

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE BY PUBLIC GAS COMPANY, INC.,)
OF GENERAL RATE ADJUSTMENT) CASE NO. 9565
EFFECTIVE MAY 12, 1986)

O R D E R

IT IS ORDERED that Public Gas Company, Inc., ("Public") shall file an original and eight copies of the following information with this Commission, with a copy to all parties of record, by September 2, 1986, or within 2 weeks after the date of this Order, whichever is later. Include with each response the name of the witness who will be available at the public hearing to respond to questions concerning each item of information requested. Careful attention should be given to copied material to insure that it is legible. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed without prejudice.

1. In the application, Public seeks a 15 percent rate of return on their net investment and an 18.6 percent rate of return on their capitalized rate base. Provide an explanation to justify why these rates of return should be approved for Public.

2. Provide a copy of the \$750 per month rental agreement for Public's premises and storage. Provide the monthly rate in effect for the test year as well as the reason for the increased cost (i.e., more work space, new storage area, etc.).

3. Provide the monthly rent charge for Public's truck which was in effect during the test year. Explain why the monthly charge was increased to \$240. The response to the first information Order is not clear as to whether one truck or two are involved.

4. As of the date of this Order, indicate the status of the \$10,000 note payable to Citizens National Bank. Indicate how much has been repaid, or, if refinancing is anticipated, the details of any refinancing.

5. In the response to the first information Order, Question 8, Public has indicated some of their labor charges resulted from an agreement with an organization referred to as PATS. Provide the following information concerning Public's use of PATS' service:

a. Provide a copy of the contract or details of the oral agreement between Public and PATS.

b. Identify what the total charges for PATS' services were for the test year.

c. Besides salaries and labor, identify what accounts these charges were allocated to and the amount allocated.

d. Identify how many months of the test year were covered by these services.

6. For each of the listed employees, list the date employment began or ended during the test year. Also list the year-end rate of pay for each employee:

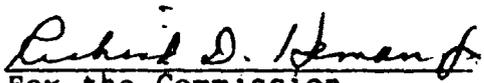
- a. Gary Denton
- b. Richard Combs
- c. Joe Gillum
- d. Elizabeth Gilbert
- e. Mary Lou Campbell

7. Provide an explanation as to why the cost and depreciable basis of the utility plant are different on Public's Depreciation Schedule.

8. For each of the five notes payable, identify what the proceeds of each note were used for. In other words, how much of the total \$140,000 was used to meet Public's operating capital requirements.

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

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director