

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BURKESVILLE GAS)
COMPANY FOR AN ADJUSTMENT OF RATES) CASE NO.
PURSUANT TO THE ALTERNATIVE RATE) 2008-00032
FILING PROCEDURE FOR SMALL UTILITIES)

COMMISSION STAFF'S THIRD INFORMATION REQUEST
TO THE BURKESVILLE GAS COMPANY

Burkesville Gas Company ("Burkesville"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 6 copies of the following information, unless otherwise stated, with a copy to all parties of record. The information requested herein is due on or before July 14, 2008. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response 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 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.

Burkesville shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any requests to which Burkesville fails or refuses to furnish all or part of the requested information, Burkesville shall provide a

written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied 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.

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 and why it is reasonable.

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.

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 purchased in Dths. Provide the conversion factor needed to convert the Dths to Mcfs.

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

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.

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.

c. State whether the following accounts, currently being billed as residential customers according to the 2007 Meter Readings Calculations Reports, should be billed as residential or commercial: 21610, 10490, 21540, 21770, 20710, 22330, 20830, 19660, 20280, 21470, 10487, 19800, 20760, and 21040.

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.

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.

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

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.

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.

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.

9. Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 1 and to Burkesville's March 4, 2008 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.

Table 1		
	<u>Title</u>	<u>Amount</u>
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

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.

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.

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.

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

Table 2			
	<u>Acct. #</u>	<u>Title</u>	<u>Amount</u>
(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)

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.

13. Refer to Burkesville'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 per hour as originally requested.

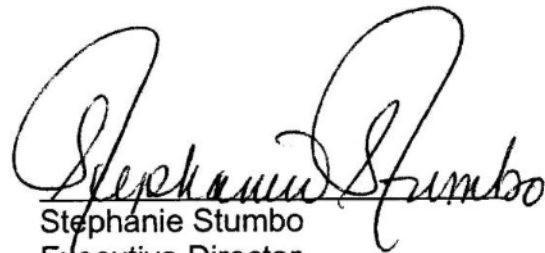
14. Refer to Burkesville's response to the Commission Staff's Second Information Request, Item 17. Describe the employment relationship Brenda Everette has to Burkesville and explain if Ms. Everette is self employed.

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.

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.

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.

A handwritten signature in black ink, appearing to read 'Stephanie Stumbo', written in a cursive style.

Stephanie Stumbo
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED: July 1, 2008

cc: Parties of Record