

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF THE MIKE)
LITTLE GAS COMPANY, INC.) CASE NO. 9535

O R D E R

IT IS ORDERED that Mike Little Gas Company, Inc., ("MLG") shall file an original and eight copies of the following information with this Commission, with a copy to all parties of record. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. The information requested herein is due no later than December 30, 1986. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. With reference to the Appraisal Report, page 2, it is reflected therein that 1,500 square feet is leased for storage space while page 7 states that \$60,000 to \$100,000 of inventory is presently stored therein. Provide a current breakdown of inventory currently held in this storage space.

2. With reference to page 2 of the submission of information upon rehearing, provide the following information,

a. Explain why the location of a tenant's customer base is a legitimate factor for setting its rental charge.

3. With reference to the submission of information, Item No. 5, provide detailed descriptions of how the square footage is used as was originally requested.

4. With reference to the submission of information, Item No. 6, provide the following information:

a. Clarify the rent charged to each of the cable companies (\$200 each or \$200 combined)?

b. Explain how the rental charge was determined for the cable companies.

c. State the number of customers each cable company has.

d. Identify the service area for each of the cable companies.

5. Following is a comprehensive list of small gas utilities located in the Eastern Kentucky area for which rent expense information is available:

<u>Company Name</u>	<u>1985 Annual Rent Expense</u>
Mike Little Gas Co.	\$ 9,000
Elzie Neeley Gas Co.	2,400
Phelps Gas Co.	3,600
Auxier Road Gas	1,800
Johnson Co. Gas	3,400
B & H Gas	-0-
Lyda Gas	1,800
Belfry Gas	-0-
Davis Branch Gas	-0-
East Kentucky Utilities	13,116
Elam Utility	-0-
Magoffin Gas	-0-
Salyersville Gas	6,960

<u>Company Name</u>	<u>1985 Annual Rent Expense</u>
Martin Gas	-0-
Mountain Utilities	3,367
Public Gas	5,050
Right Beaver Gas	-0-
	<u>\$50,193</u>
	<u>17</u>
 AVERAGE	 <u>\$ 2,952</u>

This information reflects that MLG's rent expense is 205 percent greater than the average for other small gas companies in the area. Explain why it is significantly more expensive for MLG to acquire rental space than it is for other small gas companies in the same area.

6. With reference to the theft loss, provide the following information:

a. Provide a copy of the police report and any other investigative reports available associated with this theft.

b. State the amortization period over which MLG proposes to spread this loss.

c. Provide documentary evidence including copies of daily cash receipts, journals and bank statements for the month in which the theft occurred, the month prior thereto and the month after supporting the amount of the theft.

d. How frequently does MLG make deposits?

e. How many days had it been prior to the theft that MLG made a deposit?

f. What steps were taken to recover the stolen money?

g. Of the amount stolen, how much was in cash? Check?

Other?

Done at Frankfort, Kentucky, this 18th day of December, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Hemmery
For the Commission

ATTEST:

Executive Director