

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF LINDSEY & ELLIOTT GAS CO. FOR INITIAL RULES, REGULATIONS, AND RATES FOR FURNISHING GAS SERVICE PURSUANT TO KRS 278.485	)	CASE NO.
	)	2023-00225
	)	
	)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
TO LINDSEY & ELLIOTT GAS CO.

Lindsey & Elliott Gas Co. (Lindsey & Elliott Gas), 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 & Elliott Gas to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> 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 response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

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<sup>1</sup> 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).

Lindsey & Elliott Gas shall make timely amendment to any prior response if Lindsey & Elliott Gas 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 & Elliott Gas fails or refuses to furnish all or part of the requested information, Lindsey & Elliott Gas 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 & Elliott Gas 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 & Elliott Gas' response to Commission Staff's First Request for Information (Staff's First Request), Item 2. Also refer to Lindsey & Elliott Gas' response to Commission Staff's Second Request for Information (Staff's Second Request), Item 4.

a. For both the reconnection charge if a customer requests disconnection and re-establishes service within 12 months and the delinquent collection charge, fill out the following form attached as Appendix A, providing all relevant calculations.

b. Explain why Lindsey & Elliott Gas has proposed a reconnection charge of \$100 for service that is disconnected for non-payment of bills when 807 KAR 5:026, Section 7(1) limits such amount to \$25.

c. Provide justification in the form of documentation from Lindsey & Elliott Gas' bank showing the charges for returned checks.

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

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

3. When a customer requests to connect to Lindsey & Elliott Gas' system, explain what will be installed and maintained by Lindsey & Elliott Gas 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 & Elliott Gas is able to provide an estimate of the number of times its 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 TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00225 DATED MAR 27 2024

ONE PAGE TO FOLLOW

**NONRECURRING CHARGE COST JUSTIFICATION**

Type of Charge: \_\_\_\_\_

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

_____	_____
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**Total Field Expense** \$ \_\_\_\_\_

2. Clerical and Office Expense

A. Supplies

\$ \_\_\_\_\_

B. Labor

\_\_\_\_\_

**Total Clerical and Office Expense** \$ \_\_\_\_\_

3. Miscellaneous Expense

A. Transportation

\$ \_\_\_\_\_

B. Other (Itemize)

_____	_____
_____	_____
_____	_____

**Total Miscellaneous Expense** \$ \_\_\_\_\_

**Total Nonrecurring Charge Expense** \$ \_\_\_\_\_

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00225 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	
Operating Ratio	
Sub-Total	
Less: Pro forma Operating Expenses Before Income Taxes	
Net Income Allowable	
Add: Provision for State and Federal Income Taxes, if Applicable (see footnote)	
Interest Expense	
Pro forma Operating Expenses Before Taxes	
Cost of Natural Gas (water utilities should leave this blank)	
Total Revenue Requirement	
Less: Other Operating Revenue	
Non-operating Revenue	
Interest Income	
Total Revenue Required from Rates for Service	
Less: Revenue from Sales at Present Rates	
Required Revenue Increase	

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

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

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

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
<b>Operating Revenues</b>				
Sales of Gas				
Residential				
Commercial & Industrial				
Interdepartmental				
Sales for Resale				
<b>Total Sales of Gas</b>				
Other Operating Revenues				
Forfeited Discounts				
Miscellaneous Service Revenues				
Rent from Gas Property				
Other Gas Revenues				
<b>Total Operating Revenues</b>				
<b>Operating Expenses</b>				
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				
<b>Total Operation and Maintenance Expenses</b>				
Depreciation Expense				
Amortization Expense				
Taxes Other Than Income				
Income Tax Expense				
<b>Total Operating Expenses</b>				
<b>Utility Operating Income</b>				

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 <sup>1</sup>	
Vehicle Gas/Maintenance	
Billing	
Administration	
Postage and Office Expenses	
Well and Road Repairs	
Income Tax Provision	
Depreciation	
Revenue Requirement (Sum of All Above)	

<sup>1</sup> 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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Pikeville, KY 41501

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