

**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

July 11, 2008

**RECEIVED**

JUL 14 2008

PUBLIC SERVICE  
COMMISSION

Ms Stephanie Stumbo  
Executive Director  
Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602-0615

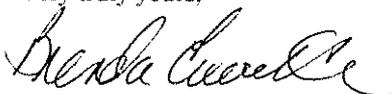
RE: Case # 2008-00032 Application of Burkesville Gas Company, Inc. for an Adjustment of Rates  
Pursuant to the Alternative Rate Filing for Small Utilities

Dear Ms. Stumbo:

Attached is the original and six (6) copies of the response to the Commission Staff's Third Information  
Request to the Burkesville Gas Company, Case # 2008-00032.

Thank you for your assistance in this matter

Very truly yours,



Brenda Everette  
Manager

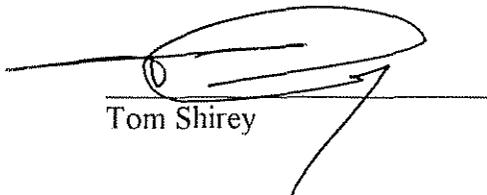
Enclosure

**CASE #2008-00032**

**CERTIFICATION**

I, Tom Shirey, certify that the responses contained in the *Commission Staff's Third 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 Third 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 Burkesville's response to the Commission Staff's First Information request, Item 1. This response confirms Burkesville's proposal to implement a customer charge of \$7.50. Given that a cost of service study was not performed, explain how this amount was calculated.*

The proposed \$7 50 customer charge was thought to be a reasonable amount. Burkesville Gas Company, Inc. also compared this charge to other gas companies in Kentucky. The estimated revenues for the \$7 50 customer charge is a part of the calculation to determine the amount of rate increase needed.

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

**CASE #2008-00032**

- 2. Burkesville's current rates provide for a \$.35 difference between its residential and commercial base rates. Burkesville is proposing to keep this \$.35 difference. Explain the basis for the difference in the base rates.*

There is no specific basis for proposing the \$ .35 difference between commercial and residential rates remaining the same. We were only attempting to simplify the filing. However, Burkesville is open to any comments and/or suggestions the Commission may have.

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

**CASE #2008-00032**

3. Refer to Burkesville's response to the Commission Staff's First Information request, Item 3. The Eagle Energy Partners invoices measure the amount of gas purchases in Dths. Provide the conversion factor needed to convert the Dths to Mcfs.

The average monthly conversion factor needed to convert the Dths to Mcfs is as follows:

<b>Month</b>	<b>Conversion Factor</b>
January	1037.224
February	1034.567
March	1035.373
April	1033.078
May	1035.497
June	1036.225
July	1035.013
August	1034.748
September	1034.263
October	1029.376
November	1031.032
December	1037.982

The above conversion factors are obtained from the Texas Eastern delivery reports which are computed daily.

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**CASE #2008-00032**

4. *State whether Burkesville measures line loss on its system. If yes, provide the line loss for 2007.*

Burkesville measures line loss on a monthly basis

Line loss for 2007 was 3464% which is based on deliveries of 38,068 Mcf and sales of 37,936.6 Mcf.

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

**CASE #2008-00032**

5. *Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 4. This response lists Burkesville's 2007 commercial customers.*
  - a. *Explain why the following accounts, listed as commercial customers, were charged the residential rate according to the 2007 Meter Readings Calculations Reports: 21850, 20390, 20800, 10550, 10115, 22100, 10185, 10186, 21060, 22530, and 10500. Indicate the appropriate rate that should apply to each account.*

Burkesville Gas Company's tariff includes two (2) rate categories, Industrial and Residential. Generally, the Company's internal policy has been to treat all businesses the same as an industrial customer with the exception of businesses that are typically very low users. Burkesville Gas Company only has a handful of entities that would fit into an industrial category, defining industrial as those entities that would have some sort of manufacturing as its primary business. Technically speaking since these customers would neither be defined as an industry or residence, Burkesville Gas Company does not currently have a category for which these accounts would apply.

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

5. Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 4. This response lists Burkesville's 2007 commercial customers.
- b. Explain why the following accounts, not listed as commercial customers, were charged the commercial rate according to the 2007 Meter Readings Calculations Reports: 21710, 10235, 20250, 22040, 21190, 22620, and 10480. Indicate the appropriate rate that should apply to each account.

These accounts listed above are all businesses and were correctly billed the industrial rate.

Burkesville Gas Company, Inc typed the list referred to above into a word file for the purposes of responding to the Commission's Second Information Request, Item 4. The accounts were inadvertently left off the list when typed.

<b>Account #</b>	<b>Rate Charged</b>
21710	Industrial Rate
10235	Industrial Rate
20250	Industrial Rate
22040	Industrial Rate
21190	Industrial Rate
22620	Industrial Rate
10480	Industrial Rate

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

5. *Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 4. This response lists Burkesville's 2007 commercial customers.*
  - c. *State whether the following accounts, currently being billed as residential customers according to the 2007 Meter Readings Calculation Reports, should be billed as residential or commercial: 21610, 10490, 21540, 21770, 21710, 22330, 20830, 19660, 20280, 21470, 10487, 19800, 20760, and 21040.*

The accounts listed above were correctly charged the residential rate.

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

**CASE #2008-00032**

6. *Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 8.*
  - a. *Cost justification calculations were not provided for "Light Pilot Charge – First Thirty Minutes" and "Light Pilot Charge – Over Thirty Minutes." Provide the cost justification for these charges. Include in your response an explanation of when the 30 minutes begins.*

Attached are the cost justification calculations for the "Light Pilot Charges." These forms were omitted in error from the response to the Commission Staff's Second Information Request, Item 8

The 30 minutes begins at the time Burkesville begins to expend its resources on the matter

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

## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Light Pilot – Over Thirty Minutes

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

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

A. Supplies	\$ <u>.15</u>
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B. Labor	<u>5.00</u>
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<b>Total Clerical and Office Expense</b>	<b>\$ <u>5.15</u></b>
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3. Miscellaneous Expense

A. Transportation	\$ <u>2.53</u>
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Transportation is based on a round trip of 5 miles.

Depending on location, the round trip can be up to 26 miles.

B. Other (Itemize)

<u>Proportionate Share of Management, Accounting and Bookkeeping Service</u>	<u>7.50</u>
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<b>Total Miscellaneous Expense</b>	<b>\$ <u>10.03</u></b>
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<b>Total Nonrecurring Charge Expense</b>	<b>\$ <u>29.39</u></b>
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## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Light Pilot – First Thirty Minutes

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>½ Hour Average Labor Rate (1 employee)</u>	<u>7.11</u>
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<b>Total Field Expense</b>	<b>\$ <u>7.11</u></b>
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2. Clerical and Office Expense

A. Supplies	\$ <u>.15</u>
-------------	---------------

B. Labor	<u>5.00</u>
----------	-------------

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

3. Miscellaneous Expense

A. Transportation	\$ <u>2.53</u>
-------------------	----------------

Transportation is based on a round trip of 5 miles.  
Depending on location, the round trip can be up to 26 miles.

B. Other (Itemize)

<u>Proportionate Share of Management, Accounting and Bookkeeping Service</u>	<u>7.50</u>
--	-------------

<b>Total Miscellaneous Expense</b>	<b>\$ <u>10.03</u></b>
------------------------------------	------------------------

<b>Total Nonrecurring Charge Expense</b>	<b>\$ <u>22.29</u></b>
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**CASE #2008-00032**

6. *Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 8.*

*b. Each of the cost justification calculations includes \$ 7.50 for "Proportionate Share of Management, Accounting and Bookkeeping Services." Explain in detail what is included in this cost, which employee performs the work, and how it differs from the clerical and office labor charged elsewhere in the calculations.*

The \$7.50 proportionate share of management, accounting and bookkeeping charge includes services performed by Brenda Everette. These charges are based on 30 minutes for double checking the service order for errors, looking up the cost of any parts which may have been used, posting the service order to the QuickBooks files, properly removing parts from the inventory asset account and posting to the correct expense account, reviewing deposits for payment and properly identifying and posting labor from the time cards to the proper expense account.

The proportionate share of management, accounting and bookkeeping charge differs from the clerical and office labor charged elsewhere in the calculation. The clerical charge is performed by Burkesville's personnel in the Burkesville office, which at this time is Juana McCarty. This charge is based on 30 minutes for answering the service call, dispatching Burkesville's personnel to perform the work, completing the service order, faxing and mailing the service order to Brenda Everette, answering any questions Ms. Everette may have concerning the service order and collecting and depositing payments received for the services rendered.

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

6. *Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 8.*

c. *Explain why Burkesville is requesting a "Service Reconnection Charge- After Hours" of \$52.50 when it calculates a cost of only \$39.44.*

Since 2004 Burkesville Gas Company, Inc. has not had any after hours reconnection calls. The reason we have requested a higher after hours reconnection charge is anticipating that service calls after hours would require more than 1 hour

The mileage calculation was based on a round trip of 5 miles, which originated from the Burkesville Gas Company office. Depending on the location of the reconnection, the round trip can be up to 26 miles, which would then add an additional expense of \$10.61. Also, the after hours reconnection would originate from the Burkesville Gas Company employees' home which would also add additional mileage and time. An additional 30 minutes in time would add an additional \$10.66

The "Service Reconnection Charge – After Hours" was calculated using the minimal time and mileage

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

6. *Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 8.*

*d. Given that Burkesville calculates a cost of \$21.58 to process a returned check, explain why it is requesting a "Return Check Charge" of \$25 rather than \$20.*

A \$20.00 "Return Check Charge" would be less than the calculated cost. Most businesses in the Burkesville area charge a \$25.00 return check charge. Also, if Burkesville Gas Company, Inc is forced to turn the check over to the County Attorney for collection, the County Attorney will collect a \$25.00 return check charge for the vendor.

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**CASE #2008-00032**

7. Refer to the months of November and December in the 2007 Meter Calculations Reports. The Meter Calculations Reports show that Burkesville billed 1329.8 Mcfs to residential customers and 2260.9 Mcfs to Commercial customers in November and 1892.9 Mcfs to residential customers and 3518.8 Mcfs to commercial customers in December. These amounts do not reconcile with the Mcfs billed shown on Addendum to Attachment 7 for November and December in the test period 2007. Provide the basis for the Mcfs shown in Addendum to Attachment 7 for November and December.

The attached "Close-out Cycle Report" for November and December 2007 was the basis for the calculation included in the Addendum to Attachment 7. The "Close-out Cycle Report" was printed after all corrections were made.

Also, since customer meters were read on December 26, 2007, the sales for deliveries from December 26, 2007 through December 31, 2007 were accrued on the financials for Burkesville Gas Company for the fiscal year ending December 31, 2007.

**November 2007 Mcf Sales per Close-out Cycle Report**

Account Type	Mcf Volumes Sold per Close-out Cycle Report
Commercial	2175.9
Residential	1245.8
Total November 2007	3421.7

**December 2007 Mcf Sales per Close-Out Cycle Report plus Accrued Sales**

Account Type	Mcf Volumes Sold per Close-out Cycle Report	Accrued Mcf Sales	Total December Mcf Sales
Commercial	3472.4	803.0	4275.4
Residential	1931.0	396.0	2327.0
Total December 2007	5403.4	1199.0	6602.4

**Name of witness responsible for responding to this question:  
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TOTAL FOR ALL BOOKS IN CYCLE

RATE CODE	NUMBER OF USERS	USAGE	GAS CHARGE	DAYS	UNITS/DAY/CUSTOMER
	1	0	0.00	28	0.00
GC	97	2167800	35637.29	2240	957.77
GI	1	0	128.72	28	289.29
GR	185	1245800	22711.80	4473	278.52
GC(I)	12	0	0.00	0	*****
GR(I)	35	0	0.00	0	*****
	331	3421700	59477.81	6769	505.50

RATE CODE	NUMBER OF USERS	USAGE	FRANCHISE CHARGE	DAYS	UNITS/DAY/CUSTOMER
	1	0	0.00	28	0.00
FF	283	3421700	892.21	6741	507.50
FF(I)	47	0	0.00	0	*****
	331	3421700	892.21	6769	505.50

RATE CODE	NUMBER OF USERS	USAGE	SCHOOL TAX CHARGE	DAYS	UNITS/DAY/CUSTOMER
	1	0	0.00	28	0.00
SC	283	3421700	1784.36	6741	507.50
SC(I)	47	0	0.00	0	*****
	331	3421700	1784.36	6769	505.50

RATE CODE	NUMBER OF USERS	USAGE	SALES TAX CHARGE	DAYS	UNITS/DAY/CUSTOMER
	205	1990100	0.00	5005	397.62
SL	79	1431600	1488.22	1764	511.55
(I)	35	0	0.00	0	*****
SL(I)	12	0	0.00	0	*****
	331	3421700	1488.22	6769	505.50

RATE CODE	NUMBER OF USERS	USAGE	CASH SALES	DAYS	UNITS/DAY/CUSTOMER
	284	3421700	0.00	6769	505.50
(I)	47	0	0.00	0	*****
	331	3421700	0.00	6769	505.50

RATE CODE	NUMBER OF USERS	USAGE		DAYS	UNITS/DAY/CUSTOMER
				6769	505.50

Burkesville Gas Company #5 AFTER BILLING (4)

(1)	47	0	0.00	0	*****
	<u>331</u>	<u>3421700</u>	<u>0.00</u>	<u>6769</u>	<u>505.50</u>

\*\*\* TAABS MULTI PLUS -- Close-out Cycle Report [Detailed] [Book Range 1-3] \*\*\*  
 12/28/97  
 Burkeville Gas Company

TOTAL FOR ALL BOOKS IN CYCLE

RATE CODE	NUMBER OF USERS	USAGE	GAS CHARGE	DAYS	UNITS/DAY/CUSTOMER
	1	0	0.00	30	0.00
GC	100	3457200	56832.64	940	3677.87
GI	1	15200	241.55	30	306.67
GR	135	1931000	32565.42	5640	342.38
GC(I)	3	0	0.00	0	*****
GR(I)	35	0	0.00	0	*****
	331	5403400	85639.61	6640	813.77

RATE CODE	NUMBER OF USERS	USAGE	FRANCHISE CHARGE	DAYS	UNITS/DAY/CUSTOMER
	1	0	0.00	30	0.00
FF	296	5403400	1344.65	6610	817.46
FF(I)	34	0	0.00	0	*****
	331	5403400	1344.65	6640	813.77

RATE CODE	NUMBER OF USERS	USAGE	SCHOOL TAX CHARGE	DAYS	UNITS/DAY/CUSTOMER
	1	0	0.00	30	0.00
SC	296	5403400	2609.22	6610	817.46
SC(I)	34	0	0.00	0	*****
	331	5403400	2609.22	6640	813.77

RATE CODE	NUMBER OF USERS	USAGE	SALES TAX CHARGE	DAYS	UNITS/DAY/CUSTOMER
	215	3233800	0.00	6240	513.20
SL	22	2163500	2137.12	400	5409.00
SL(I)	25	0	0.00	0	*****
	3	0	0.00	0	*****
	331	5403400	2137.12	6640	813.77

RATE CODE	NUMBER OF USERS	USAGE	CASH SALES	DAYS	UNITS/DAY/CUSTOMER
	297	5403400	0.00	6640	813.77
	34	0	0.00	0	*****
	331	5403400	0.00	6640	813.77

RATE CODE	NUMBER OF USERS	USAGE		DAYS	UNITS/DAY/CUSTOMER
	297	5403400	0.00	6640	813.77

12/28/07

DUPRESVILLE GAS COMPANY

24	0	0.00	0	*****
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231	5403400	0.00	5040	010.77

**CASE #2008-00032**

8. *Refer to the 2007 Meter Calculations Reports. During the summer months, some customers are not listed. Explain whether these customers request disconnection from the system during the summer months or whether they are not listed due to zero usage but remain connected to the system.*

These customers remain connected to Burkesville Gas Company's system and are not listed due to zero usage, but are active customers

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

**CASE #2008-00032**

9. Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 1 and to Burkesville's March 4 letter, Addendum 1, 2007 Actual Income and Expenses vs. Proposed Income and Expenses ("2007 Pro Forma Income Statement") There are numerous payroll items that do not identify the account where they are recorded. For each item listed in Table 1 below, identify the expense account contained in the 2007 Pro Forma Income Statement in which they are recorded.

<b>Table 1</b>		
	<b>Title</b>	<b>Amount</b>
a.	Holiday Accounting	\$ 860.00
b.	O/T Non Regulated	\$ 2,494.64
c.	O/T Service/Meters/House	\$ 99.08
d.	Reg. Accounting	\$ 15,976.50
e.	Reg. Meter Reading	\$ 131.36
f.	Reg. Service/Meters/House	\$ 726.05
g.	Sick Accounting	\$ 484.00
h.	Sick Maintenance Labor	\$ 983.37
i.	Vac. Accounting	\$ 944.00
j.	Vac. Mains/Service	\$ 2,918.40

The above Table 1, Item b - O/T Non Regulated provided in the Commission Staff's Third Information Request contains an error in the amount. The amount for this payroll account should be \$575.51. The payroll account Holiday Mains/Service, which is not listed on this Table 1, should be the amount of \$2,494.64. Please refer to the payroll summary provided in Burkesville's response to Item 10a of the Commission Staff's First Information Request.

The account numbers to the items listed above are as follows.

	<b>Title</b>	<b>Amount</b>	<b>Account Number</b>
a.	Holiday Accounting	\$ 860.00	903
b.	O/T Non Regulated	\$ 575.51	41601
c.	O/T Service/Meters/House	\$ 99.08	101-380
d.	Reg. Accounting	\$ 15,976.50	903
e.	Reg. Meter Reading	\$ 131.36	902
f.	Reg. Service/Meters/House	\$ 726.05	101-380
g.	Sick Accounting	\$ 484.00	903
h.	Sick Maintenance Labor	\$ 983.37	887
i.	Vac. Accounting	\$ 944.00	903
j.	Vac. Mains/Service	\$ 2,918.40	887

A 2007 payroll summary identifying the account for each payroll item is attached

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

**BURKESVILLE GAS COMPANY**  
**Payroll Summary**  
 January through December 2007

Account Number	Employee Wages, Taxes and Adjustments				TOTAL
	HURT, KENNITH M. Jan - Dec 07	KEMPTON, DAVID Jan - Dec 07	MC CARTY, JUANA Jan - Dec 07	Jan - Dec 07	
	<b>Gross Pay</b>				
874	3,638.17	3,107.00	0.00	6,745.17	
874	415.40	257.25	0.00	672.65	
875	2,324.17	3,159.00	0.00	5,483.17	
878	918.79	365.50	0.00	1,284.29	
878	419.15	0.00	0.00	419.15	
879	313.56	898.00	0.00	1,211.56	
879	306.82	312.75	0.00	619.57	
887	13.07	0.00	0.00	13.07	
887	15,292.82	8,048.00	0.00	23,340.82	
892	135.36	78.00	0.00	213.36	
892	206.04	38.25	0.00	244.29	
893	452.92	1,126.50	0.00	1,579.42	
902	1,040.83	914.50	1,244.50	3,199.83	
910	0.00	0.00	341.00	341.00	
910	0.00	0.00	30.00	30.00	
930.35	13.07	49.50	0.00	62.57	
930.35	1,781.60	880.00	0.00	2,661.60	
903	0.00	0.00	860.00	860.00	
887	1,542.64	952.00	0.00	2,494.64	
41601	352.76	222.75	0.00	575.51	
101-380	61.58	37.50	0.00	99.08	
903	0.00	0.00	15,976.50	15,976.50	
902	131.36	0.00	0.00	131.36	
41601	4,044.12	1,109.00	0.00	5,153.12	
101-380	459.55	266.50	0.00	726.05	
903	0.00	0.00	484.00	484.00	
887	807.37	176.00	0.00	983.37	
903	0.00	0.00	944.00	944.00	
887	2,038.40	880.00	0.00	2,918.40	
	<b>Total Gross Pay</b>	<b>22,878.00</b>	<b>19,880.00</b>	<b>79,467.55</b>	

**CASE #2008-00032**

10. *Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 10(b). Burkesville uses the "expected hourly pay increases" in calculating the pro forma payroll for the period of June 1, 2008 through December 31, 2008. Explain when the pay increases will be granted and provide documentation to support the actual raises that are granted.*

Burkesville Gas Company, Inc has not implemented any pay increases as of this date Burkesville had planned to implement the expected pay increases as listed in the Response to the Commission Staff's First Information Request, Item 10b by of June 1, 2008 However, Burkesville is unable to implement any pay increases until the completion of this rate case.

In the conference call of June 23, 2008 Burkesville Gas Company was reminded by the Commission Staff we had not included these pay increases in the pro forma adjustments We respectfully request the Commission to consider the enclosed amended pro forma adjustments to include the expected pay increases

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

**CASE #2008-00032**

11. *Refer to Burkesville's March 4, 2008 letter, 2007 Pro Forma Income Statement and Amended Attachment 2, Amended Exhibit B, Account #0805 – property Taxes.*

a *In its Amended Exhibit B, Burkesville calculates an annual property tax expense of \$4,238. Explain why Burkesville did not propose to adjust its test-period property tax expense of \$5,146 to reflect the calculated pro forma amount of \$4,238.*

The annual property tax expense of \$4,238.00 in Burkesville's Amended Exhibit B included with the letter of March 4, 2008 was for the test year 1/01/06 – 12/31/06. According to the records of Burkesville Gas Company, the 2006 test period property tax expense was amended to reflect the amount of \$4,238.00. Attached is a copy of the amended 2006 Actual vs. Proposed, Attachment 1 which was included with the letter of March 4, 2008 to the Commission Staff. This Attachment 1 was printed from the documents on the Public Service Commission website.

As requested by the Commission Staff, Burkesville Gas Company, Inc. filed an Addendum to include Actual vs. Proposed expenses for the test year of 1/01/07 – 12/31/07. This was also included in the letter of March 4, 2008. The actual property tax expense for 2007 was \$5,148.01 which is reflected in the Addendum provided to Commission Staff. A copy of this addendum printed from the documents on the Public Service Commission website is also included.

However, since the filing of the second response, Burkesville Gas Company, Inc. has received revised property tax billings. The revised amount for property tax expenses should be \$5,023.89. This amount has been revised in the 2007 Actual vs. Proposed expenses and is included with this third response behind amendments.

The revised property tax expense includes the following:

<b>Taxing Entity</b>	<b>Amount</b>
City of Burkesville	1,021.50
Cumberland County	2,621.81
State of Kentucky	910.08
Motor Vehicle - Chevrolet S-10	87.74
Motor Vehicle - Chevrolet Service Truck	344.88
Motor Vehicle - Homemade Trailer	26.12
Motor Vehicle - Bels Trailer	11.76
<b>Total</b>	<b>5,023.89</b>

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

**CASE #2008-00032**

- (1) Burkesville Gas Company, Inc. has proposed a settlement with the Kentucky Finance and Administration Cabinet for a reduced assessed value. This State of Kentucky property tax amount is based on property tax at the proposed settlement amount
- (2) The license renewal for this vehicle is not required until November 2008. The expected property tax is based on an estimate from the Cumberland County Clerk.

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

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

	Actual Jan - Dec 06	Proposed	Proposed Increase (Decrease)
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>GAS SALES</b>			
480 · RESIDENTIAL SALES	203,475.70	259,681.66	56,205.96
481 · COMMERCIAL & IND SALES	434,272.00	526,778.32	92,506.32
<b>Total GAS SALES</b>	<u>637,747.70</u>	<u>786,459.98</u>	<u>148,712.28</u>
<b>OTHER GAS REVENUES</b>			
487 · FORFEITED DISCOUNTS	893.83	893.83	0.00
488 · MISC SERVICE REVENUE	383.21	383.21	0.00
<b>Total OTHER GAS REVENUES</b>	<u>1,277.04</u>	<u>1,277.04</u>	<u>0.00</u>
<b>Total Income</b>	639,024.74	787,737.02	148,712.28
<b>Expense</b>			
<b>DEPRECIATION &amp; TAXES</b>			
403 · DEPRECIATION EXPENSE	59,222.18	59,222.18	0.00
406 · Utility Plant Acq Adj	(1,594.56)	(1,594.56)	0.00
<b>408 · TAXES OTHER THAN INCOME</b>			
40801 · State	22.19	22.19	0.00
40802 · FICA, MEDICARE	5,528.10	6,113.39	585.29
40803 · FUTA & SUTA	504.00	504.00	0.00
40804 · Local	35.00	35.00	0.00
40805 · Property	1,821.01	4,237.93	2,416.92
<b>Total 408 · TAXES OTHER THAN INCOME</b>	<u>7,910.30</u>	<u>10,912.51</u>	<u>3,002.21</u>
409 · Income Taxes			
409.1 · Income Taxes	1,225.00	1,225.00	0.00
<b>Total 409 · Income Taxes</b>	<u>1,225.00</u>	<u>1,225.00</u>	<u>0.00</u>
<b>Total DEPRECIATION &amp; TAXES</b>	66,762.92	69,765.13	3,002.21
<b>GAS OPERATION &amp; MAINT EXP</b>			
804 · NATURAL GAS PURCHASES	366,890.17	366,890.17	0.00
858 · TRANSMISSION FEE	61,555.98	90,965.65	29,409.67
860 · RENTS - RIGHTS-OF-WAY	3,000.00	3,000.00	0.00
863 · MAINT. OF LINES	552.00	552.00	0.00
874 · MAINS & SERV SUPPLIES & EXP	9,922.49	9,922.49	0.00
875 · MEAS & REG STATION EXP-GENERAL	5,754.27	5,754.27	0.00
878 · METER AND HOUSE REG EXPENSE	4,140.26	4,140.26	0.00
879 · CUSTOMER INSTALLATION EXPENSE	2,413.27	2,413.27	0.00
880 · OTHER GAS SUPPLY EXPENSES	141.12	141.12	0.00
887 · MAINS & SERV LABOR & EXPENSES	20,865.29	26,745.09	5,570.92
892 · MAINTENANCE OF SERVICES	1,229.22	1,229.22	0.00
893 · MAINT OF METERS & HOUSE REGULTR	1,623.28	1,623.28	0.00
902 · METER READING EXPENSE	3,299.06	3,299.06	0.00

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

	Actual Jan - Dec 06	Proposed	Proposed Increase (Decrease)
903 · Customer Records/Collection Exp	17,611 94	20,000 82	2,080.00
904 · UNCOLLECTIBLE ACCOUNTS	2,360 17	0.00	(2,360 17)
910 · MISC CUSTOMER ASSISTANCE	738 00	738 00	0 00
921 · OFFICE SUPPLIES & EXPENSES			
92102 · Dues and Subscriptions	449 70	449 70	0 00
92103 · Office Supplies	846 26	846 26	0 00
92104 · Postage and Delivery	2,378 15	2,900 00	521 85
92105 · Computer Repairs/Maintenance	897.00	1,644.00	747.00
<b>Total 921 · OFFICE SUPPLIES &amp; EXPENSES</b>	<b>4,571 11</b>	<b>5,839 96</b>	<b>1,268 85</b>
923 · OUTSIDE SERVICES EMPLOYED			
92301 · Accounting	12,383.20	12,383.20	0 00
92302 · Legal Fees	3,658 39	3,658 39	0 00
92303 · Management Fee	10,600 00	21,600 00	11,000 00
92304 · DRUG TESTING	209 55	209 55	0 00
92305 · CONTRACT LABOR	7,363.08	0.00	(7,363.08)
<b>Total 923 · OUTSIDE SERVICES EMPLOYED</b>	<b>34,214 22</b>	<b>37,851 14</b>	<b>3,636 92</b>
924 · PROPERTY INSURANCE			
92401 · Liability Insurance	26,138.01	27,393.38	1,255.37
<b>Total 924 · PROPERTY INSURANCE</b>	<b>26,138 01</b>	<b>27,393 38</b>	<b>1,255 37</b>
926 · EMPLOYEE PENSIONS & BENEFITS			
92403 · Work Comp	832 00	819 00	(13 00)
92405 · MEDICAL INSURANCE- EMPLOYEES	11,571.20	15,811.80	4,240.60
<b>Total 926 · EMPLOYEE PENSIONS &amp; BENEFITS</b>	<b>12,403 20</b>	<b>16,630 80</b>	<b>4,227 60</b>
930.1 · GENERAL ADVERTISING EXPENSES	1,972 02	1,000 00	(972 02)
930.2 · MISCELLANEOUS GENERAL EXPENSES			
930.22 · Building Repairs	27 70	300 00	272 30
930.23 · Contributions	165.00	165.00	0 00
930.24 · Gas and Electric	3,008 60	3,008 60	0 00
930.26 · Licenses and Permits	237 50	237 50	0 00
930.28 · Printing and Reproduction	269 80	269 80	0 00
930.30 · Telephone	5,548 67	5,548 67	0 00
930.31 · Water	474.48	474.48	0 00
930.32 · Security	588 00	588.00	0 00
930.33 · Equipment Repair	563 77	1,529 06	965 29
930.34 · Training and Education	500 00	1,500.00	1,000.00
930.35 · Miscellaneous Labor	3,419 78	3,419 78	0 00
930.36 · Customer Relations	407 50	407.50	0 00
930.2 · MISCELLANEOUS GENERAL EXPENSES - Other	40.50	40.50	0.00
<b>Total 930.2 · MISCELLANEOUS GENERAL EXPENSES</b>	<b>15,251 30</b>	<b>17,488 89</b>	<b>2,237 59</b>

BURKESVILLE GAS COMPANY, INC.  
2006 ACTUAL  
VS  
PROPOSED

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

BURKESVILLE GAS COMPANY, INC.  
2006 ACTUAL  
VS  
PROPOSED

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

**AMENDED ATTACHMENT 2  
AMENDED EXHIBIT B**

**Account 40805 - Property Taxes**

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

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

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

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

**BURKESVILLE GAS COMPANY  
2007 ACTUAL  
VS  
PROPOSED**

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

**BURKESVILLE GAS COMPANY  
2007 ACTUAL  
VS  
PROPOSED**

	Actual Jan - Dec 07	Proposed	Proposed Increase (Decrease)
92101 · Bank Service Charges	40 00	40.00	0.00
92102 · Dues and Subscriptions	499 20	499.20	0.00
92103 · Office Supplies	879 40	879.40	0.00
92104 · Postage and Delivery	3,089.82	3,089.82	0 00
92105 · Computer Repairs/Maintenance	1,644.00	1,644.00	0.00
<b>Total 921 · OFFICE SUPPLIES &amp; EXPENSES</b>	<b>6,152.42</b>	<b>6,152.42</b>	<b>0 00</b>
<b>923 · OUTSIDE SERVICES EMPLOYED</b>			
92301 · Accounting	17,557.50	17,557.50	0.00
92302 · Legal Fees	3,402.10	3,658.39	256.29
92303 · Management Fees	0 00	21,600 00	21,600.00
92304 · DRUG TESTING	192.70	192.70	0.00
<b>Total 923 · OUTSIDE SERVICES EMPLOYED</b>	<b>21,152.30</b>	<b>43,008.59</b>	<b>21,856.29</b>
<b>924 · PROPERTY INSURANCE</b>			
92401 · Liability Insurance	28,819.00	27,103.80	(1,715.20)
<b>Total 924 · PROPERTY INSURANCE</b>	<b>28,819.00</b>	<b>27,103.80</b>	<b>(1,715.20)</b>
<b>926 · EMPLOYEE PENSIONS &amp; BENEFITS</b>			
92403 · Work Comp	819 00	819 00	0.00
92405 · MEDICAL INSURANCE- EMPLOYEES	15,644 95	15,644.95	0.00
926 · EMPLOYEE PENSIONS & BENEFITS - Other	1,000.00	0.00	(1,000.00)
<b>Total 926 · EMPLOYEE PENSIONS &amp; BENEFITS</b>	<b>17,463.95</b>	<b>16,463.95</b>	<b>(1,000.00)</b>
930.1 · GENERAL ADVERTISING EXPENSES	699 24	1,000 00	300.76
<b>930.2 · MISCELLANEOUS GENERAL EXPENSES</b>			
930.22 · Building Repairs	1,243.91	300.00	(943.91)
930.23 · Contributions	100.00	100 00	0.00
930.24 · Gas and Electric	3,416 22	3,416.22	0.00
930.26 · Licenses and Permits	114.49	114.49	0.00
930.28 · Printing and Reproduction	162.94	162.94	0.00
930.29 · Professional Fees	1,640 00	1,640.00	0.00
930.30 · Telephone	5,738 55	5,738 55	0.00
930.31 · Water	443 64	443.64	0.00
930.32 · Security	588.00	588.00	0.00
930.33 · Equipment Repair	2,532.57	2,532 57	0.00
930.34 · Training and Education	1,660 00	1,660 00	0.00
930.35 · Miscellaneous Labor	2,736.50	2,736.50	0.00
930.36 · Customer Relations	121 90	121.90	0.00
930.37 · Rents	69.20	69.20	0.00
930.38 · Training Related Travel	590.58	590 58	0.00
930.39 · Training Related Meals	127.72	127.72	0.00
930.40 · Service Fees	49.50	49.50	0.00
<b>Total 930.2 · MISCELLANEOUS GENERAL EXPENSES</b>	<b>21,335.72</b>	<b>20,391.81</b>	<b>(943 91)</b>

**BURKESVILLE GAS COMPANY  
2007 ACTUAL  
VS  
PROPOSED**

	Actual Jan - Dec 07	Proposed	Proposed Increase (Decrease)
<b>933 · TRANSPORTATION EXPENSES</b>			
933.10 · Rent and Leases-Transportation	10,168.80	10,168.80	0.00
933.20 · Repairs and Maintenance	1,310.63	1,310.63	0.00
933.30 · Vehicle Insurance	3,596.87	3,544.76	(52.11)
933.40 · Fuel	5,178.18	5,178.18	0.00
<b>Total 933 · TRANSPORTATION EXPENSES</b>	<u>20,254.48</u>	<u>20,202.37</u>	<u>(52.11)</u>
<b>Total GAS OPERATION &amp; MAINT EXP</b>	648,472.81	698,414.52	49,941.71
<b>76701 · Payroll Expenses</b>	28.78	0.00	(28.78)
<b>Total Expense</b>	<u>718,904.66</u>	<u>768,851.71</u>	<u>49,947.05</u>
<b>Net Ordinary Income</b>	(94,158.90)	10,902.57	105,061.47
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>OTHER INCOME-JOBGING &amp; ADJS</b>			
415 · REV FROM MERCH, JOBBING & CT WK	13,109.05	13,109.05	0.00
41501 · Prior Year Adjustments	319.69	319.69	0.00
<b>Total OTHER INCOME-JOBGING &amp; ADJS</b>	<u>13,428.74</u>	<u>13,428.74</u>	<u>0.00</u>
<b>419 · Interest and Dividend Income</b>			
41901 · Interest Income	4.03	4.03	0.00
41902 · Discounts Earned	178.53	178.53	0.00
<b>Total 419 · Interest and Dividend Income</b>	<u>182.56</u>	<u>182.56</u>	<u>0.00</u>
<b>Total Other Income</b>	13,611.30	13,611.30	0.00
<b>Other Expense</b>			
<b>OTHER DEDUCTIONS JOBBING &amp; ADJS</b>			
<b>416 · COSTS &amp; EXP MERCH, JOBB &amp; CT WK</b>			
41601 · LABOR	5,728.63	5,728.63	0.00
41602 · PARTS	1,694.31	1,694.31	0.00
41607 · Fraction of Cents Adjustment	0.08	0.08	0.00
<b>Total 416 · COSTS &amp; EXP MERCH, JOBB &amp; CT WK</b>	<u>7,423.02</u>	<u>7,423.02</u>	<u>0.00</u>
<b>426 · NONUTILITY DEDUCTIONS</b>			
42601 · Meals	143.04	143.04	0.00
42602 · Travel	1,169.18	1,169.18	0.00
<b>Total 426 · NONUTILITY DEDUCTIONS</b>	<u>1,312.22</u>	<u>1,312.22</u>	<u>0.00</u>
<b>427 · INTEREST EXPENSE</b>			
42701 · Finance Charge	439.27	439.27	0.00
42702 · Loan Interest	12,106.23	11,215.26	(890.97)

**BURKESVILLE GAS COMPANY  
2007 ACTUAL  
VS  
PROPOSED**

	Actual Jan - Dec 07	Proposed	Proposed Increase (Decrease)
Total 427 · INTEREST EXPENSE	12,545.50	11,654.53	(890.97)
429.1 · AMORTIZATION-REACQUIRED DEBT	(9,022.00)	(9,022.00)	0.00
431 · OTHER INTEREST EXPENSE	2,677.37	2,677.37	0.00
Total OTHER DEDUCTIONS JOBBING & ADJS	14,936.11	14,045.14	(890.97)
Total Other Expense	14,936.11	14,045.14	(890.97)
Net Other Income	(1,324.81)	(433.84)	890.97
Net Income	(95,483.71)	10,468.73	105,952.44

By: [Signature]

COMMONWEALTH OF KENTUCKY  
 DEPARTMENT OF REVENUE  
 OFFICE OF PROPERTY VALUATION  
 Public Service Branch  
 200 Fair Oaks Ln, 4th Fl, Station 32  
 Frankfort, Kentucky 40620  
 (502) 564-8175

Public Service Company Assessment  
 Certification To County Clerk.  
 The Dept. of Revenue certifies this  
 final assessment according to KRS  
 136.180. This assessment is  
 subject to all tax levies as  
 explained below.

Cara L. Jarrell, Director  
 Division of State Valuation  
 Office of Property Valuation

AMENDED CERTIFICATION OF PUBLIC SERVICE COMPANY PROPERTY ASSESSMENT  
 FOR TAX YEAR 2006

When processing an AMENDED certification, check to see if a bill has been sent. If the bill is unpaid, exonerate the original and issue a corrected bill. If the bill was paid based on the original certification, determine if a supplemental bill should be issued or if a refund is due based on this amendment. Refunds should be taken from current year's collections.

COUNTY: CUMBERLAND CERTIFICATION DATE: 09/10/2007  
 TAXPAYER: BURKESVILLE GAS COMPANY INC GNC: 005561  
 ADDRESS: CONS FINAN RESOURCES - T SHIREY TYPE CO: GU  
 5005 LIVE OAK ST  
 GREENVILLE, TX 75402-0000

NAME OF TAX DISTRICT	REAL ESTATE	TANGIBLE PROPERTY	TOTAL ASSESSMENT FOR LOCAL TAX
COUNTY GENERAL	342,000.00	108,000.00	450,000.00
SCHOOL CUMBERLAND COUNTY GENERAL	342,000.00	108,000.00	450,000.00
CITY BURKESVILLE	342,000.00	108,000.00	450,000.00

Payable to:

CITY OF BURKESVILLE  
 P.O. BOX 25C  
 BURKESVILLE, KY 40301

~~1002270~~ ~~1002270~~  
~~921.80~~ ~~313.20~~  
 .002270 .002270  
 776.34 245.16 **1021.50**  
 2%

If paid in 30 days → 1001.07  
 Due 4/24/08

Shonda D. Spears  
 Deputy City Clerk

**PROPERTY TAX STATEMENT  
PUBLIC SERVICE COMPANY**

**Return Payment to:**

Sheriff **James Pruitt**  
County **Cumberland**  
Address **PO Box 838**  
**Burkesville, KY 42717**

Assessment for 2006

Date 6/12/2008

Address:

Name: BURKESVILLE GAS CO

Street: 5005 LIVE OAK ST

City: GREENVILLE

State: TX

Zip: 75402

Attn:

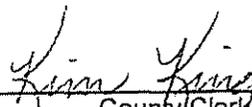
**PAYMENT INSTRUCTIONS**

This statement for public service company property taxes is due and payable ~~30 days after notice~~ **(KRS 136.050 (2))** No discount is allowable for early payment. If not paid within 60 days, a 10 percent penalty plus a 10 percent sheriff's add-on fee **(KRS 134.430 (3))** of total tax and interest at the tax interest rate per **KRS 131.183** per annum applies. Make payment to sheriff of county named on statement.

Property Class	Rate Per \$ 100		Value	County	School	Special
County - Real Estate	0.05300	School	0.328000	\$342,000	\$181.26	\$1,121.76
County - Tangible	0.053	School	0.328000	\$108,000	\$57.24	\$354.24
Library - Real Estate	*****	*****	0.048000	\$342,000	*****	*****
Library - Tangible	*****	*****	0.100200	\$108,000	*****	*****
Health - Real Estate	*****	*****	0.030000	\$342,000	*****	*****
Health - Tangible	*****	*****	0.030000	\$108,000	*****	*****
Extension Service - Real Estate	*****	*****	0.052000	\$342,000	*****	*****
Extension Service - Tangible	*****	*****	0.105400	\$108,000	*****	*****
Soil Conservation - Real Estate	*****	*****	0.028000	\$342,000	*****	*****
Ambulance - Real Estate	*****	*****	0.025000	\$342,000	*****	*****
Ambulance - Tangible	*****	*****	0.025000	\$108,000	*****	*****

**Totals by Taxing District**

\$238.50      \$1,476.00      \$907.31

  
County Clerk

**Total Tax \$2,621.81**

Payment Received By:

Penalty \_\_\_\_\_  
(10 percent of total tax  
if not paid within 30 days)  
(10 percent sheriff add on) \_\_\_\_\_  
Interest \_\_\_\_\_  
(tax interest rate per  
KRS 131.183 per annum  
if not paid within 30 days)

Sheriff/Deputy

Date \_\_\_\_\_

Total Tax, Penalty, and Interest \_\_\_\_\_



Commonwealth of Kentucky  
**DEPARTMENT OF REVENUE**  
**OFFICE OF PROPERTY VALUATION**  
 Public Service Branch  
 501 High Street 4th Floor Station 32  
 Frankfort KY 40620  
 Phone (502) 564-8175 FAX (502) 564-8192

**NOTICE OF ASSESSMENT**

Property Tax  
 below based  
 on current settlement  
 agreement with the  
 Kentucky Finance  
 and Administration  
 Cabinet.

BURKESVILLE GAS COMPANY INC  
 TOM SHIREY  
 5005 LIVE OAK ST  
 GREENVILLE TX 75402

GNC : 5561  
 TYPE CO : GU  
 TAX TYPE: 035  
 TAX ID : 611197957

This Notice of Assessment will become final on 12/09/2007, 45 days from the notice date. A corresponding Notice of Tax Due is being sent from the Compliance and Accounts Receivable System based on the Total Assessment shown below. The Notice of Tax Due will provide the state tax liability, any applicable interest and/or penalties that may be assessed. Local taxes will be billed separately by the local taxing jurisdictions where your property is located.

If you protest this assessment, see enclosed 61F009 Notification-Protesting your Assessment. You must submit a written protest in accordance with KRS 131.110; and as required by KRS 132.825, your protest must specify the valuation you claim to be true. Your written protest stating your claimed value and your payment of tax for your claimed value must be submitted to the Division of Protest Resolution on or before 12/09/2007 or no further remedies will be available regarding this assessment per KRS 134.590. Submit your protest and payment to: ATTN Property Tax Resolution / Public Service Section, Office of Legal Services for Revenue, Division of Protest Resolution, PO Box 3, Frankfort, KY 40602-0003. You may contact the division at Phone (502) 564-6734 and Fax (502) 564-3788.

Notice Date : 10/25/07 Tax Year 2007 (For Year Ending December 31, 2006)

PROPERTY CLASS

STATE AND LOCAL	TAX RATE Per \$100	ASSESSED VALUE	STATE TAX DUE
Real Estate	0.124	<i>340,000</i> 55,000	68.20 <i>484.08</i>
*Tangible Property	0.45	<i>108,000</i> 539,270	2,426.72 <i>486.00</i>
Business Inventory	0.05	0	0.00

STATE TAX ONLY

Foreign Trade Zone Tangible	0.001	0	0.00
Recycling Equipment	0.45	0	0.00
Manufacturing Machinery	0.15	0	0.00
Pollution Control Equipment	0.15	0	0.00
Telephonic Equipment	0.15	0	0.00
Business Inventory (MM)	0.05	0	0.00
IRB Property	0.015	0	0.00
IRB Property Nontaxable	0.00	0	0.00

TOTAL ASSESSED VALUE AND STATE TAX DUE

\$594,270 \$2,494.92

*910.08*

\*Excludes Motor Vehicles

\$0

A 10% penalty is for late filed returns per KRS 132.290 (3). A 20% penalty is for omitted property per KRS 132.290 (4).  
 Applicable interest will be applied when late or omitted.

DT052A1 BKCH0023 REGIS INQUIRY BY PLATE, TITLE, VIN, NAME, DECAL NEXT SCREEN  
CLERK KAW PLATE 08 413348 TITLE 031780290001 VIN 1GCCS14H938260514 999  
OWNER-1 SHIREY, DAVID THOMAS COUNTY CUMB DECAL R460777  
TRANSITION TO-- TITLE INQ CHAIN OF OWNERSHIP

REGISTRATION CO CUMB CTL# 00113361 TITLE STATUS ACTIVE  
REG CODE 00 REGULAR REGIS REG STATUS ACTIVE  
REG ACTION TYPE B RENEWAL PLATE&DECAL EXP DATE 11/30/08 REG DATE 11/28/07  
REG ACTION DATE 11/28/07 RMKS  
EXEMPT TYPE/CITY TITLE BRAND  
VEHICLE STATUS ON ACTIVE DB VEH TYPE T MAKE CHEV MODEL CS10603  
MODEL# FLEETSI CYL 04 YR MODEL 03 STYLE PK COLOR WHI GROSS WT 010  
ODOMETER 7 MOTOR # NO OF LIENS 1  
FEES/TAXES----REG---CLERK 6.00 STATE 15.00  
TITLE-CLERK .00 STATE .00  
USAGE-VALUE 11658.00 TAX 699.48 U-TAX EXCP AP  
CURR NADA 7350.00 TAX 441.00 ADVAL TAX DUE 87.74  
ADDRESS P O BOX 69 CITY BURKESVILLE STATE KY ZIP 427170000  
OWNER-1 BIRTH MO 11 OWNER-1 SSN [REDACTED]  
OWNER-2 SSN [REDACTED]  
COUNTY OF RESIDENCE  
STATE ZIP  
OWNER-2  
LEASEE  
ADDRESS CITY  
M190-PRESS PFKEY 8 FOR NEXT PAGE

DT052A1

*estimated property tax upon renewal date  
of November 2008.*

*nd*

KIM KING, CUMBERLAND CO CLERK  
 P O BOX 275  
 BURKESVILLE, KY 42717

Present your Original Registration  
 and Proof of Insurance with Payment  
 to the County Clerk.

PRESORTED  
 FIRST CLASS MAIL  
 U.S. POSTAGE PAID  
 COMMONWEALTH  
 OF KENTUCKY  
 FINANCE CABINET

645091

**MOTOR VEHICLE TAX AND/OR  
 REGISTRATION RENEWAL NOTICE**

Assessed & Mailed by Department of Revenue  
 Questions about your assessment Values should be directed to  
 your local Property Valuation Administrator

COUNTY OF RESIDENCE: CUMBERLAND  
 VEHICLE VALUE AS OF Jan. 1, 2008: \$1,771.00

TAX JURISDICTION	RATE	\$ TAX DUE
STATE	0.4500	7.97
COUNTY	0.0930	1.65
CO SCHOOL	0.5300	9.39
LIBRARY	0.0436	0.77
HEALTH	0.0300	0.53
EXT SERVICE	0.0369	0.65
AMBULANCE	0.0580	1.03
C-BURKESVILLE	0.2330	4.13
<b>TAX DUE</b>		<b>\$26.12</b>
REGISTRATION FEE		\$27.00
<b>TOTAL DUE</b>		<b>\$53.12</b>
POSTAGE & HANDLING FEE FOR MAIL-IN RENEWAL, ADD		\$2.00

PAYMENT MUST BE MADE IN PERSON. REGISTRATION  
 RECEIPT & PROOF OF INSURANCE CARD MUST BE  
 PRESENTED WHEN RENEWING.

08 016240 25X8 97 HMDE  
 PLATE MODEL YR MAKE  
 KYT26749 999  
 VIN#

*Trailer*

Property tax must be paid even if registration is not renewed.  
 Registration fee must be paid upon renewal.  
 Registration type: REGULAR REGIS.

Current registration expires: 03-31-08  
 Registration fee presumes renewal through: 03-31-09  
 Notification date: 02-15-08

TO MAKE A VOLUNTARY DONATION TO CHILD CARE  
 ASSISTANCE ACCOUNT, ADD \$ TO TOTAL  
 TO DONATE TO THE KY VETERANS  
 TRUST FD, ADD \$ TO TOTAL

\*\*\*\*\*AUTO\*\*5-DIGIT 42717 T684 P1  
 BURKESVILLE GAS INC  
 PO BOX 69  
 BURKESVILLE, KY 42717-0069



KIM KING, CUMBERLAND CO CLERK  
 P O BOX 275  
 BURKESVILLE, KY 42717

Present your Original Registration  
 and Proof of Insurance with Payment  
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PRESORTED  
 FIRST CLASS MAIL  
 U.S. POSTAGE PAID  
 COMMONWEALTH  
 OF KENTUCKY  
 FINANCE CABINET

74011B

**MOTOR VEHICLE TAX AND/OR  
 REGISTRATION RENEWAL NOTICE**

Assessed & Mailed by Department of Revenue  
 Questions about your assessment Values should be directed to  
 your local Property Valuation Administrator

COUNTY OF RESIDENCE: CUMBERLAND  
 VEHICLE VALUE AS OF Jan. 1, 2008: \$23,389.00

TAX JURISDICTION	RATE	\$ TAX DUE
STATE	0.4500	105.25
COUNTY	0.0930	21.75
CO SCHOOL	0.5300	123.96
LIBRARY	0.0436	10.20
HEALTH	0.0300	7.02
EXT SERVICE	0.0369	8.63
AMBULANCE	0.0580	13.57
C-BURKESVILLE	0.2330	54.50
<b>TAX DUE</b>		<b>\$344.88</b>
REGISTRATION FEE		\$39.50
<b>TOTAL DUE</b>		<b>\$384.38</b>
POSTAGE & HANDLING FEE FOR MAIL-IN RENEWAL, ADD		\$2.00

PAYMENT MUST BE MADE IN PERSON. REGISTRATION  
 RECEIPT & PROOF OF INSURANCE CARD MUST BE  
 PRESENTED WHEN RENEWING.

08 164204 CHASSIS 03 CHEV  
 PLATE MODEL YR MAKE  
 GBJC34153E265752 999  
 VIN#

*Service Truck*

Property tax must be paid even if registration is not renewed.  
 Registration fee must be paid upon renewal.  
 Registration type: REGULAR REGIS.

Current registration expires: 03-31-08  
 Registration fee presumes renewal through: 03-31-09  
 Notification date: 02-15-08

TO MAKE A VOLUNTARY DONATION TO CHILD CARE  
 ASSISTANCE ACCOUNT, ADD \$ TO TOTAL  
 TO DONATE TO THE KY VETERANS  
 TRUST FD, ADD \$ TO TOTAL

\*\*\*\*\*ALL FOR AADC 400 T790 P3  
 SHIREY, DAVID THOMAS  
 BOX 69/B-VILLE GAS  
 BURKESVILLE, KY 42717



KIM KING, CUMBERLAND CO CLERK  
 P O BOX 275  
 BURKESVILLE, KY 42717

Present your Original Registration  
 and Proof of Insurance with Payment  
 to the County Clerk

PRESORTED  
 FIRST CLASS MAIL  
 U.S. POSTAGE PAID  
 COMMONWEALTH  
 OF KENTUCKY  
 FINANCE CABINET

64051B

**MOTOR VEHICLE TAX AND/OR  
 REGISTRATION RENEWAL NOTICE**

*Assessed & Mailed by Department of Revenue  
 Questions about your assessment Valuers should be directed to  
 your local Property Valuation Administrator*

COUNTY OF RESIDENCE: **CUMBERLAND**  
 VEHICLE VALUE AS OF Jan. 1, 2008: \$798.00

TAX JURISDICTION	RATE	\$ TAX DUE
STATE	0.4500	3.59
COUNTY	0.0930	0.74
CO SCHOOL	0.5300	4.23
LIBRARY	0.0436	0.35
HEALTH	0.0300	0.24
EXT SERVICE	0.0369	0.29
AMBULANCE	0.0580	0.46
C-BURKESVILLE	0.2330	1.86

TAX DUE \$11.76  
 REGISTRATION FEE \$27.00  
**TOTAL DUE \$38.76**  
 POSTAGE & HANDLING FEE  
 FOR MAIL-IN RENEWAL, ADD \$2.00

**PAYMENT MUST BE MADE IN PERSON. REGISTRATION  
 RECEIPT & PROOF OF INSURANCE CARD MUST BE  
 PRESENTED WHEN RENEWING.**

08 016239	WB1EP	00	BELS
PLATE	MODEL	YR	MAKE
16JF01214Y1034881 999			
VIN#			

Property tax must be paid even if registration is not renewed.  
 Registration fee must be paid upon renewal.  
 Registration type: **REGULAR REGIS.**  
 Current registration expires: 03-31-08  
 Registration fee presumes renewal through: 03-31-09  
 Notification date: 02-15-08  
**TO MAKE A VOLUNTARY DONATION TO CHILD CARE  
 ASSISTANCE ACCOUNT, ADD \$ TO TOTAL.**  
**TO DONATE TO THE KY VETERANS  
 TRUST FD, ADD \$ TO TOTAL.**

*Trailer*

\*\*\*\*\*AUTO\*\*5-DIGIT 42717 T685 P1  
 BURKESVILLE GAS CO INC  
 PO BOX 69  
 BURKESVILLE, KY 42717-0069



**CASE #2008-00032**

11. Refer to Burkesville's March 4, 2008 letter, 2007 Pro Forma Income Statement and Amended Attachment 2, Amended Exhibit B, Account 40805 – property Taxes.

b. Provide documentation or workpapers to support Burkesville's proposed pro forma adjustments listed in Table 2 below.

<b>Table 2</b>			
	<b><u>Acct#</u></b>	<b><u>Title</u></b>	<b><u>Amount</u></b>
(1)	408.02	FICA, Medicare	\$ 34.12
(2)	903.00	Customer Records, Collection	\$ 920.00
(3)	923.02	Legal Fees	\$ 256.29
(4)	926.00	Emp. Pensions & Benefits - Other	\$ (1,000.00)
(5)	930.22	Building Repairs	\$ (943.91)
(6)	933.30	Vehicle Insurance	\$ (52.11)
(7)	767.01	Payroll Expenses	\$ (28.78)

Documentation and/or workpapers attached.

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

CASE #2008-00032

Supporting Calculations for Information Request 11b, Table 2, Item 1

The proposed pro forma adjustment is to adjust the employer portion of FICA and Medicare taxes based on the 2008 proposed payroll. The proposed 2008 payroll was calculated based on the employee's current hourly pay rate for 40 hours at 52 weeks (2080 hours). No pay increases for 2008 were included in this calculation.

Employee	2007 Actual Payroll	2007 Actual Employer Portion FICA & Medicare	2008 Proposed Payroll	2007 Proposed FICA & Medicare	Proposed Increase/Decrease
Kenny Hurt	\$ 36,709.55	\$ 2,808.28	\$ 36,233.60	\$ 2,771.87	\$ (36.41)
David Kempton	22,878.00	1,750.17	22,880.00	1,750.32	0.15
Juana McCarty	19,880.00	1,520.82	20,800.00	1,591.20	70.38
Total	\$ 79,467.55	\$ 6,079.27	\$ 79,913.60	\$ 6,113.39	\$ 34.12

A copy of the 2007 payroll summary is attached to confirm the 2007 actual payroll.

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

CASE #2008-00032

**Supporting Calculations for Information Request 11b, Table 2, Item 2**

The proposed pro forma adjustment is to adjust Juana McCarty's wages to reflect the hourly rate in effect as of 6/01/07. Juana McCarty's rate of pay for the period 1/01/07 through 5/31/07 was \$9.00 per hour. Effective 6/01/07 Ms. McCarty's hourly rate was increased to \$10.00. The proposed payroll for Juana McCarty was calculated at \$10.00 per hour for 40 hours at 52 weeks (2080 hours).

Payroll Check Dates	2007 Actual Hourly Rate	2007 Actual Payroll Paid
1/04/07 - 6/07/07	\$ 9.00	\$ 8,280.00
6/14/07 - 12/27/07	\$ 10.00	\$ 11,600.00
2007 Payroll Total		\$ 19,880.00

Scheduled Payroll Check Dates	2008 Actual Current Hourly Pay Rate	2008 Total Payroll Based on Current Hourly Rate
1/03/08 - 12/25/08	\$ 10.00	\$ 20,800.00
2008 Proposed Payroll Total		\$ 20,800.00

Difference in 2007 Actual Payroll and 2008 Proposed	\$ 920.00
---	-----------

A copy of the 2007 payroll summary is attached to confirm Ms. McCarty's 2007 wages at \$19,880.00.

**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	Jan - Dec 07	Jan - Dec 07	Jan - Dec 07	Jan - Dec 07	Jan - Dec 07	Jan - Dec 07	Jan - Dec 07
Employee Wages, Taxes and Adjustments								
Gross Pay								
874 MAINS AND SERVICES LABOR	3,698.17	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 OT 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 OT 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 OT 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 OT 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 OT 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

	HURT, KENNITH M. Jan - Dec 07	KEMPTON, DAVID Jan - Dec 07	MC CARTY, JUANA Jan - Dec 07	TOTAL Jan - Dec 07
<b>Taxes Withheld</b>				
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 COUNTY NON-SCH TAX	-367.16	-228.78	-198.80	-794.74
CUMBERLAND CO.	-275.47	-171.61	-149.10	-596.18
<b>Total Taxes Withheld</b>	-9,009.61	-4,824.18	-4,442.52	-18,276.31
<b>Net Pay</b>	<b>27,676.18</b>	<b>18,053.82</b>	<b>15,128.60</b>	<b>60,858.60</b>
<b>Employer Taxes and Contributions</b>				
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
<b>Total Employer Taxes and Contributions</b>	<b>2,944.28</b>	<b>1,886.17</b>	<b>1,656.82</b>	<b>6,487.27</b>

**CASE #2008-00032**

**Supporting Calculations for Information Request 11b, Table 2, Item 3**

The proposed pro forma adjustment for legal fees in the amount of \$256 29 is estimated for 2008 based on the actual expenses paid during the 2006 fiscal year. There are no workpapers for this calculation, please see the 2006 Actual vs Proposed included with the March 4, 2008 letter to Commission Staff.

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

**CASE #2008-00032**

**Supporting Calculations for Information Request 11b, Table 2, Item 4**

There is not any documentation or workpapers to support Burkesville's proposed pro forma adjustment in the amount of \$1,000.00 for Account 926.00 Employee Pensions and Benefits. As stated in the response to the Commission Staff's First Information request, Item 12, this was a bonus paid to Burkesville's employees for obtaining a favorable report on the Commission's field report. This bonus is not a fringe benefit usually offered to its employees and will not be offered during the fiscal year 2008.

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

**CASE #2008-00032**

**Supporting Calculations for Information Request 11b, Table 2, Item 5**

The proposed expense amount for Account 930.22 – Building Repairs was an estimate of \$300.00 based on past history resulting in a pro forma adjustment decrease of \$943.91. During the fiscal year 2007, Burkesville's building repairs expense included a termite contract in the amount of \$930.00 which is not expected during the fiscal year 2008.

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

**CASE #2008-00032**

**Supporting Calculations for Information Request 11b, Table 2, Item 6**

The pro forma adjustment to Account 933 30 – Vehicle Insurance is due to a reduction in the yearly premium amount, therefore resulting in a decrease in the amount of \$52.11

The calculation is as follows.

<b>Year</b>	<b>Amount</b>
2007 Actual Premium Paid	\$ 3,596.87
2008 Premium Amount	\$ 3,544.76
Difference	\$ (52.11)

A copy of the insurance coverage summary is attached

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

PARMAC / UNDERWOOD  
9319 TAYLORSVILLE RD  
JEFFERSONTOWN, KY 40299



Named insured

BURKESVILLEGAS CO INC  
5005 LIVE OAK ST  
GREENEVILLE, TX 75402

**Policy number: 01976735-5**

Underwritten by:  
United Financial Casualty Company  
December 11, 2007  
Policy Period: Jan 13, 2008 - Jan 13, 2009  
Page 1 of 3

**driveinsurance.com**

**Online Service**  
Make payments, check billing activity, print policy documents, or check the status of a claim

**502-267-6949**

PARMAC / UNDERWOOD  
Contact your agent for personalized service

**800-444-4487**

For customer service if your agent is unavailable or to report a claim

# Commercial Auto Insurance Coverage Summary

## This is your Renewal Declarations Page

This Renewal Declarations Page is effective only if the minimum amount due to renew your policy is received or postmarked by January 13, 2008.

Your coverage begins on January 13, 2008 at 12:01 a.m. This policy expires on January 13, 2009 at 12:01 a.m.

Your insurance policy and any policy endorsements contain a full explanation of your coverage. The policy limits shown for an auto may not be combined with the limits for the same coverage on another auto, unless the policy contract allows the stacking of limits. The policy contract is form 6912 (03/05). The contract is modified by forms 2228 (07/05), 1652KY (11/04), 2852KY (11/04), 4852KY (11/04), 4881KY (11/04), 1890 (05/04) and 1891 (09/04).

The named insured organization type is a corporation.

### Outline of coverage

Policy level coverage	Limits	Deductible	Premium
Uninsured Motorist	\$1,000,000 combined single limit		\$72
Underinsured Motorist	\$1,000,000 combined single limit		270
<b>Total policy level coverage</b>			<b>\$342.00</b>

Policy number 01976735-5  
 BURKESVILLEGAS CO INC  
 Page 2 of 3

Summary level coverage	Limits	Deductible	Premium
Liability To Others			\$1,318
Bodily Injury and Property Damage Liability	\$1,000,000 combined single limit		
Personal Injury Protection			286
Without Workers Compensation	\$10,000 each person	\$0	
Comprehensive			310
See Schedule Of Covered Autos	Limit of liability less deductible		
Fire And Theft With Combined Additional Coverage			83
See Schedule Of Covered Autos	Limit of liability less deductible		
Collision			616
See Schedule Of Covered Autos	Limit of liability less deductible		
Hired Auto Liability To Others			114
Bodily Injury and Property Damage Liability	\$1,000,000 combined single limit		
Employer Nonowned Auto Liability To Others			68
Bodily Injury and Property Damage Liability	\$1,000,000 combined single limit		
<b>Total summary of coverage</b>			<b>\$2,795.00</b>
<b>Subtotal policy premium</b>			<b>\$3,137.00</b>
Special Kentucky Tax - 1.5%			47.00
Muni Tax			360.76
<b>Total 12 month policy premium</b>			<b>\$3,544.76</b>
Discount if paid in full			-158.10
<b>Total 12 month policy premium if paid in full</b>			<b>\$3,386.66</b>
Number of Employees (0 - 10)			

**Rated drivers**

1. KENNY HURT
2. DAVID KEMPTON
3. JUANA MCCARTY

**Auto coverage schedule**

1. <b>2003 Chevy Pickup</b>		Stated Amount:	\$35,513	
VIN: 1GBJC34153E265752		Garaging Zip Code:	42717	Radius: 50
Liability Premium	Liability \$644	PIP \$129		
Physical Damage Premium	Comp Deductible \$500	Comp Premium \$198	Collision Deductible \$500	Collision Premium \$272
				Auto Total \$1,243
2. <b>2003 Chevrolet Pickup</b>		Stated Amount:	\$11,658	
VIN: 1GCCS14H938260514		Garaging Zip Code:	42717	Radius: 50
Liability Premium	Liability \$674	PIP \$157		
Physical Damage Premium	Comp Deductible \$500	Comp Premium \$112	Collision Deductible \$500	Collision Premium \$219
				Auto Total \$1,162

Policy number: 01976735-5  
 BURKESVILLE GAS CO INC  
 Page 3 of 3

3 **2001 Belsh Trailer** Stated Amount: \$3,000  
 VIN: 16GF01214Y1034881 Garaging Zip Code: 42717 Radius: 50

Liability Premium	Liability \$0	PIP \$0				
Physical Damage Premium	F/Cac Deductible \$500	F/Cac Premium \$25	Collision Deductible \$500	Collision Premium \$46		Auto Total \$71

4 **1997 Equip Trailer** Stated Amount: \$8,000  
 VIN: KYT27749 Garaging Zip Code: 42717 Radius: 50

Liability Premium	Liability \$0	PIP \$0				
Physical Damage Premium	F/Cac Deductible \$500	F/Cac Premium \$58	Collision Deductible \$500	Collision Premium \$79		Auto Total \$137

**Premium discount**

Policy 01976735-5 Renewal

**Loss Payee information**

1. Loss Payee Auto 1  
 GMAC  
 PO BOX 5378 TIMONIMUM, MD 21094  
 2003 Chevy Pickup (1G8JC34153E265752)
2. Loss Payee Auto 2  
 BANK ONE  
 PO BOX 32500 LOUISVILLE, KY 40232  
 2003 Chevrolet Pickup (1GCCS14H938260514)

**Company officers**

*Myra J. Mays*

Secretary

**CASE #2008-00032**

**Supporting Calculations for Information Request 11b, Table 2, Item 7**

There are not any workpapers for this pro forma adjustment decreasing Account 767 01 – Payroll Expenses in the amount of \$28.78. This expense is for the City of Burkesville payroll withholding tax. The City of Burkesville increased the maximum amount of withholding tax for the fiscal year 2007. The maximum deduction amount was not increased in the QuickBooks payroll file. This error has been corrected therefore the expense will not exist during the fiscal year 2008.

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

**CASE #2008-00032**

12. Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 11. Provide documentation (i.e., a letter from Century Surety Company) to show the premium rate that was used to calculate the general liability premium for the policy period April 24, 2008 through April 24, 2009 in the amount of \$637,074.

Attached is a copy of the Commercial General Liability Coverage Declaration from Century Surety Company.

In Burkesville's response to the Commission Staff's Second Information Request, Item 11, Burkesville stated that the premium basis was based on sales in the amount of \$637,074.00 as declared to Burkesville by our insurance agent. However, upon receipt of the insurance declaration from the insurance provider (Century Surety Company), the premium was based on sales in the amount of \$622,416.00 at a rate of \$25.00 per \$1,000.00 of sales. With applicable fees and taxes the average rate per \$1,000.00 of sales is \$29.74.

The revised insurance calculation based on sales in the amount of \$777,424.55 is as follows:

Insurance Provider	Description	Premium per \$1,000 of Sales (Premium Amount/Premium Basis)	Premium Basis	Premium Amount
Century Surety Company	Commercial General Liability	\$ 29.74	\$ 622,416.00	\$ 18,513.60
Additional Liability Insurance due to Increased Sales	Commercial General Liability	29.74	155,008.55	4,609.95
Auto Owners Insurance Company	Commercial Property Coverage (Buildings and Equipment)			2,187.34
Total Liability Insurance			\$ 777,424.55	\$ 25,310.89

**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.: CCP543400  
NAMED INSURED AND ADDRESS:

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

RENEWAL OF: CCP481342  
CODE NO.: 5618A  
INSUREDS BROKER:  
**RISK PLACEMENT SERVICES**  
P.O. BOX 14032  
LEXINGTON, KY 40512

POLICY PERIOD: From: 04/24/08 To: 04/24/09 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)  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.**

<b>COMMERCIAL GENERAL LIABILITY</b>	<b>PREMIUM</b> <b>\$15,560</b>
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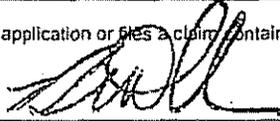
<b>PREMIUM PAYABLE TO INSURER</b>	<b>\$15,560</b>
S/L Tax 478.80; KDRS 239.40; Mun. Tax 1,835.40; Exp. Const. 400.00	

**TOTAL COST** **\$18,513.60**

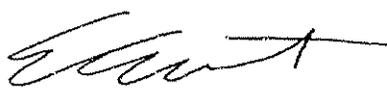
25% of the Policy Premium is fully earned as of the effective date of this policy and is not subject to return or refund.  
Service of Suit (if form CCP 20 10 is attached) may be made upon:  
Business Risk Services of Ohio, Inc.  
4236 Tuller Road, One North; Dublin, Ohio 43017

Form(s) and Endorsement(s) made a part of this policy at time of issue\*:  
CSCP 1001 (03-06); CSCP1000 (02-04); CCP 2010 (03-07); 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      Countersigned By   
4236 TULLER ROAD, ONE NORTH      Authorized Representative  
DUBLIN, OHIO 43017

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: CCP543400

Effective Date: 04/24/08 \*\*  
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 X Yes No

**LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:**

01 119 UPPER RIVER STREET; BURKESVILLE, KY 42717

ST/Terr	Code	Classification	Prem. Basis	RATE:		ADVANCED PREMIUM	
				Pr/Co	All Other	Pr/Co	All Other
KY	95305	Gas Companies	(S) \$622,416	INCL	\$25 00	INCL	\$15,560
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  
Policy Premium is Minimum and Deposit

Total Advance Premium \$ INCL  
Subtotal Coverage Premium \$15,560

**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**

**NOTE TO AGENT:**

**It is required by federal law that you provide this document to the insured.**

**POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM  
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act of 2002 (TRIA), as extended December 22, 2005, that we have included this TRIA Coverage and associated premium, in your policies and insurance coverage for losses arising out of acts of terrorism, *as defined in Section 102(1) of the Act.*

The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**NOTICE OF GOVERNMENT REINSURANCE PARTICIPATION:**

Any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law (TRIA). Under this formula, the United States pays 90% (85% in 2007) of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

The portion of your annual premium that is attributable to coverage for acts of terrorism is:

Property	\$ 0
Inland Marine	\$ 0
Crime	\$ Excluded
General Liability	\$ <b>REJECTED</b>
Garage	\$ Excluded
<b>Total</b>	<b>\$ 0</b>

This premium is not refundable in the event that Congress does not extend TRIA coverage beyond 12-31-07.  
*(Except in OH, IN, WI, WV and AZ)*

Name of Insurer: CENTURY SURETY COMPANY  
Policy Number: CCP543400

**CASE #2008-00032**

- 13 *Refer to Burkessville's response to the Commission Staff's Second Information Request, Item 13. Provide the comparison of Mr. Shirey's hourly wage rate to the billing rate of \$100 rate per hour as originally requested*

Again, Mr Shirey does not receive an hourly wage nor does he have an hourly wage rate. However, Mr Shirey's adjusted gross income for tax year 2007 was \$157,960.46. If you divided the \$157,960.46 by 1,800 hours (assumed number of work hours available for outsourcing) would produce an average of \$87.22 per hour.

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

**CASE #2008-00032**

- 14. Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 17. Describe the employment relationship Brenda Everette has to Burkesville and explain if Ms. Everett is self employed.*

Brenda Everette is an independent contractor to Burkesville Gas Company, Inc. Ms Everette is self employed and responsible for payroll taxes and does not receive employee fringe benefits provided to the Burkesville Gas Company, Inc employees.

Burkesville Gas Company, Inc is only billed by Brenda Everette for actual time spent working on issues directly pertaining to Burkesville Gas Company, Inc.

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

**CASE #2008-00032**

15. *Refer to Burkesville's amended response to Commission Staff's First Information Request, Item 13(b).*

*a. In each month Burkesville lists charges from Ms. Everette and Mr. Shirey. For each charge, provide an itemized list of the services provided and the number of hours billed for each service.*

Tom Shirey and Brenda Everette do not keep a log of each task performed in connection with the rate case. However, the total amount of time attributable to this rate case is maintained on a time in – time out basis.

The services provided on the rate case include, but are not limited to the following:

- Researching information for rate case filing
- Researching information for responses to Commission Staff's information requests
- Contemplating answers for the Commission Staff's information requests
- Making copies
- Typing
- Discussions with Burkesville Gas Company general counsel
- Review past information and analyzing responses
- Prepared draft responses to Commission Staff's information requests
- Researched data for original application
- Prepared original application
- Preparing notice for publication
- Discussions with publication personnel
- Reviewing and understanding Commission Staff's information requests
- Prepared excel worksheets for data presentations
- Reviewed and made any necessary revisions to draft responses to Commission Staff's information requests
- Consider and analyze future operating costs
- Frequent meetings between Brenda Everette and Tom Shirey to discuss Commission Staff's information requests
- Review past accounts payable information
- Preparing charts and tables to calculate data
- Telephone conversations with insurance agent
- Evaluating data for application and responses
- Word processing
- Preparing charts and data to summarize data for presentation purposes
- Pick up office supplies necessary to the filing of the application and responses to Commission Staff's information requests

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

**CASE #2008-00032**

- Prepare final drafts for application and Commission Staff's information requests
- Trips to Federal Express and Post Office for shipping application and responses to Commission Staff's information requests
- Conference calls with Commission Staff
- Research past non-recurring charges
- Preparing tables listing return check charges and reconnect fees
- Conversation with Cumberland County Attorney's office concerning return check charges
- Determining balances owed to Burkesville Gas Company from customers with credits due on return check charges and reconnect fees
- Preparing amendments as needed to pro forma adjustments
- Preparing amendments as needed to previous responses
- Telephone conversation with Burkesville Gas Company, Inc personnel concerning the original application and questions and responses from the Commission Staff

Attached is a list of the hours that have been billed or will be billed to Burkesville Gas Company, Inc by Brenda Everette for services provided in the rate case. A list of hours is also provided for Mr. Shirey however, the hours Mr. Shirey provided for services pertaining to the rate case will not be billed to Burkesville Gas Company, Inc.

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

**CASE #2008-00032**

Listed below is a summary by date of Brenda Everette's hours for services pertaining to the Burkesville Gas Company Rate Case # 2008-00032

**Hours billed for services provided in the above rate case:**

<b>Date</b>	<b>Number of Hours</b>
5/2/2007	3.00
6/20/2007	1.00
6/21/2007	4.00
12/11/2007	2.75
12/12/2007	8.25
12/13/2007	10.50
12/14/2007	5.75
12/18/2007	3.00
1/22/2008	7.50
1/23/2008	6.00
2/18/2008	7.00
3/3/2008	8.50
3/4/2008	4.50
4/9/2008	2.00
4/12/2008	1.00
4/14/2008	7.00
4/15/2008	4.75
4/16/2008	6.50
4/17/2008	8.25
4/19/2008	7.25
4/20/2008	7.00
4/21/2008	6.25
4/22/2008	9.50
4/23/2008	9.75
5/19/2008	3.75
5/20/2008	1.50
5/21/2008	5.75
5/23/2008	7.00
5/26/2008	2.50
5/27/2008	1.50
5/28/2008	6.75
5/29/2008	1.00
<b>Total Hours Billed</b>	<b>170.75</b>

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

**CASE #2008-00032**

Brenda Everette's hours continued . . . . .

**Hours to be billed for services provided in the above rate case:**

<b>Date</b>	<b>Number of Hours</b>
6/1/2008	2.00
6/2/2008	7.75
6/3/2008	8.00
6/4/2008	9.25
6/5/2008	8.00
6/23/2008	0.50
6/25/2008	3.00
6/30/2008	5.00
7/1/2008	5.75
7/2/2008	3.50
7/4/2008	3.50
7/7/2008	6.50
7/8/2008	6.75
7/9/2008	7.25
7/10/2008	6.25
7/11/2008	6.00
<b>Total Hours To Be Billed</b>	<b>89.00</b>

<b>Total Hours For Services Provided on Rate Case</b>	<b>259.75</b>
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**Name of witness responsible for responding to this question:  
Tom Shirey and Brenda Everette**

**CASE #2008-00032**

Listed below is a summary by date of Tom Shirey's hours for services pertaining to the Burkesville Gas Company, Inc Rate Case # 2008-00032.

These hours will not be billed to Burkesville Gas Company, Inc.

<b>Date</b>	<b>Number of Hours</b>
1/22/2008	3.50
1/23/2008	2.50
2/18/2008	7.00
3/3/2008	4.50
3/4/2008	2.00
4/14/2008	4.00
4/16/2008	4.00
4/17/2008	4.25
4/19/2008	3.75
4/20/2008	4.50
4/21/2008	3.00
4/22/2008	5.00
4/23/2008	6.00
5/21/2008	3.75
5/23/2008	5.00
5/26/2008	2.50
5/27/2008	1.50
5/28/2008	1.75
6/2/2008	5.25
6/3/2008	4.00
6/4/2008	3.75
6/5/2008	5.00
6/23/2008	0.50
7/8/2008	3.00
7/9/2008	4.00
7/11/2008	1.50
<b>Total Hours</b>	<b>95.50</b>

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

**CASE #2008-00032**

15. *Refer to Burkesville's amended response to Commission Staff's First Information Request, Item 13(b).*

*b. In the original response, Burkesville states that it is not being billed for Mr. Shirey's rate case services. Explain if Burkesville has been charged for Mr. Shirey's services that are listed in the amended response.*

Burkesville Gas Company, Inc. has not been specifically charged for these services, but is a part of the contract services provided by Tom Shirey for Burkesville Gas Company, Inc. The agreed upon fee and equitable sum of \$1,800 00 per month is averaged over a one year period of time that was intended to allow for services provided in connection with this rate case.

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

**CASE #2008-00032**

16. *Refer to Burkesville's response to Commission Staff's First Information Request, Item 17(b). Provide a detailed calculation to support test-year revenues – less gas costs and gas transportation costs of \$170,384.*

The calculation provided to the Commission Staff's First Information Request, Item 17(b) was based on the 2007 Actual Income and Expenses provided to the Commission Staff with the March 4, 2008 letter and labeled Addendum. The calculation is as follows:

<b>Account Description</b>	<b>Amount</b>
2007 Actual Total Income	\$ 624,745.76
804 - Natural Gas Purchases	\$ (388,123.51)
858 - Transmission Fees	\$ (66,238.32)
12/31/07 Total Revenues Less Gas Cost & Transmission Fees	\$ 170,383.93

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

**CASE #2008-00032**

**AMENDMENTS TO PRO FORMA ADJUSTMENTS**

CASE #2008-00032

**Reconciliation of Amended Addendum 1 – 2007 Actual vs. Proposed**

Net Income - Proposed Increase/(Decrease) - Per Second Response	\$ 108,276.71
<u>Increase/(Decrease) in Expenses</u>	
Decrease in Account #40805 – Property Tax	124.12
Increase in Account #92401 - Liability Insurance	(531.36)
Increase in Account #887 - Mains and Serv Labor Expenses	(3,147.61)
Increase in Account #903 - Customer Records/Collection Expense	(840.00)
Increase in Account #40802 – FICA, Medicare	(341.31)
Total Increase/(Decrease) - Per Amended Attachment	\$ 103,540.55

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

**BURKESVILLE GAS COMPANY  
2007 ACTUAL  
VS  
PROPOSED**

	Actual Jan - Dec 07	Proposed	Proposed Increase (Decrease)
Ordinary Income/Expense			
Income			
GAS SALES			
480 · RESIDENTIAL SALES	207,122.63	267,612.98	60,490.35
481 · COMMERCIAL & IND SALES	415,293.40	509,811.57	94,518.17
Total GAS SALES	<u>622,416.03</u>	<u>777,424.55</u>	<u>155,008.52</u>
OTHER GAS REVENUES			
487 · FORFEITED DISCOUNTS	1,290.98	1,290.98	0.00
488 · MISC SERVICE REVENUE	1,038.75	1,038.75	0.00
Total OTHER GAS REVENUES	<u>2,329.73</u>	<u>2,329.73</u>	<u>0.00</u>
<b>Total Income</b>	<b>624,745.76</b>	<b>779,754.28</b>	<b>155,008.52</b>
Expense			
DEPRECIATION & TAXES			
403 · DEPRECIATION EXPENSE	59,222.16	59,222.16	0.00
406 · Utility Plant Acq Adj	(1,594.56)	(1,594.56)	0.00
408 · TAXES OTHER THAN INCOME			
40801 · State	1,105.18	1,105.18	0.00
40802 · FICA, MEDICARE	6,079.27	6,454.70	375.43
40803 · FUTA & SUTA	408.01	408.01	0.00
40804 · Local	35.00	35.00	0.00
40805 · Property	5,148.01	5,023.89	(124.12)
Total 408 · TAXES OTHER THAN INCOME	<u>12,775.47</u>	<u>13,026.78</u>	<u>251.31</u>
Total DEPRECIATION & TAXES	70,403.07	70,654.38	251.31
GAS OPERATION & MAINT EXP			
804 · NATURAL GAS PURCHASES	388,123.51	388,123.51	0.00
858 · TRANSMISSION FEE	66,238.32	96,814.20	30,575.88
860 · RENTS - RIGHTS-OF-WAY	3,000.00	3,000.00	0.00
874 · MAINS & SERV SUPPLIES & EXP	7,987.14	7,987.14	0.00
875 · MEAS & REG STATION EXP-GENERAL	5,597.20	5,597.20	0.00
878 · METER AND HOUSE REG EXPENSE	2,873.74	2,873.74	0.00
879 · CUSTOMER INSTALLATION EXPENSE	1,850.51	1,850.51	0.00
887 · MAINS & SERV LABOR & EXPENSES	30,022.02	33,169.63	3,147.61
892 · MAINTENANCE OF SERVICES	457.65	457.65	0.00
893 · MAINT OF METERS & HOUSE REGULTR	4,448.71	4,448.71	0.00
902 · METER READING EXPENSE	3,361.40	3,361.40	0.00
903 · Customer Records/Collection Exp	18,264.50	20,024.50	1,760.00
910 · MISC CUSTOMER ASSISTANCE	371.00	371.00	0.00
921 · OFFICE SUPPLIES & EXPENSES			

**BURKESVILLE GAS COMPANY  
2007 ACTUAL  
VS  
PROPOSED**

	Actual		Proposed
	Jan - Dec 07	Proposed	Increase (Decrease)
92101 · Bank Service Charges	40.00	40.00	0.00
92102 · Dues and Subscriptions	499.20	499.20	0.00
92103 · Office Supplies	879.40	879.40	0.00
92104 · Postage and Delivery	3,089.82	3,089.82	0.00
92105 · Computer Repairs/Maintenance	1,644.00	1,644.00	0.00
<b>Total 921 · OFFICE SUPPLIES &amp; EXPENSES</b>	<b>6,152.42</b>	<b>6,152.42</b>	<b>0.00</b>
<b>923 · OUTSIDE SERVICES EMPLOYED</b>			
92301 · Accounting	17,557.50	17,557.50	0.00
92302 · Legal Fees	3,402.10	3,658.39	256.29
92303 · Management Fees	0.00	21,600.00	21,600.00
92304 · DRUG TESTING	192.70	192.70	0.00
<b>Total 923 · OUTSIDE SERVICES EMPLOYED</b>	<b>21,152.30</b>	<b>43,008.59</b>	<b>21,856.29</b>
<b>924 · PROPERTY INSURANCE</b>			
92401 · Liability Insurance	28,819.00	25,310.89	(3,508.11)
<b>Total 924 · PROPERTY INSURANCE</b>	<b>28,819.00</b>	<b>25,310.89</b>	<b>(3,508.11)</b>
<b>926 · EMPLOYEE PENSIONS &amp; BENEFITS</b>			
92403 · Work Comp	819.00	819.00	0.00
92405 · MEDICAL INSURANCE- EMPLOYEES	15,644.95	15,644.95	0.00
926 · EMPLOYEE PENSIONS & BENEFITS - Other	1,000.00	0.00	(1,000.00)
<b>Total 926 · EMPLOYEE PENSIONS &amp; BENEFITS</b>	<b>17,463.95</b>	<b>16,463.95</b>	<b>(1,000.00)</b>
<b>930.1 · GENERAL ADVERTISING EXPENSES</b>	<b>699.24</b>	<b>1,000.00</b>	<b>300.76</b>
<b>930.2 · MISCELLANEOUS GENERAL EXPENSES</b>			
930.22 · Building Repairs	1,243.91	300.00	(943.91)
930.23 · Contributions	100.00	100.00	0.00
930.24 · Gas and Electric	3,416.22	3,416.22	0.00
930.26 · Licenses and Permits	114.49	114.49	0.00
930.28 · Printing and Reproduction	162.94	162.94	0.00
930.29 · Professional Fees	1,640.00	1,640.00	0.00
930.30 · Telephone	5,738.55	5,738.55	0.00
930.31 · Water	443.64	443.64	0.00
930.32 · Security	588.00	588.00	0.00
930.33 · Equipment Repair	2,532.57	2,532.57	0.00
930.34 · Training and Education	1,660.00	1,660.00	0.00
930.35 · Miscellaneous Labor	2,736.50	2,736.50	0.00
930.36 · Customer Relations	121.90	121.90	0.00
930.37 · Rents	69.20	69.20	0.00
930.38 · Training Related Travel	590.58	590.58	0.00
930.39 · Training Related Meals	127.72	127.72	0.00
930.40 · Service Fees	49.50	49.50	0.00
<b>Total 930.2 · MISCELLANEOUS GENERAL EXPENSES</b>	<b>21,335.72</b>	<b>20,391.81</b>	<b>(943.91)</b>

**BURKESVILLE GAS COMPANY  
2007 ACTUAL  
VS  
PROPOSED**

	Actual Jan - Dec 07	Proposed	Proposed Increase (Decrease)
<b>933 - TRANSPORTATION EXPENSES</b>			
933.10 - Rent and Leases-Transportation	10,168.80	10,168.80	0.00
933.20 - Repairs and Maintenance	1,310.63	1,310.63	0.00
933.30 - Vehicle Insurance	3,596.87	3,544.76	(52.11)
933.40 - Fuel	5,178.18	5,178.18	0.00
<b>Total 933 - TRANSPORTATION EXPENSES</b>	<b>20,254.48</b>	<b>20,202.37</b>	<b>(52.11)</b>
<b>Total GAS OPERATION &amp; MAINT EXP</b>	<b>648,472.81</b>	<b>700,609.22</b>	<b>52,136.41</b>
<b>76701 - Payroll Expenses</b>	<b>28.78</b>	<b>0.00</b>	<b>(28.78)</b>
<b>Total Expense</b>	<b>718,904.66</b>	<b>771,263.60</b>	<b>52,358.94</b>
<b>Net Ordinary Income</b>	<b>(94,158.90)</b>	<b>8,490.68</b>	<b>102,649.58</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>OTHER INCOME-JOBING &amp; ADJS</b>			
415 - REV FROM MERCH, JOBBING & CT WK	13,109.05	13,109.05	0.00
41501 - Prior Year Adjustments	319.69	319.69	0.00
<b>Total OTHER INCOME-JOBING &amp; ADJS</b>	<b>13,428.74</b>	<b>13,428.74</b>	<b>0.00</b>
<b>419 - Interest and Dividend Income</b>			
41901 - Interest Income	4.03	4.03	0.00
41902 - Discounts Earned	178.53	178.53	0.00
<b>Total 419 - Interest and Dividend Income</b>	<b>182.56</b>	<b>182.56</b>	<b>0.00</b>
<b>Total Other Income</b>	<b>13,611.30</b>	<b>13,611.30</b>	<b>0.00</b>
<b>Other Expense</b>			
<b>OTHER DEDUCTIONS JOBBING &amp; ADJS</b>			
<b>416 - COSTS &amp; EXP MERCH, JOBB &amp; CT WK</b>			
41601 - LABOR	5,728.63	5,728.63	0.00
41602 - PARTS	1,694.31	1,694.31	0.00
41607 - Fraction of Cents Adjustment	0.08	0.08	0.00
<b>Total 416 - COSTS &amp; EXP MERCH, JOBB &amp; CT WK</b>	<b>7,423.02</b>	<b>7,423.02</b>	<b>0.00</b>
<b>426 - NONUTILITY DEDUCTIONS</b>			
42601 - Meals	143.04	143.04	0.00
42602 - Travel	1,169.18	1,169.18	0.00
<b>Total 426 - NONUTILITY DEDUCTIONS</b>	<b>1,312.22</b>	<b>1,312.22</b>	<b>0.00</b>
<b>427 - INTEREST EXPENSE</b>			
42701 - Finance Charge	439.27	439.27	0.00
42702 - Loan Interest	12,106.23	11,215.26	(890.97)

**BURKESVILLE GAS COMPANY  
2007 ACTUAL  
VS  
PROPOSED**

	Actual Jan - Dec 07	Proposed	Proposed Increase (Decrease)
Total 427 · INTEREST EXPENSE	12,545.50	11,654.53	(890.97)
429.1 · AMORTIZATION-REACQUIRED DEBT	(9,022.00)	(9,022.00)	0.00
431 · OTHER INTEREST EXPENSE	2,677.37	2,677.37	0.00
Total OTHER DEDUCTIONS JOBBING & ADJS	14,936.11	14,045.14	(890.97)
Total Other Expense	14,936.11	14,045.14	(890.97)
Net Other Income	(1,324.81)	(433.84)	890.97
Net Income	(95,483.71)	8,056.84	103,540.55

CASE #2008-00032

Amendment to Payroll and Payroll Taxes

Burkesville Gas Company, Inc. expects to increase its employees' hourly wages effective August 1, 2008. The tables below reflect the expected 2008 wages based on 40 hours per week for 52 weeks (2080 hours).

The amount of increases per employee is as follows:

Expected Pay Increases Effective August 1, 2008

Employee	Current Hourly Rate of Pay	Expected Hourly Rate of Pay	Increase per Hourly Rate of Pay
Kenny Hurt	17.42	17.92	0.50
David Kempton	11.00	12.00	1.00
Juana McCarty	10.00	10.50	0.50

The expected 2008 payroll per employee is as follows:

2008 Expected Payroll

Employee	2008 Expected Payroll
Kenny Hurt	36,653.60
David Kempton	23,720.00
Juana McCarty	21,640.00
Total 2008 Expected Payroll	82,013.60

The adjustments to the 2008 payroll and payroll taxes are as follows:

Pro Forma Adjustment to Payroll

Employee	2007 Regular Payroll (Less Overtime)	2008 Expected Payroll	Adjustment to Payroll
Kenny Hurt	34,983.24	36,653.60	1,670.36
David Kempton	22,242.75	23,720.00	1,477.25
Juana McCarty	19,880.00	21,640.00	1,760.00
Total	77,105.99	82,013.60	4,907.61

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

**CASE #2008-00032**

**Pro Forma Adjustment to Payroll Taxes**

<b>Employee</b>	<b>2007 Payroll Taxes</b>	<b>2008 Payroll Taxes</b>	<b>Adjustment to Payroll Taxes</b>
Kenny Hurt	2,676.22	2,804.00	127.78
David Kempton	1,701.57	1,814.58	113.01
Juana McCarty	1,520.82	1,655.46	134.64
<b>Total</b>	<b>5,898.61</b>	<b>6,274.04</b>	<b>375.43</b>

**The above adjustments are based on the 2007 actual payroll less any overtime paid.**

**The payroll adjustments appear in the following expense accounts:**

<b>Employee</b>	<b>Expense Account</b>
Kenny Hurt	887
David Kempton	887
Juana McCarty	903

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

CASE #2008-00032

Amendment to Payroll and Payroll Taxes

Listed below are the calculations for the pro forma adjustments to payroll.

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

January 1, 2008 - July 31, 2008  
Calculated Using Current Pay Rates

Employee	Hourly Rate of Pay	Regular Hours	2008 Expected Wages	Employer Portion Payroll Taxes
Kenny Hurt	17.42	1240	21,600.80	1,652.46
David Kempton	11.00	1240	13,640.00	1,043.46
Juana McCarty	10.00	1240	12,400.00	948.60
Total January 1, 2008 - July 31, 2008		3720	47,640.80	3,644.52

August 1, 2008 - December 31, 2008

Calculated Using Expected Pay Rates After Scheduled Pay Increase

Employee	Hourly Rate of Pay	Regular Hours	2008 Expected Wages	Employer Portion Payroll Taxes
Kenny Hurt	17.92	840	15,052.80	1,151.54
David Kempton	12.00	840	10,080.00	771.12
Juana McCarty	10.50	880	9,240.00	706.86
Total August 1, 2008 - December 31, 2008		2560	34,372.80	2,629.52

Total 2008 Payroll

			82,013.60	6,274.04
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Name of witness responsible for responding to this question:  
 Tom Shirey and Brenda Everette

CASE #2008-00032

Expected Pay Increases Effective August 1, 2008

Employee	Current Hourly Rate of Pay	Expected Hourly Rate of Pay	Increase per Hourly Rate of Pay
Kenny Hurt	17.42	17.92	0.50
David Kempton	11.00	12	1.00
Juana McCarty	10.00	10.5	0.50

2008 Expected Payroll

Employee	2008 Expected Payroll
Kenny Hurt	36,653.60
David Kempton	23,720.00
Juana McCarty	21,640.00
Total 2008 Expected Payroll	82,013.60

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

**CASE #2008-00032**

**Amendment to Account # 40805 - Property Tax**

Listed below is a revised calculation of the property tax expense. These amounts are based on actual charges. Backup documents are included with the response to Commission Staff's Third Information Request, Item 11(a).

<b>Taxing Entity</b>	<b>Amount</b>
City of Burkesville	1,021.50
Cumberland County	2,621.81
State of Kentucky	910.08
Motor Vehicle - Chevrolet S-10	87.74
Motor Vehicle - Chevrolet Service Truck	344.88
Motor Vehicle - Homemade Trailer	26.12
Motor Vehicle - Bels Trailer	11.76
<b>Total</b>	<b>5,023.89</b>

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

**CASE #2008-00032**

**Amendment to Account # 92401 – Liability Insurance**

The revised insurance calculation is based on the premium rate from the premium policy period beginning 4/24/08.

Insurance Provider	Description	Premium per \$1,000 of Sales (Premium Amount/Premium Basis)	Premium Basis	Premium Amount
Century Surety Company	Commercial General Liability	\$ 29.74	\$ 622,416.00	\$ 18,513.60
Additional Liability Insurance due to Increased Sales	Commercial General Liability	29.74	155,008.55	4,609.95
Auto Owners Insurance Company	Commercial Property Coverage (Buildings and Equipment)			2,187.34
Total Liability Insurance			\$ 777,424.55	\$ 25,310.89

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

**CASE #2008-00032**

**AMENDMENTS TO PREVIOUS RESPONSES**

**CASE #2008-00032**

**Amendment to Item 5 of the Commission Staff's First Information Request**

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.*

After a more thorough review of Burkesville Gas Company, Inc financial records this response has been amended as follows.

Month	Return Check Charge	Reconnect Fees	Entry to Align Accounts Receivable to Actual	Total
January		35.00		35.00
February	25.00	70.00	25.00	120.00
March		35.00		35.00
April	50.00	35.00		85.00
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	75.00	280.00	683.75	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**

**Amendment to Item 9(e) of the Commission Staff's Second Information Request**

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

After a more thorough review of Burkesville Gas Company, Inc financial records this response has been amended as follows:

The fact the Company has been charging \$35 00 instead of \$24 00 is an inadvertent mistake by Burkesville Gas Company, Inc

There have been four reconnect charges assessed in this fiscal year 2008 that was inadvertently charged at the \$35 00 rate prior to management advising the local office of the requirement to charge \$24 00 instead of \$35 00. Currently management is awaiting Commission determination of Case No. 2000-00123 (relating to the reconnect fee) received by the Commission on January 22, 2008

Looking at the records that are available, a total of 44 separate reconnect fees were charged since January 1, 2004. The table below shows the breakdown by year

<b>Year</b>	<b>Number of Reconnect Fees</b>	<b>Total Amount at \$11.00 Overcharge</b>
2004	6	66.00
2005	20	220.00
2006	6	66.00
2007	8	88.00
2008	4	44.00
<b>Total Amount Since 1/01/04</b>	<b>44</b>	<b>484.00</b>

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

**CASE #2008-00032**

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

13.

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

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

**Test Period 2007 Total Costs**

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

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

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

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

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

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

**CASE #2008-00032**

**May Costs**

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

**June Costs**

June	Brenda Everette	43.50	15.00	652.50
June	Tom Shirey	18.50	100.00	1,850.00
June	Stephanie Wilson	7.00	10.00	70.00
June	Kenneth A. Meredith II, Attorney	5.20	125.00	650.00
June	Kenneth A Meredith II, Attorney - Itemized Costs			16.65
June	Copying Cost	1062	0.05	53.10
June	Staples - Tabs			35.88
June	Staples -Binders			14.31
June	Shipping Boxes			5.49
June	UPS Charges			80.87
Total June Costs				3,428.80

**July Costs**

July	Brenda Everette	45.50	15.00	682.50
July	Tom Shirey	8.50	100.00	850.00
July	Stephanie	4.00	10.00	40.00
July	Copying Cost	657	0.05	32.85
July	Tabs (Estimated-invoice not received)			35.88
July	Binders (Estimated-invoice not received)			14.31
July	Shipping Box (Estimated-invoice not received)			5.49
July	Estimated UPS Charges			60.00
Total July Costs				1,721.03

Total 2008 Costs				14,341.00
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Total Anticipated Cost of Case Upon Completion				16,250.09
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**Name of witness responsible for responding to this question:  
Tom Shirey and Brenda Everette**