

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF LINDSEY)	
ENTERPRISES, LLC FOR INITIAL RULES,)	CASE NO.
REGULATIONS, AND RATES FOR FURNISHING)	2023-00224
GAS SERVICE PURSUANT TO KRS 278.485)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO LINDSEY ENTERPRISES, LLC

Lindsey Enterprises, LLC (Lindsey Enterprises), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on April 19, 2024. The Commission directs Lindsey Enterprises to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Lindsey Enterprises shall make timely amendment to any prior response if Lindsey Enterprises obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Lindsey Enterprises fails or refuses to furnish all or part of the requested information, Lindsey Enterprises shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Lindsey Enterprises shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Lindsey Enterprises' response to Commission Staff's First Request for Information (Staff's First Request), Item 2. Also refer to Lindsey Enterprises' response to Commission Staff's Second Request for Information (Staff's Second Request), Item 4.

a. Explain whether Lindsey Enterprises will charge the \$100 reconnection charge if a customer requests disconnection and re-establishes service within 12 months given the fact that, in response to Staff's First Request, Item 2, Lindsey

Enterprises indicated that the fee was included in the tariff in error. If so, fill out the following form attached as Appendix A, providing all relevant calculations.

b. Provide justification in the form of documentation from Lindsey Enterprises' bank showing the charges made for returned checks.

c. For the \$15 delinquent collection fee, fill out the following form attached as Appendix A, providing all relevant calculations.

d. Confirm that the labor associated with the non-recurring services was not included in the calculation of Lindsey Enterprises' monthly rates (customer and usage charge).

2. Refer to Lindsey Enterprises' response to Staff's Second Request, Item 9. Provide the text of the additional language Lindsey Enterprises proposes to include in its tariff.

3. When a customer requests to connect to Lindsey Enterprises' system, explain what will be installed and maintained by Lindsey Enterprises in relation to the connection and what will be installed and maintained by the customer in relation to the connection.

4. For each non-recurring charge included in the proposed tariff, state whether Lindsey Enterprises is able to provide an estimate of the number of times it expects to assess the charge. If so, provide the expected number of charges for each along with an estimate of total revenue to be derived from non-recurring charges.

5. Provide in full the information requested on the forms attached as Appendix B to this Order.

a. For each amount given provide any supporting calculations to justify the amount. If a number is not available, please explain the reason why.

b. Provide calculations for any other expenses incurred during the calendar year that are not included in Vehicle/Gas Maintenance Expense, Billing Expense, Administration Expense, Postage and Office Expense, Well and Road Repairs Expense, Income Tax Provision Expense, Depreciation Expense, or previously submitted information like wages and benefit expenses.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED MAR 27 2024

cc: Parties of Record

APPENDIX A

APPENDIX A TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00224 DATED MAR 27 2024

ONE PAGE TO FOLLOW

APPENDIX B

APPENDIX B TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00224 DATED MAR 27 2024

FOUR PAGES TO FOLLOW

REVENUE REQUIREMENT CALCULATION - OPERATING RATIO METHOD

(Method commonly used by investor owned utilities and/or non-profit entities that do not have long-term debt outstanding.)

Pro forma Operating Expenses Before Income Taxes	<input type="text"/>
Operating Ratio	<input type="text"/>
Sub-Total	<input type="text"/>
Less: Pro forma Operating Expenses Before Income Taxes	<input type="text"/>
Net Income Allowable	<input type="text"/>
Add: Provision for State and Federal Income Taxes, if Applicable (see footnote)	<input type="text"/>
Interest Expense	<input type="text"/>
Pro forma Operating Expenses Before Taxes	<input type="text"/>
Cost of Natural Gas (water utilities should leave this blank)	<input type="text"/>
Total Revenue Requirement	<input type="text"/>
Less: Other Operating Revenue	<input type="text"/>
Non-operating Revenue	<input type="text"/>
Interest Income	<input type="text"/>
Total Revenue Required from Rates for Service	<input type="text"/>
Less: Revenue from Sales at Present Rates	<input type="text"/>
Required Revenue Increase	<input type="text"/>

Required Revenue Increase stated as a Percentage of Revenue at Present Rates

Provision for Income Taxes - Calculation of Tax Gross-Up Factor

Revenue	<input type="text"/>
Less: 5% State Tax	<input type="text"/>
Sub-Total	<input type="text"/>
Less: Federal Tax, 15% of Sub-Total	<input type="text"/>
Percent Change in NOI	<input type="text"/>
Factor (Revenue of 1 divided by change in NOI)	<input type="text"/>
Times: Allowable Net Income	<input type="text"/>
Net Income Before Taxes	<input type="text"/>
Difference Equals Provision for State and Federal Income Taxes	<input type="text"/>

Notes: (1) Natural gas utilities should deduct their cost of natural gas from pro forma operating expenses before performing the operating ratio calculation. The cost of natural gas should be added back and included in pro forma operating expenses when determining the total revenue requirement. (2) A provision for state and federal income taxes should only be included in the calculation of revenue requirements for utilities that file income tax returns and are liable for the payment of state and federal income taxes. Utilities whose income flows through to its owner's income tax returns for tax purposes should not include a provision for income taxes. (3) The conversion factor above is calculated using the minimum federal tax rate. Adjustment may be warranted where the actual federal tax rate exceeds the minimum federal tax rate.

SCHEDULE OF ADJUSTED OPERATIONS - GAS UTILITY

TYE 12/31/20

	Test Year	Adjustment	Ref.	Pro Forma
Operating Revenues				
Sales of Gas				
Residential				
Commercial & Industrial				
Interdepartmental				
Sales for Resale				
Total Sales of Gas				
Other Operating Revenues				
Forfeited Discounts				
Miscellaneous Service Revenues				
Rent from Gas Property				
Other Gas Revenues				
Total Operating Revenues				
Operating Expenses				
Operation and Maintenance Expenses				
Manufactured Gas Production Expenses				
Natural Gas Production Expenses				
Exploration and Development Expenses				
Storage Expenses				
Other Gas Supply Expenses				
Transmission Expenses				
Distribution Expenses				
Customer Accounts Expenses				
Customer Service and Informational Expenses				
Administrative and General Expenses				
Total Operation and Maintenance Expenses				
Depreciation Expense				
Amortization Expense				
Taxes Other Than Income				
Income Tax Expense				
Total Operating Expenses				
Utility Operating Income				

References

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Provide a completed version of the table below for the 12-month period ended: _____

Revenue Requirement Calculation	
Gross Wages	
Employee Benefits/Expenses:	
Health Insurance	
Workers Compensation	
Payroll Taxes	
<hr/>	
Natural Gas Costs ¹	
Vehicle Gas/Maintenance	
Billing	
Administration	
Postage and Office Expenses	
Well and Road Repairs	
Income Tax Provision	
Depreciation	
Revenue Requirement (Sum of All Above)	

¹ Natural Gas Cost should be based on the average of NYMEX futures prices for 12 months along with a two-year average Appalachian Differential.

	Customer Count	Total Annual Usage	Annual Revenue
'Free Gas' Farm Tap Customers			
Typical Farm Tap Customers			
Number of Total Customers			

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