535,076.12
24	5/15/2009	2,500.00	891.79	1,608.21	533,467.91
25	6/15/2009	1,800.00	889.11	910.89	532,557.02
26	7/15/2009	1,800.00	887.60	912.40	531,644.62
27	8/15/2009	1,800.00	886.07	913.93	530,730.69
28	9/15/2009	1,800.00	884.55	915.45	529,815.24
29	10/15/2009	1,800.00	883.03	916.97	528,898.27
30	11/15/2009	1,800.00	881.50	918.50	527,979.77
31	12/15/2009	2,500.00	879.97	1,620.03	526,359.74
2009 Totals		35,800.00	10,719.04	25,080.96	
32	1/15/2010	5,000.00	877.27	4,122.73	522,237.01
33	2/15/2010	5,000.00	870.40	4,129.60	518,107.41
34	3/15/2010	5,000.00	863.51	4,136.49	513,970.92
35	4/15/2010	5,000.00	856.62	4,143.38	509,827.54
36	5/15/2010	2,500.00	849.71	1,650.29	508,177.25
37	6/15/2010	1,800.00	846.96	953.04	507,224.21
38	7/15/2010	1,800.00	845.37	954.63	506,269.58
39	8/15/2010	1,800.00	843.78	956.22	505,313.36
40	9/15/2010	1,800.00	842.19	957.81	504,355.55
41	10/15/2010	1,800.00	840.59	959.41	503,396.14
42	11/15/2010	1,800.00	838.99	961.01	502,435.13
43	12/15/2010	2,500.00	837.39	1,662.61	500,772.52
2010 Totals		35,800.00	10,212.78	25,587.22	
44	1/15/2011	5,000.00	834.62	4,165.38	496,607.14
45	2/15/2011	5,000.00	827.68	4,172.32	492,434.82
46	3/15/2011	5,000.00	820.72	4,179.28	488,255.54
47	4/15/2011	5,000.00	813.76	4,186.24	484,069.30
48	5/15/2011	2,500.00	806.78	1,693.22	482,376.08
49	6/15/2011	1,800.00	803.96	996.04	481,380.04
50	7/15/2011	1,800.00	802.30	997.70	480,382.34
51	8/15/2011	1,800.00	800.64	999.36	479,382.98
52	9/15/2011	1,800.00	798.97	1,001.03	478,381.95
53	10/15/2011	1,800.00	797.30	1,002.70	477,379.25
54	11/15/2011	1,800.00	795.63	1,004.37	476,374.88
55	12/15/2011	2,500.00	793.96	1,706.04	474,668.84
2011 Totals		35,800.00	9,696.32	26,103.68	
56	1/15/2012	5,000.00	791.11	4,208.89	470,459.95
57	2/15/2012	5,000.00	784.10	4,215.90	466,244.05
58	3/15/2012	5,000.00	777.07	4,222.93	462,021.12
59	4/15/2012	5,000.00	770.04	4,229.96	457,791.16
60	5/15/2012	2,500.00	762.99	1,737.01	456,054.15
61	6/15/2012	1,800.00	760.09	1,039.91	455,014.24
62	7/15/2012	1,800.00	758.36	1,041.64	453,972.60
63	8/15/2012	1,800.00	756.62	1,043.38	452,929.22
64	9/15/2012	1,800.00	754.88	1,045.12	451,884.10

65	10/15/2012	1,800.00	753.14	1,046.86	450,837.24
66	11/15/2012	1,800.00	751.40	1,048.60	449,788.64
67	12/15/2012	2,500.00	749.65	1,750.35	448,038.29
2012 Totals		35,800.00	9,169.45	26,630.55	
68	1/15/2013	5,000.00	746.73	4,253.27	443,785.02
69	2/15/2013	5,000.00	739.64	4,260.36	439,524.66
70	3/15/2013	5,000.00	732.54	4,267.46	435,257.20
71	4/15/2013	5,000.00	725.43	4,274.57	430,982.63
72	5/15/2013	2,500.00	718.30	1,781.70	429,200.93
73	6/15/2013	1,800.00	715.33	1,084.67	428,116.26
74	7/15/2013	1,800.00	713.53	1,086.47	427,029.79
75	8/15/2013	1,800.00	711.72	1,088.28	425,941.51
76	9/15/2013	1,800.00	709.90	1,090.10	424,851.41
77	10/15/2013	1,800.00	708.09	1,091.91	423,759.50
78	11/15/2013	1,800.00	706.27	1,093.73	422,665.77
79	12/15/2013	2,500.00	704.44	1,795.56	420,870.21
2013 Totals		35,800.00	8,631.92	27,168.08	
80	1/15/2014	5,000.00	701.45	4,298.55	416,571.66
81	2/15/2014	5,000.00	694.29	4,305.71	412,265.95
82	3/15/2014	5,000.00	687.11	4,312.89	407,953.06
83	4/15/2014	5,000.00	679.92	4,320.08	403,632.98
84	5/15/2014	2,500.00	672.72	1,827.28	401,805.70
85	6/15/2014	1,800.00	669.68	1,130.32	400,675.38
86	7/15/2014	1,800.00	667.79	1,132.21	399,543.17
87	8/15/2014	1,800.00	665.91	1,134.09	398,409.08
88	9/15/2014	1,800.00	664.02	1,135.98	397,273.10
89	10/15/2014	1,800.00	662.12	1,137.88	396,135.22
90	11/15/2014	1,800.00	660.23	1,139.77	394,995.45
91	12/15/2014	2,500.00	658.33	1,841.67	393,153.78
2014 Totals		35,800.00	8,083.57	27,716.43	
92	1/15/2015	5,000.00	655.26	4,344.74	388,809.04
93	2/15/2015	5,000.00	648.02	4,351.98	384,457.06
94	3/15/2015	5,000.00	640.76	4,359.24	380,097.82
95	4/15/2015	5,000.00	633.50	4,366.50	375,731.32
96	5/15/2015	2,500.00	626.22	1,873.78	373,857.54
97	6/15/2015	1,800.00	623.10	1,176.90	372,680.64
98	7/15/2015	1,800.00	621.13	1,178.87	371,501.77
99	8/15/2015	1,800.00	619.17	1,180.83	370,320.94
100	9/15/2015	1,800.00	617.20	1,182.80	369,138.14
101	10/15/2015	1,800.00	615.23	1,184.77	367,953.37
102	11/15/2015	1,800.00	613.26	1,186.74	366,766.63
103	12/15/2015	2,500.00	611.28	1,888.72	364,877.91
2015 Totals		35,800.00	7,524.13	28,275.87	
104	1/15/2016	5,000.00	608.13	4,391.87	360,486.04
105	2/15/2016	5,000.00	600.81	4,399.19	356,086.85
106	3/15/2016	5,000.00	593.48	4,406.52	351,680.33
107	4/15/2016	5,000.00	586.13	4,413.87	347,266.46
108	5/15/2016	2,500.00	578.78	1,921.22	345,345.24
109	6/15/2016	1,800.00	575.58	1,224.42	344,120.82
110	7/15/2016	1,800.00	573.53	1,226.47	342,894.35
111	8/15/2016	1,800.00	571.49	1,228.51	341,665.84
112	9/15/2016	1,800.00	569.44	1,230.56	340,435.28
113	10/15/2016	1,800.00	567.39	1,232.61	339,202.67

114	11/15/2016	1,800.00	565.34	1,234.66	337,968.01
115	12/15/2016	2,500.00	563.28	1,936.72	336,031.29
2016 Totals		35,800.00	6,953.38	28,846.62	
116	1/15/2017	5,000.00	560.05	4,439.95	331,591.34
117	2/15/2017	5,000.00	552.65	4,447.35	327,143.99
118	3/15/2017	5,000.00	545.24	4,454.76	322,689.23
119	4/15/2017	5,000.00	537.82	4,462.18	318,227.05
120	5/15/2017	2,500.00	530.38	1,969.62	316,257.43
121	6/15/2017	1,800.00	527.10	1,272.90	314,984.53
122	7/15/2017	1,800.00	524.97	1,275.03	313,709.50
123	8/15/2017	1,800.00	522.85	1,277.15	312,432.35
124	9/15/2017	1,800.00	520.72	1,279.28	311,153.07
125	10/15/2017	1,800.00	518.59	1,281.41	309,871.66
126	11/15/2017	1,800.00	516.45	1,283.55	308,588.11
127	12/15/2017	2,500.00	514.31	1,985.69	306,602.42
2017 Totals		35,800.00	6,371.13	29,428.87	
128	1/15/2018	5,000.00	511.00	4,489.00	302,113.42
129	2/15/2018	5,000.00	503.52	4,496.48	297,616.94
130	3/15/2018	5,000.00	496.03	4,503.97	293,112.97
131	4/15/2018	5,000.00	488.52	4,511.48	288,601.49
132	5/15/2018	2,500.00	481.00	2,019.00	286,582.49
133	6/15/2018	1,800.00	477.64	1,322.36	285,260.13
134	7/15/2018	1,800.00	475.43	1,324.57	283,935.56
135	8/15/2018	1,800.00	473.23	1,326.77	282,608.79
136	9/15/2018	1,800.00	471.01	1,328.99	281,279.80
137	10/15/2018	1,800.00	468.80	1,331.20	279,948.60
138	11/15/2018	1,800.00	466.58	1,333.42	278,615.18
139	12/15/2018	2,500.00	464.36	2,035.64	276,579.54
2018 Totals		35,800.00	5,777.12	30,022.88	
140	1/15/2019	5,000.00	460.97	4,539.03	272,040.51
141	2/15/2019	5,000.00	453.40	4,546.60	267,493.91
142	3/15/2019	5,000.00	445.82	4,554.18	262,939.73
143	4/15/2019	5,000.00	438.23	4,561.77	258,377.96
144	5/15/2019	2,500.00	430.63	2,069.37	256,308.59
145	6/15/2019	1,800.00	427.18	1,372.82	254,935.77
146	7/15/2019	1,800.00	424.89	1,375.11	253,560.66
147	8/15/2019	1,800.00	422.60	1,377.40	252,183.26
148	9/15/2019	1,800.00	420.31	1,379.69	250,803.57
149	10/15/2019	1,800.00	418.01	1,381.99	249,421.58
150	11/15/2019	1,800.00	415.70	1,384.30	248,037.28
151	12/15/2019	2,500.00	413.40	2,086.60	245,950.68
2019 Totals		35,800.00	5,171.14	30,628.86	
152	1/15/2020	5,000.00	409.92	4,590.08	241,360.60
153	2/15/2020	5,000.00	402.27	4,597.73	236,762.87
154	3/15/2020	5,000.00	394.60	4,605.40	232,157.47
155	4/15/2020	5,000.00	386.93	4,613.07	227,544.40
156	5/15/2020	2,500.00	379.24	2,120.76	225,423.64
157	6/15/2020	1,800.00	375.71	1,424.29	223,999.35
158	7/15/2020	1,800.00	373.33	1,426.67	222,572.68
159	8/15/2020	1,800.00	370.95	1,429.05	221,143.63
160	9/15/2020	1,800.00	368.57	1,431.43	219,712.20
161	10/15/2020	1,800.00	366.19	1,433.81	218,278.39
162	11/15/2020	1,800.00	363.80	1,436.20	216,842.19

163	12/15/2020	2,500.00	361.40	2,138.60	214,703.59
2020 Totals		35,800.00	4,552.91	31,247.09	
164	1/15/2021	5,000.00	357.84	4,642.16	210,061.43
165	2/15/2021	5,000.00	350.10	4,649.90	205,411.53
166	3/15/2021	5,000.00	342.35	4,657.65	200,753.88
167	4/15/2021	5,000.00	334.59	4,665.41	196,088.47
168	5/15/2021	2,500.00	326.81	2,173.19	193,915.28
169	6/15/2021	1,800.00	323.19	1,476.81	192,438.47
170	7/15/2021	1,800.00	320.73	1,479.27	190,959.20
171	8/15/2021	1,800.00	318.27	1,481.73	189,477.47
172	9/15/2021	1,800.00	315.80	1,484.20	187,993.27
173	10/15/2021	1,800.00	313.32	1,486.68	186,506.59
174	11/15/2021	1,800.00	310.84	1,489.16	185,017.43
175	12/15/2021	2,500.00	308.36	2,191.64	182,825.79
2021 Totals		35,800.00	3,922.20	31,877.80	
176	1/15/2022	5,000.00	304.71	4,695.29	178,130.50
177	2/15/2022	5,000.00	296.88	4,703.12	173,427.38
178	3/15/2022	5,000.00	289.05	4,710.95	168,716.43
179	4/15/2022	5,000.00	281.19	4,718.81	163,997.62
180	5/15/2022	2,500.00	273.33	2,226.67	161,770.95
181	6/15/2022	1,800.00	269.62	1,530.38	160,240.57
182	7/15/2022	1,800.00	267.07	1,532.93	158,707.64
183	8/15/2022	1,800.00	264.51	1,535.49	157,172.15
184	9/15/2022	1,800.00	261.95	1,538.05	155,634.10
185	10/15/2022	1,800.00	259.39	1,540.61	154,093.49
186	11/15/2022	1,800.00	256.82	1,543.18	152,550.31
187	12/15/2022	2,500.00	254.25	2,245.75	150,304.56
022 Totals		35,800.00	3,278.77	32,521.23	
188	1/15/2023	5,000.00	250.51	4,749.49	145,555.07
189	2/15/2023	5,000.00	242.59	4,757.41	140,797.66
190	3/15/2023	5,000.00	234.66	4,765.34	136,032.32
191	4/15/2023	5,000.00	226.72	4,773.28	131,259.04
192	5/15/2023	2,500.00	218.77	2,281.23	128,977.81
193	6/15/2023	1,800.00	214.96	1,585.04	127,392.77
194	7/15/2023	1,800.00	212.32	1,587.68	125,805.09
195	8/15/2023	1,800.00	209.68	1,590.32	124,214.77
196	9/15/2023	1,800.00	207.02	1,592.98	122,621.79
197	10/15/2023	1,800.00	204.37	1,595.63	121,026.16
198	11/15/2023	1,800.00	201.71	1,598.29	119,427.87
199	12/15/2023	2,500.00	199.05	2,300.95	117,126.92
2023 Totals		35,800.00	2,622.36	33,177.64	
200	1/15/2024	5,000.00	195.21	4,804.79	112,322.13
201	2/15/2024	5,000.00	187.20	4,812.80	107,509.33
202	3/15/2024	5,000.00	179.18	4,820.82	102,688.51
203	4/15/2024	5,000.00	171.15	4,828.85	97,859.66
204	5/15/2024	2,500.00	163.10	2,336.90	95,522.76
205	6/15/2024	1,800.00	159.20	1,640.80	93,881.96
206	7/15/2024	1,800.00	156.47	1,643.53	92,238.43
207	8/15/2024	1,800.00	153.73	1,646.27	90,592.16
208	9/15/2024	1,800.00	150.99	1,649.01	88,943.15
209	10/15/2024	1,800.00	148.24	1,651.76	87,291.39
210	11/15/2024	1,800.00	145.49	1,654.51	85,636.88
211	12/15/2024	2,500.00	142.73	2,357.27	83,279.61

2024 Totals		35,800.00	1,952.69	33,847.31	
212	1/15/2025	5,000.00	138.80	4,861.20	78,418.41
213	2/15/2025	5,000.00	130.70	4,869.30	73,549.11
214	3/15/2025	5,000.00	122.58	4,877.42	68,671.69
215	4/15/2025	5,000.00	114.45	4,885.55	63,786.14
216	5/15/2025	2,500.00	106.31	2,393.69	61,392.45
217	6/15/2025	1,800.00	102.32	1,697.68	59,694.77
218	7/15/2025	1,800.00	99.49	1,700.51	57,994.26
219	8/15/2025	1,800.00	96.66	1,703.34	56,290.92
220	9/15/2025	1,800.00	93.82	1,706.18	54,584.74
221	10/15/2025	1,800.00	90.97	1,709.03	52,875.71
222	11/15/2025	1,800.00	88.13	1,711.87	51,163.84
223	12/15/2025	2,500.00	85.27	2,414.73	48,749.11
2025 Totals		35,800.00	1,269.50	34,530.50	
224	1/15/2026	5,000.00	81.25	4,918.75	43,830.36
225	2/15/2026	5,000.00	73.05	4,926.95	38,903.41
226	3/15/2026	5,000.00	64.84	4,935.16	33,968.25
227	4/15/2026	5,000.00	56.61	4,943.39	29,024.86
228	5/15/2026	2,500.00	48.37	2,451.63	26,573.23
229	6/15/2026	1,800.00	44.29	1,755.71	24,817.52
230	7/15/2026	1,800.00	41.36	1,758.64	23,058.88
231	8/15/2026	1,800.00	38.43	1,761.57	21,297.31
232	9/15/2026	1,800.00	35.50	1,764.50	19,532.81
233	10/15/2026	1,800.00	32.55	1,767.45	17,765.36
234	11/15/2026	1,800.00	29.61	1,770.39	15,994.97
235	12/15/2026	2,500.00	26.66	2,473.34	13,521.63
2026 Totals		35,800.00	572.52	35,227.48	
236	1/15/2027	5,000.00	22.54	4,977.46	8,544.17
237	2/15/2027	5,000.00	14.24	4,985.76	3,558.41
238	3/15/2027	3,564.35	5.94	3,558.41	0.00
2027 Totals		13,564.35	42.72	13,521.63	
Grand Totals		707,064.35	124,952.87	582,111.48	

Last interest amount increased by 0.01 due to rounding.

 Burkesville Gas Company, Inc. - First Insurance Funding

Compound Period : Monthly

Nominal Annual Rate : 9.880 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	04/24/2007	14,292.02	1		
2 Payment	05/24/2007	1,494.72	1		
3 Loan	05/24/2007	6,786.00	1		
4 Payment	06/24/2007	2,280.10	9	Monthly	02/24/2008

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Loan	Payment	Interest	Principal	Balance
Loan	04/24/2007	14,292.02				14,292.02
1	05/24/2007		1,494.72	117.67	1,377.05	12,914.97
Loan	05/24/2007	6,786.00		0.00	0.00	19,700.97
2	06/24/2007		2,280.10	162.20	2,117.90	17,583.07
3	07/24/2007		2,280.10	144.77	2,135.33	15,447.74
4	08/24/2007		2,280.10	127.19	2,152.91	13,294.83
5	09/24/2007		2,280.10	109.46	2,170.64	11,124.19
6	10/24/2007		2,280.10	91.59	2,188.51	8,935.68
7	11/24/2007		2,280.10	73.57	2,206.53	6,729.15
8	12/24/2007		2,280.10	55.40	2,224.70	4,504.45
2007 Totals		21,078.02	17,455.42	881.85	16,573.57	
	9 01/24/2008		2,280.10	37.09	2,243.01	2,261.44
	10 02/24/2008		2,280.10	18.66	2,261.44	0.00
2008 Totals		0.00	4,560.20	55.75	4,504.45	
Grand Totals		21,078.02	22,015.62	937.60	21,078.02	

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18. *For each debt of Burkesville currently outstanding during the test year, provide the following:*

b. A description of the use of the borrowed funds.

SBA Loan –Monticello Banking Company – The borrowed funds were used for capital improvements.

First Insurance Funding – The borrowed funds were used for the liability insurance. The total insurance premium is due to the insurer upon renewal on April 24th of each year. Since Burkesville Gas Company, Inc. is unable to pay the premium in full, the balance remaining after the down payment is paid over a 10 month period. An audit premium due from the previous policy is also included.

Summit National Holding Corporation – The borrowed funds were used to assist in paying operating expenses. On 10/25/06 Summit National Holding Corporation loan Burkesville Gas Company, Inc. \$12,000.00. No payments were made to Summit during 2006 so interest in the amount of \$106.02 was accrued on 12/31/06. On 12/17/07 Burkesville re-paid \$1,000.00 to Summit. Interest in the amount of \$591.50 was accrued on 12/31/07.

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