

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF</b>	)	
<b>COMMERCIAL PROPANE SERVICE, LLC</b>	)	
<b>D/B/A BRIGHT'S PROPANE SERVICE, INC.</b>	)	<b>CASE NO. 2017-00343</b>
<b>FOR AN ALTERNATIVE RATE</b>	)	
<b>ADJUSTMENT</b>	)	

**RESPONSE OF COMMERCIAL PROPANE SERVICE**  
**TO**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED JANUARY 19, 2018**

**FILED: February 2, 2018**

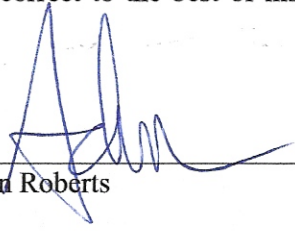
**VERIFICATION**

**COMMONWEALTH OF KENTUCKY )**

**COUNTY OF MARION )**

) SS: 401-43-0627  
)

The undersigned, Adrian Roberts, being duly sworn, deposes and states that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

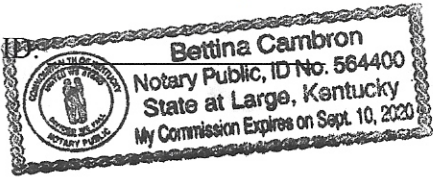
  
\_\_\_\_\_  
Adrian Roberts

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 1st day of February 2018.

  
\_\_\_\_\_  
Notary Public (SEAL)

My Commission Expires: 9-10-20

Notary



**VERIFICATION**

COMMONWEALTH OF KENTUCKY )

) SS: 415-06-5530

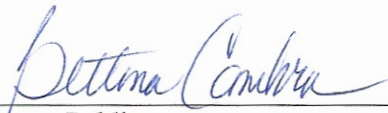
COUNTY OF MARION )

The undersigned, Michael W. Roberts, being duly sworn, deposes and states that he is a member of Commercial Propane Service LLC and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Michael W. Roberts

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 16<sup>th</sup> day of February 2018.



(SEAL)

Notary Public

My Commission Expires: 9-10-20

Notary ID: \_\_\_\_\_



**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 1

Witnesses: Michael W. Roberts and Adrian Roberts

**Q-1.** Refer to the Application, Tab 3, ARF Form 1.

a. Confirm that the source of the \$550 in Miscellaneous Service Revenues is the two tap-ons, which are discussed in Tab 25.

b. State whether Bright's Propane charged the existing \$15 Disconnection/Reconnection or \$7.50 Late Payment charges in the 2016 test year. If so, provide the number of times each charge was billed. If not, state whether it has ever charged these charges, and the average number of each charge in a typical year.

**A-1.** a. The two tap-ons discussed in Tab 25 are the source of the \$550 in Miscellaneous Service Revenues.

b. Commercial Propane Service did not assess any late payment fees during the test period. It assessed a Disconnection/Reconnection Charge approximately once during the test period for which it obtained total revenue of \$15.

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 2

Witnesses: Michael W. Roberts and Adrian Roberts

- Q-2.** Refer to the Application, Tab 3, pages 1 and 2.
- a. Provide support for round-trip mileage of 110 miles.
  - b. Explain whether the same employees perform odorant testing and meter reading.
  - c. Provide supporting documentation for labor hours used to calculate distribution and customer account expenses.
  - d. Explain whether Bright's Propane has considered having customers read their own meters, as provided in Bright's Propane's current tariff.

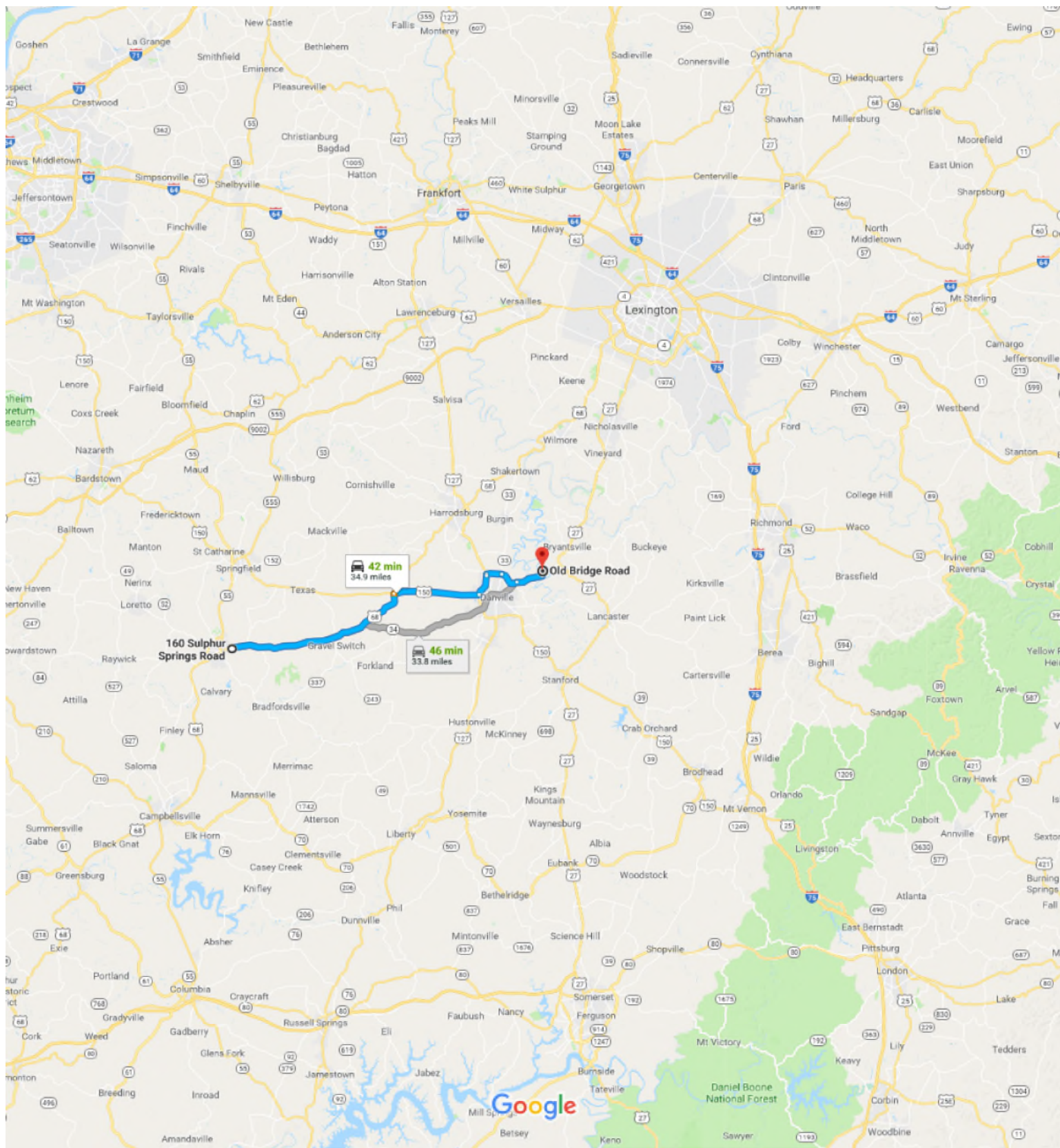
- A-2.** a. Commercial Propane Service incorrectly reported the round-trip mileage from its offices to the Old Bridge Subdivision in Boyle County, Kentucky as 110 miles. It is only 70 miles. Proof of this distance is attached as Exhibit 2.

Applying the corrected round-trip mileage and the Internal Revenue Service's 2018 mileage allowance of \$0.545 per mile for vehicles results in a reduction of \$2,067.51 in Adjusted Distribution Expense and a reduction of \$248.40 in Adjusted Customer Account Expense.

- b. The same employees perform odorant testing and meter reading.
- c. Commercial Propane Service has no documentary evidence to support the labor hours used to calculate distribution and customer account expenses.
- d. Upon acquiring the propane gas distribution system, Commercial Propane Service attempted to have customers read their meters. This method proved impractical. The rate of customer compliance was low. Many customers failed to timely read and report requiring Commercial Propane Service personnel to read their meters. In addition, because Commercial Propane Service lacked the computer software to complete and address billing cards, it was labor intensive to prepare and mail the billing cards.



160 Sulphur Springs Rd, Lebanon, KY 40033 to Old Bridge Rd, Danville, KY 40422



Map data ©2018 Google 5 mi

160 Sulphur Springs Rd  
Lebanon, KY 40033



- ↑ 1. Head northwest on Sulphur Springs Rd toward Jane Todd Crawford Trail/E Main St 22 s (0.1 mi)

### Follow US-68 E and US-150 E to State Hwy 2168 in Boyle County

- 33 min (28.2 mi)
- ↗ 2. Turn right onto US-68 E/Jane Todd Crawford Trail/E Main St  
 ⓘ Continue to follow US-68 E
- 17.8 mi
- ↗ 3. Turn right onto US-150 E/E 2nd St  
 ⓘ Continue to follow US-150 E
- 8.2 mi
- ↶ 4. Turn left onto US-127 BYP N/N Danville Bypass
- 2.1 mi
- ↑ 5. Continue onto US-127 N
- 0.1 mi

### Follow State Hwy 2168 and KY-34 E/Lexington Rd to Old Bridge Rd

- 9 min (6.6 mi)
- ↗ 6. Turn right onto State Hwy 2168
- 1.4 mi
- 📍 7. At the traffic circle, take the 2nd exit and stay on State Hwy 2168
- 1.9 mi
- ↑ 8. Continue onto KY-34 E/Lexington Rd
- 2.5 mi
- ↶ 9. Turn left onto Old Bridge Rd
- 0.6 mi

## Old Bridge Rd

Danville, KY 40422

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 3

Witnesses: Michael W. Roberts and Adrian Roberts

- Q-3.** Refer to the Application, Tab 3, page 3. Explain why office rent should be equally allocated to Bright's Propane and Commercial Propane Service, LLC's unregulated operations.
- A-3.** Commercial Propane Service owns its office. The office has an area of 1,000 square feet. In its Application, it used the rental cost of a comparable size office as a proxy for the benefit provided to its regulated customers from the use of its office space. Commercial Propane assumed that, if its regulated operations existed as a stand-alone entity, it would require office space approximately half the size of Commercial Propane Services' currently sized office and the monthly rental fee for such sized office would be one-half.

Commercial Propane Service has obtained an estimate from a local realtor as to the cost of renting an office with approximately 500 square feet. A copy of this estimate is attached as Exhibit 3.



ACKIE GEORGE REALTY  
709 EAST MAIN STREET SUITE #5  
LEBANON, KY 40033  
270-692-2389\

January 30, 2018

Commercial Propane Service, LLC.  
160 Sulpher Springs Road  
Lebanon, KY 40033

Dear Adrian Roberts:

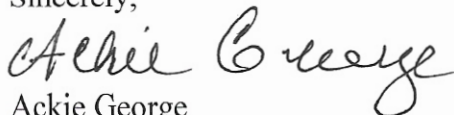
RE: 160 Sulpher Springs Rd  
Lebanon, KY 40033

I, Alexis "Ackie" George, a real estate broker with Ackie George Realty and having more than twenty-five (25) years of experience in residential, commercial and farmland sales and rental property in the Marion County area. I am writing per request for an opinion of rent factor for a portion of the above property.

The office area containing approximately 1000 sq.ft., with all utilities included would rent for One Thousand Two Hundred Dollars (\$1,200.00) per month and if you rent only half of the space then it would be Six Hundred Dollars (\$600.00) per month.

If you need any additional information or I can assist you in any way, please do not hesitate to contact me.

Sincerely,



Ackie George  
Real Estate Broker

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 4

Witnesses: Michael W. Roberts and Adrian Roberts

- Q-4.** Refer to the Application, Tab 3, page 3 of 4. Explain what benefits are provided to Bright's Propane' customers by its membership in the National Propane Association/Kentucky Gas Propane Association.
- A-4.** Membership in National Propane Association provides training materials and a certification process, as well as refresher courses, for Commercial Propane Service's employees in safety procedures, technology, equipment and code changes. It also provides current information on the propane market, allowing Commercial Propane Service to better plan its propane gas purchases.

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 5

Witness: Adrian Roberts

- Q-5.** Refer to the Application, Tab 3, page 4. Confirm that FICA taxes and the PSC assessment fee are not included elsewhere in the 2016 annual report.
- A-5.** The PSC Assessment of \$85.98 was reported on the 2016 Annual Report in Administrative and General Expenses and not included elsewhere. When calculating Adjusted Administrative and General Expense, Commercial Propane Service included this expense in its calculation but failed to expressly report its inclusion. It also reported the expense in its calculation of Taxes Other than Income. Taxes Other than Income should be reduced by \$85.98 to correct for this error and ensure no double counting.

To the extent that any FICA taxes were included in any accounts in the 2016 Annual Report, they were removed as a result of the adjustments to Distribution Expenses and Customer Account Expenses and instead listed separately in Taxes Other than Income on Attachment SAO-G (Tab 3 of the Application).

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 6

Witness: Adrian Roberts

**Q-6.** Refer to the Application, Tab 3, page 4. Provide the following information concerning the rate case expense for this case:

a. A detailed schedule of costs incurred to date. Include the date of the transaction, check number or other document reference; the vendor; amount; a description of the services performed; and the account number in which the expenditure was recorded. Indicate any costs incurred for this case during the test year. Include copies of invoices received from the vendors.

b. An itemized estimate of the total cost to be incurred, detailed explanation of how the estimate was determined, and all supporting work papers and calculations.

c. Monthly updates of the actual costs incurred during the course of this proceeding, in the manner prescribed above.

**A-6.** a. Total rate case expenses incurred to date are: \$17,605.70. The table below lists the expenses by month. All of the expenses are related to legal expenses. None of these expenses were incurred in the test period. A copy of all invoices is attached as Exhibit 6.

<b>Month</b>	<b>Amount</b>
February 2017	768.00
June 2017	32.00
July 2017	162.50
September 2017	4,198.00
October 2017	2,256.50
November 2017	1,987.00
December 2017	5,500.00
January 2017	2,701.70
<b>Total</b>	<b>\$17,605.70</b>

b. The original estimate of rate case expense was \$9,000. It was based upon legal counsel's prior experience with rate proceedings conducted under 807 KAR 5:076. This

estimate assumed that Commission Staff would perform a rate review and prepare a staff report of its findings, and that a hearing on the application would not be held.

- c. Commercial Propane will provide monthly updates as requested.

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

February 17, 2017  
Invoice #: 849624  
Account #: 118841/156293

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**Please return this page with your payment by March 19, 2017 to:**  
**Stoll Keenon Ogden PLLC**  
**P.O. Box 11969**  
**Lexington, KY 40579-1969**

Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 768.00
Less credits applied	\$-768.00
<b>Total Current Charges This Matter</b>	<b>\$ 0.00</b>

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

February 17, 2017  
Invoice #: 849624  
Account #: 118841/156293

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Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 768.00
Less credits applied	\$-768.00
<b>Total Current Charges This Matter</b>	<b>\$ 0.00</b>

**Keep this copy for your records.**



Commercial Propane Service LLC

Professional Services for the period through 01/31/17, including the following:

Re: 2017 Kentucky Rate Case

Our Reference: 118841/156293/WDC/2402

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
01/06/17	Review billing data	GEW	0.40
01/11/17	Assemble and review billing data	GEW	2.00
<b>Total Services</b>			<b>\$768.00</b>

		<b>Summary of Services</b>		
<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
GEW	Wuetcher, G E	2.40	320.00	768.00
	Total Services	2.40		\$768.00

TOTAL FEES & DISBURSEMENTS	\$768.00
LESS CREDITS APPLIED	\$-768.00
<b>Total Current Charges This Matter</b>	<b>\$0.00</b>

Keep this copy for your records.

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

June 23, 2017  
Invoice #: 855781  
Account #: 118841/156293

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**Please return this page with your payment by July 23, 2017 to:**  
**Stoll Keenon Ogden PLLC**  
**P.O. Box 11969**  
**Lexington, KY 40579-1969**

Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 32.00
Less credits applied	\$-32.00
<b>Total Current Charges This Matter</b>	<b>\$ 0.00</b>

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

June 23, 2017  
Invoice #: 855781  
Account #: 118841/156293

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Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 32.00
Less credits applied	\$-32.00
<b>Total Current Charges This Matter</b>	<b>\$ 0.00</b>

**Keep this copy for your records.**

Commercial Propane Service LLC

Stoll Keenon Ogden PLLC  
Invoice No. 855781

Professional Services for the period through 05/31/17, including the following:

Re: 2017 Kentucky Rate Case

Our Reference: 118841/156293/WDC/2402

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
05/15/17	Email inquiry to PSC Re: status of 2016 annual report	GEW	0.10
<b>Total Services</b>			<b>\$32.00</b>

<u>Init</u>	<u>Timekeeper</u>	<b>Summary of Services</b>		
		<u>Hours</u>	<u>Rate</u>	<u>Value</u>
GEW	Wuetcher, G E	0.10	320.00	32.00
	Total Services	0.10		\$32.00

TOTAL FEES & DISBURSEMENTS	\$32.00
LESS CREDITS APPLIED	\$-32.00
<b>Total Current Charges This Matter</b>	<b>\$0.00</b>

Keep this copy for your records.

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

July 7, 2017  
Invoice #: 857483  
Account #: 118841/156293

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**Please return this page with your payment by August 6, 2017 to:**  
**Stoll Keenon Ogden PLLC**  
**P.O. Box 11969**  
**Lexington, KY 40579-1969**

Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 160.00
Disbursements	\$ 2.50
Less credits applied	\$-162.50
<b>Total Current Charges This Matter</b>	<b>\$ 0.00</b>

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

July 7, 2017  
Invoice #: 857483  
Account #: 118841/156293

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Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 160.00
Disbursements	\$ 2.50
Less credits applied	\$-162.50
<b>Total Current Charges This Matter</b>	<b>\$ 0.00</b>

**Keep this copy for your records.**

Commercial Propane Service LLC

Professional Services for the period through 06/30/17, including the following:

Re: 2017 Kentucky Rate Case

Our Reference: 118841/156293/WDC/2402

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
06/01/17	Prepare for conference call with client	GEW	0.10
06/01/17	Confer with client re: case status	GEW	0.20
06/01/17	Email to client re: documents needed	GEW	0.10
06/01/17	Email to PSC staff re: request for 2016 annual report	GEW	0.10
<b>Total Services</b>			<b>\$160.00</b>

**Summary of Services**

<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
GEW	Wuetcher, G E	0.50	320.00	160.00
	Total Services	0.50		\$160.00

**Disbursements**

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Amount</u>
06/01/17	Telephone Expense 1(270)699-9437; 25 Mins.		\$2.50
<b>Total Disbursements</b>			<b>\$2.50</b>

TOTAL FEES & DISBURSEMENTS	\$162.50
LESS CREDITS APPLIED	\$-162.50
<b>Total Current Charges This Matter</b>	<b>\$0.00</b>

Keep this copy for your records.



**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

September 20, 2017  
Invoice #: 862059  
Account #: 118841/156293

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**Please return this page with your payment by October 20, 2017 to:**  
**Stoll Keenon Ogden PLLC**  
**P.O. Box 11969**  
**Lexington, KY 40579-1969**

Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 4,198.00
Less credits applied	\$-4,198.00
<b>Total Current Charges This Matter</b>	<b>\$ 0.00</b>

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

September 20, 2017  
Invoice #: 862059  
Account #: 118841/156293

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Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 4,198.00
Less credits applied	\$-4,198.00
<b>Total Current Charges This Matter</b>	<b>\$ 0.00</b>

Commercial Propane Service LLC

Professional Services for the period through 08/31/17, including the following:

Re: 2017 Kentucky Rate Case

Our Reference: 118841/156293/WDC/2402

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
08/22/17	Prepare application	GEW	0.60
08/22/17	Began review of CPS tariff.	JTM	1.00
08/23/17	Call to A. Roberts re: case status/prepare follow-up e-mail	GEW	0.80
08/23/17	Continued reviewing gas tariffs and drafting CPS tariff	JTM	2.10
08/24/17	Prepare application	GEW	1.20
08/24/17	Continued reviewing gas tariffs and drafting CPS tariff	JTM	2.50
08/25/17	Prepare Application	GEW	1.00
08/25/17	Continued reviewing gas tariffs and drafting CPS tariff	JTM	2.60
08/25/17	Work re CPS rate case; communications with Mike Roberts re same.	WDC	0.30
08/28/17	Continued drafting Tariff	JTM	3.10
08/31/17	Telephone call to Adrian Roberts	GEW	0.20
<b>Total Services</b>			<b>\$4,198.00</b>

**Summary of Services**

<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
JTM	Mandlehr, J T	11.30	255.00	2,881.50
GEW	Wuetcher, G E	3.80	320.00	1,216.00
WDC	Crosby III, W D	0.30	335.00	100.50
Total Services		15.40		\$4,198.00

TOTAL FEES & DISBURSEMENTS	\$4,198.00
LESS CREDITS APPLIED	\$-4,198.00

**Keep this copy for your records.**

Commercial Propane Service LLC

**Total Current Charges This Matter**

**\$0.00**

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

October 11, 2017  
Invoice #: 864203  
Account #: 118841/156293

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**Please return this page with your payment by November 10, 2017 to:**  
**Stoll Keenon Ogden PLLC**  
**P.O. Box 11969**  
**Lexington, KY 40579-1969**

Re: 2017 Kentucky Rate Case

Our Reference: 118841/156293/WDC/2402

Fees rendered this bill	\$ 2,256.50
Less credits applied	\$-2,256.50
<b>Total Current Charges This Matter</b>	<b>\$ 0.00</b>

**Stoll Keenon Ogden PLLC**  
**2000 PNC Plaza**  
**500 West Jefferson Street**  
**Louisville, Kentucky 40202-2828**  
**502 333-6000**  
**Tax ID # 61-0421389**

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

October 11, 2017  
Invoice #: 864203  
Account #: 118841/156293

---

Re: 2017 Kentucky Rate Case

Our Reference: 118841/156293/WDC/2402

Fees rendered this bill	\$ 2,256.50
Less credits applied	\$-2,256.50
<b>Total Current Charges This Matter</b>	<b>\$ 0.00</b>

Commercial Propane Service LLC

Professional Services for the period through 09/30/17, including the following:

Re: 2017 Kentucky Rate Case

Our Reference: 118841/156293/WDC/2402

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
09/05/17	Telephone call with PSC Staff (L. Faulkner) re: alternate gas cost recovery mechanism for Commercial Propane	GEW	0.20
09/05/17	Telephone call with Mr. Roberts re: revised tariff	GEW	0.20
09/05/17	Telephone call with Mr. Mandlehr re: revised tariff	GEW	0.20
09/05/17	Prepare/send e-mail message to Adrien Roberts re: gas cost recovery mechanism and alternatives	GEW	1.20
09/05/17	Draft tariff for 2017 rate case; discussed status of tariff with Mr. Wuetcher.	JTM	0.60
09/15/17	Telephone conversation with Adrian Roberts re: revenue requirement	GEW	0.30
09/15/17	Review invoices/compare to annual report	GEW	1.80
09/21/17	Review invoices for 2016 and reconcile with 2016 Annual Report.	GEW	1.00
09/21/17	Review of annual report, invoices, and financials	JTM	1.50
09/22/17	Additional review of annual report, invoices, and financials	JTM	0.60
<b>Total Services</b>			<b>\$2,256.50</b>

**Summary of Services**

<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
JTM	Mandlehr, J T	2.70	255.00	688.50
GEW	Wuetcher, G E	4.90	320.00	1,568.00
Total Services		7.60		\$2,256.50

TOTAL FEES & DISBURSEMENTS  
LESS CREDITS  
**Total Current Charges This Matter**

\$2,256.50  
\$-2,256.50  
**\$0.00**

**Keep this copy for your records.**



Commercial Propane Service LLC

**EXHIBIT 6**  
**PAGE 17 of 28**  
Stoll Keenon Ogden PLLC  
Invoice No. 864203

**Keep this copy for your records.**

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

November 7, 2017  
Invoice #: 866529  
Account #: 118841/156293

---

**Please return this page with your payment by December 7, 2017 to:**  
**Stoll Keenon Ogden PLLC**  
**P.O. Box 11969**  
**Lexington, KY 40579-1969**

Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 1,987.00
Less credits applied	\$-1,987.00
<b>Total Current Charges This Matter</b>	<b>\$ 0.00</b>

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

November 7, 2017  
Invoice #: 866529  
Account #: 118841/156293

---

Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 1,987.00
Less credits applied	\$-1,987.00
<b>Total Current Charges This Matter</b>	<b>\$ 0.00</b>

**Keep this copy for your records.**

Commercial Propane Service LLC

Professional Services for the period through 10/31/17, including the following:

Re: 2017 Kentucky Rate Case

Our Reference: 118841/156293/WDC/2402

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
10/04/17	Document review; preparation for meeting with client	GEW	2.00
10/04/17	Meeting with client	GEW	1.20
10/04/17	Updated CPS tariff; meeting with CPS regarding upcoming KY rate case	JTM	3.00
10/13/17	Return telephone call from Mr. Chandler (AG Office) re: filing of rate case application	GEW	0.10
10/19/17	Confer with Mr. Mandlehr re: information needed to complete application	GEW	0.10
10/19/17	Work on list of information still needed to complete applications	JTM	0.40
10/20/17	Email to Adrian Roberts re: additional documents needed	GEW	0.10
<b>Total Services</b>			<b>\$1,987.00</b>

**Summary of Services**

<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
JTM	Mandlehr, J T	3.40	255.00	867.00
GEW	Wuetcher, G E	3.50	320.00	1,120.00
Total Services		6.90		\$1,987.00

TOTAL FEES & DISBURSEMENTS	\$1,987.00
LESS CREDITS APPLIED	\$-1,987.00
<b>Total Current Charges This Matter</b>	<b>\$0.00</b>

**Keep this copy for your records.**

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

December 11, 2017  
Invoice #: 868972  
Account #: 118841/156293

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**Please return this page with your payment by January 10, 2018 to:**  
**Stoll Keenon Ogden PLLC**  
**P.O. Box 11969**  
**Lexington, KY 40579-1969**

Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 7,796.50
Less discount	\$-2,296.50
<b>Total Current Charges This Matter</b>	<b>\$ 5,500.00</b>
<b>Less escrow balances</b>	<b>\$-2,220.00</b>
<b>Total Balance Due</b>	<b>\$3,280.00</b>

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

December 11, 2017  
Invoice #: 868972  
Account #: 118841/156293

---

Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 7,796.50
Less discount	\$-2,296.50
<b>Total Current Charges This Matter</b>	<b>\$ 5,500.00</b>
<b>Less escrow balances</b>	<b>\$-2,220.00</b>
<b>Total Balance Due</b>	<b>\$3,280.00</b>

Keep this copy for your records.

Commercial Propane Service LLC

Professional Services for the period through 11/30/17, including the following:

Re: 2017 Kentucky Rate Case

Our Reference: 118841/156293/WDC/2402

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
11/16/17	Meeting with G. Wuetcher re: next steps; reviewed tax return.	JTM	1.50
11/17/17	Continued revising tariff.	JTM	2.10
11/19/17	Prepare Application	GEW	1.50
11/20/17	Telephone call to A. Roberts & follow up e-mail	GEW	0.40
11/20/17	Prepare Application	GEW	2.00
11/20/17	Revised tariff; drafted depreciation schedule; drafted petition for confidential protection.	JTM	4.30
11/21/17	Prepare billing analysis for test period sales	GEW	2.00
11/26/17	Prepare application	GEW	2.00
11/27/17	Prepare application	GEW	3.00
11/27/17	Continued work on Application; drafted notice and reason for adjustment.	JTM	2.10
11/28/17	Prepare application	GEW	3.00
11/28/17	Review of invoices, draft tariff, and accountant's documents	JTM	1.10
11/29/17	Prepare application	GEW	2.00
11/29/17	Review of draft billing format; continued review of tariff	JTM	1.50
11/30/17	Prepare application	GEW	3.00
11/30/17	Review of client edits/comments to draft tariff and application	JTM	0.50
<b>Total Services</b>			<b>\$7,796.50</b>

**Summary of Services**

<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
JTM	Mandlehr, J T	13.10	200.04	2,620.50
GEW	Wuetcher, G E	18.90	273.86	5,176.00
Total Services		32.00		\$7,796.50

**Keep this copy for your records.**



Commercial Propane Service LLC

TOTAL FEES & DISBURSEMENTS	\$7,796.50
LESS DISCOUNT	\$-2,296.50
<b>Total Current Charges This Matter</b>	<b>\$5,500.00</b>
<b>Less escrow balances</b>	<b>\$-2,220.00</b>
<b>Total Balance Due</b>	<b>\$3,280.00</b>

**Keep this copy for your records.**

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

January 4, 2018  
Invoice #: 870615  
Account #: 118841/156293

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**Please return this page with your payment by February 3, 2018 to:**  
**Stoll Keenon Ogden PLLC**  
**P.O. Box 11969**  
**Lexington, KY 40579-1969**

Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 3,586.00
Less discount	\$-896.50
Disbursements	\$ 12.20
<b>Total Current Charges This Matter</b>	<b>\$ 2,701.70</b>

**Stoll Keenon Ogden PLLC**  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
502 333-6000  
Tax ID # 61-0421389

Commercial Propane Service LLC  
Attn: Adrian Roberts, Office Manager  
160 Sulphur Springs Road  
Lebanon, KY 40033

January 4, 2018  
Invoice #: 870615  
Account #: 118841/156293

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Re: 2017 Kentucky Rate Case

Fees rendered this bill	\$ 3,586.00
Less discount	\$-896.50
Disbursements	\$ 12.20
<b>Total Current Charges This Matter</b>	<b>\$ 2,701.70</b>

Commercial Propane Service LLC

Professional Services for the period through 12/31/17, including the following:

Re: 2017 Kentucky Rate Case

Our Reference: 118841/156293/WDC/2402

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
12/05/17	Prepare application	GEW	3.20
12/05/17	Drafted petition for confidential protection; prepared paper and electronic filings.	JTM	2.40
12/06/17	Prepare transmittal letter & file application	GEW	0.30
12/19/17	E-mail to A. Roberts re: Motion for Reconsideration	GEW	0.10
12/19/17	Confer with J. Mandlehr re: Motion for Reconsideration	GEW	0.20
12/19/17	Revise Motion for Reconsideration	GEW	0.50
12/19/17	Drafted motion for reconsideration re: (1) staff report vs. RFI, and (2) number of copies.	JTM	1.80
12/21/17	Revise Motion for Reconsideration	GEW	2.50
12/22/17	Revise and file Motion for Reconsideration	GEW	0.90
12/22/17	Final review of Motion for Reconsideration.	JTM	0.20
<b>Total Services</b>			<b>\$3,586.00</b>

**Summary of Services**

<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
JTM	Mandlehr, J T	4.40	255.00	1,122.00
GEW	Wuetcher, G E	7.70	320.00	2,464.00
Total Services		12.10		\$3,586.00

**Disbursements**

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Amount</u>
12/05/17	Telephone Expense 1(270)699-9437; 19 Mins.		\$1.90
12/05/17	Telephone Expense 1(270)699-9437; 3 Mins.		\$0.40
12/07/17	Duplicating Charges		\$9.30
12/07/17	Color Replication		\$0.20
12/07/17	Color Replication		\$0.20

**Keep this copy for your records.**

Commercial Propane Service LLC

12/07/17	Color Replication	\$0.20
	<b>Total Disbursements</b>	<b>\$12.20</b>

TOTAL FEES & DISBURSEMENTS	\$3,598.20
LESS DISCOUNT	\$-896.50
<b>Total Current Charges This Matter</b>	<b>\$2,701.70</b>

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 7

Witness: Adrian Roberts

**Q-7.** Refer to the Application, Tab 4.

- a. Given that Bright's Propane is proposing increases in existing charges and proposing to implement several new nonrecurring charges, explain why Other Operating Revenue is shown at only \$550.
- b. Provide the number of incidences that Bright's Propane performed each of the activities represented by the all the proposed increased or new nonrecurring charges shown in the Notice, or the number of times it expects to bill each charge in a typical year.

**A-7.** a. The Public Service Commission and its Staff has consistently advised small utilities that the assessment of non-recurring charges was the most appropriate means to recover the specific cost of any activity that is due to a specific request for such activity and that such charges ensured that the cost causer, not all ratepayers, from incurring the cost of the activity. They also advised small utilities to periodically review these charges and ensure that they reflect the current cost of providing the service or activity.

Commercial Propane Service reviewed the tariffs of other gas utilities to determine the types of activities for which the Public Service Commission has permitted the assessment of a non-recurring charge and had revised its tariff to reflect these charges. It has not yet experienced request for most of these service. The addition of these charges is to ensure that it does not have to absorb the cost of these services when the need to provide them arises.

With regard to existing non-recurring charges for which an increase is proposed, most of the present non-recurring charges have been in effect since 1991 without any change. Given the length of time since the last change, Commercial Propane Service believed it was appropriate to update the charges to reflect the current cost of the activity.

- b. Except for the one instance in which a customer was assessed a disconnection and reconnection fee, Commercial Propane has not assessed any of the non-recurring charges assessed in its current tariff. It currently does not anticipate any of the proposed charges, with the possible exception of the disconnection and reconnection fees, to be assessed.

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 8

Witness: Adrian Roberts

**Q-8.** Refer to the Application, Tab 5, ARF FORM 1 - ATTACHMENT BA-DB.

- a. Explain whether Bright's Propane has considered using a customer charge and volumetric charge rather than a minimum bill format.
- b. Confirm that in the 2016 test year, Bright's Propane issued 472 bills for only the amount of the \$18.21 minimum bill.
- c. Confirm that the 472 minimum bills represented a total of 174,565 cubic feet of propane.
- d. The 772 total bills imply 63 customers. Explain the difference between the 59 customers stated in the application, the 63 from the billing analysis, and the 75 stated in the 2016 Annual Report.

**A-8.** a. Commercial Propane Service has considered using a customer charge and volumetric charge, but chose to continue with its current rate design to simplify issues in this rate proceeding. Commercial Propane Service is not opposed to a customer charge in which all or most non-commodity costs would be recovered.

b. Commercial Propane Service issued 472 bills in the test year for only the amount of the \$18.21 minimum bill.

c. If each customer assessed a minimum bill used 400 cubic feet of gas, then 472 minimum bills would represent a total of 174,565 cubic feet. Commercial Propane Service cannot confirm that this was the amount of gas sold for minimum bill customers. Its electronic billing records report each customer assessed a minimum bill as using 400 cubic feet of gas regardless of actual usage. Determining actual usage for minimum bill customers will require a review of written meter reading records.

d. At the time of the filing of its application, Commercial Propane had 59 active customers. Based upon its review of the billing information, Commercial Propane agrees that based upon the total number of bills issued in the test period, it issued 63 bill monthly. The number stated in the 2016 Annual Report is in error. It represented the number of open accounts as of December 31, 2016, which included unpaid accounts from

customers who had moved out the Old Bridge Subdivision. Please note that for its annual report for the year ending December 31, 2015, Commercial Propane report a total of 61 customer at year end.



**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 9

Witness: Adrian Roberts

**Q-9.** Refer to the Application, Tab 6.

- a. Provide the calculation of the \$102.77 monthly bill at the proposed rates. State whether the proposed bill should be \$97.35.
- b. State how Bright's Propane determined the amount of the proposed \$29.84 minimum bill, and the amount of the increase allocated to all over 400 cubic feet usage.

**A-9.** a. The proposed monthly bill was calculated as follows:

Assumption: Average Monthly Usage of 1,305 cubic feet

Minimum Charge (First 400 cubic feet)	\$ 29.84
Remaining Usage (905 cubic feet x 0.0746 per foot)	\$ 67.51
Meter Replacement Surcharge	\$ 5.42
Total	\$102.77

When preparing the notice, Commercial Propane Service recognized that the proposed bill absent the meter replacement charge would be \$97.35. Since it was also proposing a monthly meter replacement surcharge of \$5.42 for a period of approximately 10 years, it was more accurate to include the surcharge in the calculation to the proposed monthly bill to ensure full and accurate notice of its rate proposal to its customers.

b. According to the calculations contained in Attachment RR-OR (Tab 4 of the Application), a 68.88 percent increase in revenue at present rates was required. Commercial Propane Service applied this percentage to the existing rates to determine the proposed rates.

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 10

Witness: Adrian Roberts

- Q-10.** Refer to the Application, Tab 14. Confirm that the computer software is solely for the use of Bright's Propane and not utilized by Commercial Propane Service, LLC's unregulated operations.
- A-10.** The computer software is not solely for the use of Commercial Propane Service, LLC's regulated operations. It is also used for Commercial Propane Service's non-regulated operations. Approximately 50 percent of the cost of the software is related directly to components are only of use to the regulated operations. The remaining components are of equal use to regulated and non-regulated operations.

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 11

Witnesses: Michael W. Roberts and Adrian Roberts

- Q-11.** Refer to the Application, Tab 21. State whether a customer requesting a meter relocation will be provided an estimate of the costs involved prior to work commencing.
- A-11.** A customer requesting a meter relocation will be provided an estimate of the costs involved prior to work commencing.

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 12

Witness: Adrian Roberts

- Q-12.** Refer to the Application, Tab 22. State what events would cause a service investigation charge to be incurred.
- A-12.** Examples of occurrences in which a customer would be assessed a service investigation charge are: (1) A customer requests a re-read of a meter due to an alleged inaccurate reading and the meter reading is found to have been accurate; (2) Utility personnel are sent to the customer's location to disconnect service for non-payment and the customer provides payment to the utility personnel to avoid disconnection.

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 13

Witness: Adrian Roberts

- Q-13.** Refer to the Application, Tab 23. When service is being switched between persons or locations, explain if the meter is read at that time to determine the usage attributable to each party or location.
- A-13.** When service is being switched between persons or locations, the meter is read at the time of switch to determine the usage attributable to each party or location.

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 14

Witness: Adrian Roberts

**Q-14.** Refer to the Application, Tab 24. Provide the calculation of the \$62,393.20 annual bill amount.

**A-14.** The annual bill amount set forth at Tab 24 was based upon a preliminary calculation and is incorrect. The total annual billed amount should be \$76,210 and should be based upon 772 bills. Basing a required deposit upon 2/12ths of the average annual bill, the deposit amount should be \$197.00. The calculations to support this amount are shown below:

Average Monthly Bill = \$76,210 (Total Expected Billing) ÷ 772 Bills = \$98.72.  
\$98.72 x 2 Months = \$197.44.  
Required Deposit: \$197

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 15

Witness: Adrian Roberts

- Q-15.** Refer to the Application, Tab 25. State whether a customer requesting to tap-on will be provided an estimate of the costs involved prior to work commencing.
- A-15.** A customer requesting to tap-on will be provided an estimate of the costs involved prior to work commencing.

**COMMERCIAL PROPANE SERVICE, LLC**

**Response to Commission Staff's First Request for Information  
January 19, 2018**

Case No. 2017-00343

Question No. 16

Witnesses: Michael W. Roberts and Adrian Roberts

**Q-16.** Refer to the Application, Tab 27. Provide cost justification for the \$450 materials cost for replacing a meter and regulator. The justification should show separately, the cost of the meter and the cost of the regulator, and should also list the type and size of meter.

**A-16.** An invoice reflecting the cost for a meter and regulator is attached as Exhibit 16.

In its Application, Commercial Propane Service based its meter replacement surcharge upon the cost of a third party contractor to perform the replacements and provided an estimate from such a contractor. Commercial Propane Service has calculated its costs if it performs the replacement. Its calculations are shown below:

Equipment (Meter and Regulator – See Exhibit 16)	\$251.08
Labor (2 employees @8 hours @ 17.50 per hour)	\$280.00
Mileage (70 miles @ \$0.545 per mile)	\$ 38.15
Overhead (\$280.00 x .0765)	<u>\$ 44.37</u>
Total	\$613.70



**SALES QUOTATION**  
**Order**



Ray Murray, Inc.  
 50 Limestone Road  
 PO Box 339  
 MA 01238 Lee

Telephone: 800-628-5044  
 Facsimile: 800-243-8341  
 E-mail: CustServ@raymurray.com



Print date  
 01/29/18  
 Quotation date  
 01/29/18

Quotation number 48376 0
Customer number 513600

Quotation address  
**COMMERCIAL PROPANE SERVICE LLC**  
 160 SULPHUR SPRINGS ROAD  
 LEBANON KY 40033

Our reference  
 Philip Briggs

Terms of delivery  
 FOB Origin & Shipping Chg Due

Terms of payment  
 Net 30 Days

Exp date 03/02/18
----------------------

Your reference

Manner of transport  
 UPS Ground

Item	Sell unit quantity	Price unit quantity	Dsp.date Price	Amount
RP-750	EA	EA	01/29/18	
PREFAB METER SETS WITHOUT BAR	1	1	119.140	119.14
AM-250TC-CF	EA	EA	01/29/18	
METER WITH BRACKET	1	1	131.940	131.94
Order line total.....				251.08
Total.....				USD 251.08