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**APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

For Small Utilities Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

COMMERCIAL PROPANE SERVICE LLC DBA BRIGHT'S PROPANE SERVICE

(Name of Utility)

160 SULPHUR SPRINGS RD

(Business Mailing Address - Number and Street, or P.O. Box)

LEBANON, KY 40033

(Business Mailing Address - City, State, and Zip)

(270) 699-9437

(Telephone Number)

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

ADRIAN ROBERTS

(Name)

160 SULPHUR SPRINGS RD

(Address - Number and Street or P.O. Box)

LEBANON, KY 40033

(Address - City, State, Zip)

(270) 699-9437

(Telephone Number)

adrianroberts06@gmail.com

(Email Address)

(For each statement below, the Applicant should check either "YES", "NO", or "NOT APPLICABLE" (N/A))

- | | YES | NO | N/A |
|---|-------------------------------------|--------------------------|-------------------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

YES NO N/A

4. a. Applicant is a corporation that is organized under the laws of the state of KENTUCKY, is authorized to operate in, and is in good standing in the state of Kentucky.
- b. Applicant is a limited liability company that is organized under the laws of the state of KENTUCKY, is authorized to operate in, and is in good standing in the state of Kentucky.
- c. Applicant is a limited partnership that is organized under the laws of the state of KENTUCKY, is authorized to operate in, and is in good standing in the state of Kentucky.
- d. Applicant is a sole proprietorship or partnership.
- e. Applicant is a water district organized pursuant to KRS Chapter 74.
- f. Applicant is a water association organized pursuant to KRS Chapter 273.
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.
- b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ky.gov.
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2016.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 29,705.00 and total revenues from service rates of \$ 76,208.00. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application**, Applicant had 59 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

- 16. a. Applicant is not required to file state and federal tax returns.
- b. Applicant is required to file state and federal tax returns.
- c. Applicant's most recent state and federal tax returns are attached to this Application.
(Attach a copy of returns.)
- 17. Approximately \$0.00 (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions.
- 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form.

By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

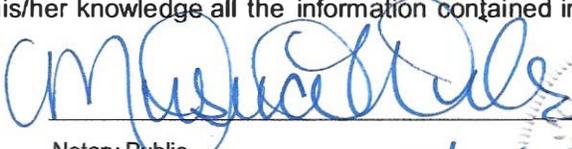
Signed 
 Officer of the Company/Authorized Representative

Title Member

Date 12.5.2017

COMMONWEALTH OF KENTUCKY
COUNTY OF MARION

Before me appeared Michael W. Roberts, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.


 Notary Public

My commission expires: 9/30/18



LIST OF ATTACHMENTS
(Indicate all documents submitted by checking box)

- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment"
- Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- Attachment Billing Analysis" Attachment
- Depreciation Schedules
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return
- Statement of Disclosure of Related Party Transactions - ARF Form 3

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4	Attachment RR-OR – Revenue Requirement Calculation – Operating Ratio Method
5	Attachment BA-DB - Billing Analysis
6	Customer Notice of Rate Adjustment
7	ARF Form 3 – Statement of Disclosure of Related Party Transactions
8	Federal Tax Returns
9	Kentucky Tax Returns
10	Propane Gas Invoices
11	Monthly Rent for Office (Estimate)
12	Insurance Invoices
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16	Revised Tariff Sheets
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Tab**Document**

- | | |
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| 26 | Nonrecurring Charges: Disconnection Fee |
| 27 | Meter Replacement Surcharge |

TAB 1

REASONS FOR APPLICATION

(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)

Commercial Propane Service LLC d/b/a Bright's Propane Service, Inc. ("CPS") has never requested a general rate adjustment. Public Service Commission records indicate that none of the former owners of Bright's Propane Service Inc. ever requested a general rate adjustment. Public Service Commission records further indicate that Bright's Propane Service, Inc. has used an adder of \$0.015 per cubic foot since 1991 to recover its overhead costs. CPS is currently operating at a loss and requires a general rate adjustment to ensure that its rates reflect the cost of providing service and also allow for a reasonable rate of return on CPS's investment.

CPS also proposes to make several revisions and additions to its non-recurring charges. CPS's tariff, which CPS adopted upon its acquisition of Bright's Propane Service, Inc., makes no provision for several types of charges that are found in most utility tariffs to recover the cost of commonly recurring one-time activities, such as meter tests or service investigations. Several of its existing non-recurring charges are insufficient to recover the actual cost of the specified activity.

Finally, CPS proposes to assess a monthly surcharge to recover the cost of replacing six meters annually. The current meters are past their useful lives and are less likely to register properly. CPS proposes to replace all of its meters over a ten year period and to finance the cost of the replacement through a monthly surcharge whose annual proceeds should allow for the purchase and installation of six meters annually.

TAB 2

CURRENT AND PROPOSED RATES

	Present Rate	Proposed Rate	Change (\$)	Change (%)
First 400 Cubic Ft	\$ 18.21 Minimum Bill	\$ 29.84 Minimum Bill	\$ 11.63	63.87
Over 400 Cubic Ft	0.04552 Per Cubic Ft	0.07460 Per Cubic Ft	\$ 0.02908	63.88
Meter Replacement Surcharge	N/A	\$ 5.42	\$ 5.42	N/A
Tap-In Fee	\$275.00	Actual	N/A	N/A
Disconnection Charge	\$ 15.00	\$105.00	\$ 90.00	600
Reconnection Charge	\$ 15.00	\$105.00	\$ 90.00	600
Late Payment Charge	\$ 7.50	10%	N/A	N/A
Returned Payment Fee	\$ 0.00	\$ 30.00	\$ 30.00	N/A
Meter Testing Charge	\$ 0.00	\$135.00	\$135.00	N/A
Meter Relocation Charge	\$ 0.00	Actual	N/A	N/A
Service Investigation Charge	\$ 0.00	\$ 95.00	\$ 95.00	N/A
Service Assignment/Transfer Charge	\$ 0.00	\$ 30.00	\$ 30.00	N/A
Deposit	\$ 0.00	\$160.00	\$160.00	N/A

TAB 3

SCHEDULE OF ADJUSTED OPERATIONS - GAS UTILITY

TYE 12/31/20 16

	Test Year	Adjustment	Ref.	Pro Forma
Operating Revenues				
Sales of Gas				
Residential	44,206.00	-67.00	A	44,139.00
Commercial & Industrial	2,364.00			2,364.00
Interdepartmental				0.00
Sales for Resale				0.00
Total Sales of Gas	46,570.00	-67.00		46,503.00
Other Operating Revenues				
Forfeited Discounts				0.00
Miscellaneous Service Revenues	550.00			550.00
Rent from Gas Property				0.00
Other Gas Revenues				0.00
Total Operating Revenues	47,120.00	-67.00		47,053.00
Operating Expenses				
Operation and Maintenance Expenses				
Manufactured Gas Production Expenses				0.00
Natural Gas Production Expenses				0.00
Exploration and Development Expenses				0.00
Storage Expenses				0.00
Other Gas Supply Expenses	15,580.00	2,639.00	B	18,219.00
Transmission Expenses				0.00
Distribution Expenses	19,280.00	-5,048.00	C	14,232.00
Customer Accounts Expenses	22,360.00	-8,483.00	D	13,877.00
Customer Service and Informational Expenses				0.00
Administrative and General Expenses	6,982.00	7,184.00	E	14,166.00
Total Operation and Maintenance Expenses	64,202.00	-3,708.00		60,494.00
Depreciation Expense	562.00	3,970.00	F	4,532.00
Amortization Expense	0.00	3,000.00	G	3,000.00
Taxes Other Than Income	0.00	1,707.00	H	1,707.00
Income Tax Expense				0.00
Total Operating Expenses	64,764.00	4,969.00		69,733.00
Utility Operating Income	-17,644.00	-5,036.00		-22,680.00

REFERENCES

A. Sales of Gas - Residential

An analysis of billing records (Tab 5) shows that Commercial Propane Service (“CPS”) billed only \$46,503 for propane sales during the test period. In its Annual Report, CPS reported total sales of \$46,570. The analysis of billing records showed that reported sales to CPS’s sole commercial customer were the same as that reported in CPS’s Annual Report. The residential sales were adjusted to reflect the difference in reported sales and sales reflected in CPS’s billing records

Reported Test Period Sales	\$46,570
Subtract: Sales – Billing Records	<u>\$46,503</u>
Adjustment to Residential Sales	<u>\$ 67</u>

B. Other Gas Supplies Expense

In its Annual Report, CPS reported Other Gas Supplies Expense of \$15,580. A review of propane purchase invoices (TAB 10) showed total purchases of \$18,219.41. Other Gas Supplies Expense was increased by \$2,639.41 to reflect actual test period expenses.

01/09/2016 Invoice	\$ 5,624.62
02/10/2016 Invoice	\$ 5,739.31
10/13/2016 Invoice	<u>\$ 6,855.41</u>
Total:	\$18,219.41
Annual Report	<u>\$15,580.00</u>
Adjustment	<u>\$ 2,639.41</u>

C. Distribution Expenses

In its Annual Report, CPS reported Distribution Expenses of \$19,280. These expenses were improperly recorded. Based upon the estimated cost of providing the services, CPS has reduced test period expense by \$5,048. There are only two distribution expenses that CPS incurs to provide service: Mercaptap Testing and site preparation in response to 811-excavation requests to mark distribution mains and other facilities.

Mercaptap Testing. Mercaptap testing is performed weekly. A CPS employee whose hourly wage rate is \$17.50 performs the testing. The total time required for each test, including travel time, is four hours. The employee travels in a CPS vehicle to Old Bridge site. Total round trip mileage is 110 miles.

Mercaptap Testing (Labor)	4 hrs x \$17.50/hr x 52 wks = \$3,640.00
Mercaptap Testing (Mileage)	110 mi x 52 wks x \$0.535/mi = <u>\$3,060.20</u>
Total	<u>\$6,700.20</u>

811 Site Preparations. During the test period, CPS performed 46 site preparations in response to 811-excavation requests. A CPS employee whose hourly wage rate is \$17.50 performs the site

preparation. The total time required for each preparation, including travel time, is six hours. The employee travels in a CPS vehicle to Old Bridge site. Total round trip mileage is 110 miles.

811 Calls (Labor)	6 hrs x \$17.50/hr x 46 calls = \$4,830.00
811 Calls (Mileage)	110 mi x 46 calls x \$0.535/mi = <u>\$2,701.01</u>
Total	<u>\$7,531.01</u>

Reported Annual Report:	\$19,280
Adjusted:	<u>\$14,232</u>
Amount of Adjustment:	<u>\$ 5,048</u>

D. Customer Account Expenses

In its Annual Report, CPS reported Customer Account Expenses of \$22,360. These expenses were incorrectly recorded. Based upon the estimated cost of providing the services, CPS has reduced test period expense by \$8,483. The individual items comprising Customer Account Expenses are set forth below.

Meter Reading. Two CPS employee, whose hourly wage rate is \$17.50, reads customer meters and the level of storage tanks. He travels to the Old Bridge Subdivision to read various meters. The total time required, including travel time, is eight hours per employee. The employees travel in a CPS vehicle to Old Bridge site. Total round trip mileage is 110 miles.

Meter Reading (Labor)	\$17.50/hr x 8hrs x 2 persons x 12 mos = \$3,360.00
Meter Reading (Mileage)	110 mi x 1 trips/mo x 12 mos x \$0.535/mi = <u>\$ 706.20</u>
Total	<u>\$4,066.20</u>

Customer Records. A CPS employee, whose hourly wage is \$15.00, spends approximately 12 hours per week managing customer records and answering customer inquiries. Total expense related to this task is \$9,360 (\$15.00/hr x 12 hrs/wk x 52 wks = \$9,360.00).

Billing/Postage Expense. Assuming that 60 bills are billed monthly, CPS incurs an annual expense of \$450.

Postage:	60 x \$.049 x 12 months = \$394.94
Envelopes:	720 envelopes x \$38/500 envelopes = \$54.72

Reported Annual Report:	\$22,360
Adjusted Customer Account Expenses:	<u>\$13,876</u>
Amount of Adjustment:	<u>\$ 8,483</u>

E. Administrative and General Expenses

CPS reported in its Annual Report Administrative and General Expenses of \$6,982. After reviewing its expenses, CPS proposes to reduce this expense by \$2,880 to reflect its actual and estimated expenses.

Office Rent. CPS maintains an office in a building which it owns. A portion of the cost of operating this office should be allocated to its gas propane customers. To determine the appropriate amount, it obtained an estimate of the month rent for a similarly sized office with paid utilities (Tab 11). The estimated monthly rental expense for a 1,000 sq. ft. office with paid utilities is \$1,200. This rental cost was allocated equally between regulated and non-regulated operations.

Monthly Rental Fee \$1,200/mo x 12 mos x 50% = \$7,200

Insurance Expense. CPS determine the total insurance expense attributable to gas propane operations by adding the premium for property insurance on its propane distribution system with a portion of the cost its general liability insurance. The cost of the general liability insurance was allowed using test period revenues for CPS's total operations and its utility operations. A copy of the invoice for test-period insurance expense is found at Tab 12.

Property:	\$1,033.00
Liability:	\$3,391 x 13.1% = <u>\$ 444.22</u>
Total Insurance:	<u>\$1,477.22</u>

Membership Fee. During the test period, CPS incurred an annual fee of \$738 for its membership National Propane Association/Kentucky Gas Propane Association.

Preparation of 2015 Annual Report. In 2016, CPS contract with an auditing firm to prepare its financial and statistical report to the Public Service Commission at a cost of \$4,215. The invoice for this expense is found at Table 13.

Adjusted A&G Expense:	\$14,166
Reported A&G Expense (Annual Report):	<u>\$ 6,982</u>
Adjustment:	<u>\$ 7,184</u>

F. Depreciation

In its Annual Report, CPS reported depreciation expense of \$562. As further described in its Depreciation Schedule (Tab 13), actual depreciation expense for the test period was \$4,532.40. This amount reflects the depreciation on the plant that CPS acquired in 2015, system upgrades totaling \$14,062 placed into service in 2016, and computer software that cost \$14,000 (Tab 14) and was recently purchased and placed into service. Reported test-year depreciation expense was adjusted \$3,970.40 to reflect depreciation on these assets.

Computer Software	\$2,800.00
Depreciation on System Upgrades:	\$1,232.40
Depreciation on Remaining Plant:	<u>\$ 500.00</u>
Total:	\$4,532.40
Reported Depreciation Expense (Annual Report)_:	<u>\$ 562.00</u>
Adjustment:	<u>\$3,970.40</u>

G. Amortization Expense

CPS estimates that it will incur rate case expense of approximately \$9,000. It proposes to amortize this expense over three years.

H. Taxes Other Than Income

During the test period, CPS paid \$85.98 for its assessment for the maintenance of the Public Service Commission. In addition to this tax, CPS will incur FICA taxes of \$1,621.03 based upon the labor expense reflected in References C and D, which totals \$21,190. CPS proposes to adjust Taxes Other than Income by \$1,707 to reflect these taxes.

Total Labor Expense:	\$21,190.00
FICA:	<u>x .0765</u>
Total FICA Taxes	<u>\$1,621.03</u>
FICA Taxes:	\$1,621.03
Assessment for Maintenance of PSC:	<u>\$ 85.98</u>
Total:	<u>\$1,707.01</u>

TAB 4

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	\$51,514.00
Operating Ratio	0.88
Sub-Total	58,538.64
Less: Pro forma Operating Expenses Before Income Taxes	-51,514.00
Net Income Allowable	7,024.64
Add: Provision for State and Federal Income Taxes, if Applicable (see footnote)	
Interest Expense	
Pro forma Operating Expenses Before Taxes	51,514.00
Cost of Natural Gas (water utilities should leave this blank)	18,220.00
Total Revenue Requirement	76,758.64
Less: Other Operating Revenue	550.00
Non-operating Revenue	
Interest Income	
Total Revenue Required from Rates for Service	76,208.64
Less: Revenue from Sales at Present Rates	46,503.00
Required Revenue Increase	29,705.64

Required Revenue Increase stated as a Percentage of Revenue at Present Rates	63.88%
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Provision for Income Taxes - Calculation of Tax Gross-Up Factor

Revenue	1
Less: State Tax	0
Sub-Total	1
Less: Federal Tax, of Sub-Total	0
Percent Change in NOI	1
Factor (Revenue of 1 divided by change in NOI)	1.00000
Times: Allowable Net Income	7,024.64
Net Income Before Taxes	7,024.64
Difference Equals Provision for State and Federal Income Taxes	0.00

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.

TAB 5

USAGE AND REVENUE TABLES

USAGE				
	Bills	CF	First 400	Over 400
First 400 cubic feet (Minimum Bill)	472	174,565	174,565	
Over 400 cubic feet	300	832,763	120,000	712,763
Totals	772	1,007,328	294,565	712,763

REVENUE				
Revenue (Current Rates)				
	Bills	Cubic Foot	Rates	Revenue
First 400 Cubic Foot (Minimum Bill)	472	294,565	18.21 Minimum Bill	14,058.12
Over 400 Cubic Foot	300	712,763	0.04552 per cubic foot	32,444.97
Totals	772	1,007,328		46,503.09
Revenue (Proposed Rates)				
	Bills	Cubic Foot	Rates	Revenue
First 400 Cubic Foot (Minimum Bill)	472	294,565	29.84 Minimum Bill	23,038.45
Over 400 Cubic Foot	300	712,763	0.07460 per cubic foot	53,170.82
Totals	772	1,007,328		76,209.27

TAB 6

NOTICE

Because of increased operating expenses, Commercial Propane Service, LLC d/b/a Bright's Propane Service, Inc. will file on or about December 6, 2017 an application with the Kentucky Public Service Commission for the purpose of adjusting its rates. The application will be filed pursuant to the procedures set forth in 807 KAR 5:076. Under those procedures, the proposed rates may not be placed into effect until the Public Service Commission has issued an order approving the proposed rates or six (6) months from the date of the filing of the application, whichever occurs first. Commercial Propane Service, LLC d/b/a Bright's Propane Service, Inc. acquired Heritage Operating, LP d/b/a Bright's Propane Service, Inc. in 2014 and has never requested a general rate adjustment.

Commercial Propane Service, LLC d/b/a Bright's Propane Service, Inc. proposes the following rates:

	Present Rate	Proposed Rate	Change (\$)	Change (%)
First 400 Cubic Ft	\$ 18.21 Minimum Bill	\$ 29.84 Minimum Bill	\$11.63	63.87
Over 400 Cubic Ft	0.04552 Per Cubic Ft	0.07460 Per Cubic Ft	\$0.02908	63.88
Meter Replacement Surcharge	N/A	\$ 5.42 per Month	\$5.42	N/A

The proposed rates will have the following effect on a customer's monthly bill:

Meter	Average Monthly Usage	Current Monthly Bill	Proposed Rates Monthly Bill	Increase (\$)	Change (%)
All	1,305 Cu. Ft.	\$59.41	\$102.77	\$43.36	72.98

Commercial Propane Service, LLC d/b/a Bright's Propane Service, Inc. has also reviewed the charges and fees assessed for non-recurring services. These charges and fees have never been revised by Commercial Propane Service, LLC d/b/a Bright's Propane Service, Inc. It proposes to adjust or implement the following fees and charges to reflect the current cost of providing service:

	Present Rate	Proposed Rate	Change (\$)	Change (%)
Tap-In Fee	\$275.00	Actual	N/A	N/A
Disconnection Charge	15.00	105.00	90.00	600
Reconnection Charge	15.00	105.00	90.00	600
Late Payment Charge	7.50	10%	N/A	N/A
Returned Payment Fee	0.00	30.00	30.00	N/A
Meter Testing Charge	0.00	135.00	135.00	N/A
Meter Relocation Charge	0.00	Actual	N/A	N/A
Service Investigation Charge	0.00	95.00	95.00	N/A
Service Assignment or Transfer Charge	0.00	30.00	30.00	N/A
Deposit	0.00	160.00	160.00	N/A

The rates contained in this notice are the rates proposed by Commercial Propane Service, LLC d/b/a Bright's Propane Service, Inc. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Any person may examine the application submitted to the Public Service Commission at Commercial Propane Service, LLC d/b/a Bright's Propane Service, Inc.'s office at 160 Sulphur Springs Road, Lebanon, Kentucky 40033 or at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's Web site at <http://psc.ky.gov>.

Comments regarding the application may be submitted to the Public Service Commission through the Commission's Web Site at <http://psc.ky.gov> or by mail to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

A person may submit a timely written request for intervention to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the person's status and interest. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of notice, it may take final action on the application

Commercial Propane Service, LLC d/b/a Bright's Propane Service, Inc.
Mailed: December 6, 2017

TAB 7

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Commercial Propane Service, LLC dba Bright's Propane Inc. ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation
Adrian Roberts (Daughter)	Employee - Clerical Support	\$9,300.00
Zach Roberts (Son)	Employee - Labor	\$1,680.00

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Michael W. Roberts
(Print Name)


(Signed)

Member
(Position/Office)

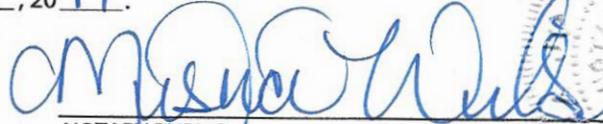
* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF MARION

Subscribed and sworn to before me by Michael W. Roberts
(Name)

this 5th day of December, 2017.


NOTARY PUBLIC
State-at-Large



**ADDENDUM TO STATEMENT OF DISCLOSURE
OF RELATED PARTY TRANSACTIONS**

Commercial Propane Services, LLC (CPS) is a limited liability company that has operated for more than 17 years throughout the Southeastern and Eastern United States, providing bottled-gas service and propane-system installations, inspections, and repairs, including storage tank installations and bottled-gas service to customers located between Lebanon and New Haven, Kentucky. Michael W. Roberts is CPS's only member.

Since 2015 CPS has operated the underground pipe propane distribution system at the Old Bridge Subdivision in Boyle County, Kentucky under the name Bright's Propane Service. CPS's employees and equipment are used to provide services to the underground propane distribution operation. Two of these employees are Ms. Adrian Roberts and Mr. Zachary Roberts, who are Mr. Roberts' children. If they or any other CPS employee performs work directly related to the operation of the underground pipe propane distribution, a portion of that employee's wages is allocated to the propane distribution system's cost. This allocation is based upon actual or estimated hours work and actual wage rates. (The amount of compensation that Ms. Roberts and Mr. Roberts receive that is related to utility operations is \$9,360 and \$1,680, respectively, and is discussed at ARF Form 1, Attachment SAO-G, Reference D.) If CPS vehicles are used, any cost for the use of such vehicles is based upon the current IRS mileage rate. CPS does not operate a separate office for the underground propane distribution system. It has proposed to impute the cost of a portion of its present office space based upon an estimate of the cost of renting a similar office in the area in which its offices are located.

TAB 8

**SUBMITTED UNDER
PETITION FOR
CONFIDENTIAL
TREATMENT**

TAB 9

**SUBMITTED UNDER
PETITION FOR
CONFIDENTIAL
TREATMENT**

TAB 10



INVOICE

Invoice Number: OCT-84277
 Invoice Date: Oct 13, 2016

P O BOX 711747
 CINCINNATI OH 45271-1747

Voice: 513-271-1460
 Fax: 513-271-1490

Bill To:
 COMMERCIAL PROPANE SERVICE
 160 SULPHER SPRINGS RD
 LEBANON, KY 40033

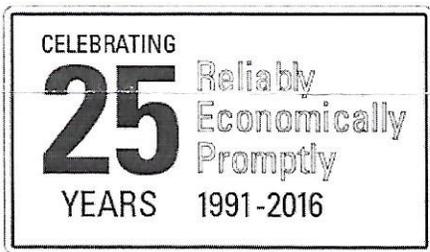
Ship to:
 COMMERCIAL PROPANE SERVICE
 DANVILLE, KY
 USA

Customer ID	BOL #	Payment Terms	
COMLEB	16-587	NET 10 DAYS	
Sales Rep ID	Shipping Method	Ship Date	Due Date
SA	US MAIL	10/13/16	10/23/16

Quantity	Item	Description	Unit Price	Amount
9,047	SPOT	PROPANE	0.7495000	6,780.73
9,047	FEDTAX	PERC TAX - NATIONAL	0.0040000	36.19
9,047	KYDTAX	KENTUCKY PROPANE PERC TAX	0.0020000	18.09
		P.O. Spot		

9074 gallons

OB
re-billed and accidentally
boxed



On statement
as
\$6855.41

PLEASE INCLUDE INVOICE NUMBER WITH YOUR PAYMENT

Subtotal	6,835.04
Sales Tax	
Total Invoice Amount	6,835.01
Payment/Credit Applied	
TOTAL	6,835.01

FINANCE CHARGE OF 1.5% PER MONTH ON LATE PAYMENTS



INVOICE

Invoice Number: FEB-82116

Invoice Date: Feb 10, 2016

P O BOX 711747
CINCINNATI OH 45271-1747

Voice: 513-271-1460

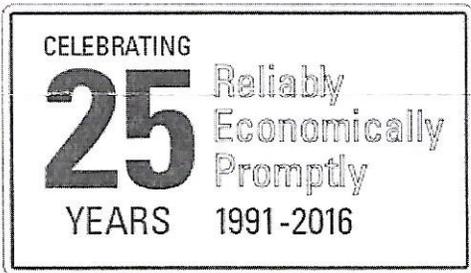
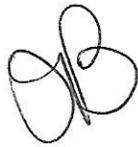
Fax: 513-271-1490

Bill To:
COMMERCIAL PROPANE SERVICE
160 SULPHER SPRINGS RD
LEBANON, KY 40033

Ship to:
COMMERCIAL PROPANE SERVICE
DANVILLE, KY
USA

Customer ID	BOL #	Payment Terms	
COMLEB	16-099773	NET 10 DAYS	
Sales Rep ID	Shipping Method	Ship Date	Due Date
SA	US MAIL	2/10/16	2/20/16

Quantity	Item	Description	Unit Price	Amount
9,401	SPOT	PROPANE	0.6105000	5,739.31
9,401	FEDTAX	PERC TAX - NATIONAL	0.0040000	37.60
9,401	KYDTAX	KENTUCKY PROPANE PERC TAX	0.0020000	18.80
		P.O. spot-Adrian		



**PLEASE INCLUDE
INVOICE NUMBER
WITH YOUR PAYMENT**

Subtotal	5,795.71
Sales Tax	
Total Invoice Amount	5,795.71
Payment/Credit Applied	
TOTAL	5,795.71

FINANCE CHARGE OF 1.5% PER MONTH ON LATE PAYMENTS



INVOICE

Invoice Number: JAN-81264

Invoice Date: Jan 9, 2016

P O BOX 711747
CINCINNATI OH 45271-1747

Voice: 513-271-1460

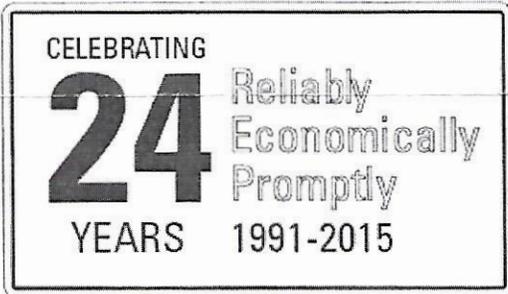
Fax: 513-271-1490

Bill To:
COMMERCIAL PROPANE SERVICE 160 SULPHER SPRINGS RD LEBANON, KY 40033

Ship to:
COMMERCIAL PROPANE SERVICE DANVILLE, KY USA



Customer ID		BOL #		Payment Terms	
COMLEB		16-99096		NET 10 DAYS	
Sales Rep ID		Shipping Method		Ship Date	Due Date
RE		US MAIL		1/9/16	1/19/16
Quantity	Item	Description	Unit Price	Amount	
9,365	SPOT	PROPANE	0.5946000	5,568.43	
9,365	FEDTAX	PERC TAX - NATIONAL	0.0040000	37.46	
9,365	KYDTAX	KENTUCKY PROPANE PERC TAX	0.0020000	18.73	
		P.O. Spot			

**PLEASE INCLUDE
INVOICE NUMBER
WITH YOUR PAYMENT**

Subtotal	5,624.62
Sales Tax	
Total Invoice Amount	5,624.62
Payment/Credit Applied	
TOTAL	5,624.62

FINANCE CHARGE OF 1.5% PER MONTH ON LATE PAYMENTS

TAB 11

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

October 31, 2017

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.

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

TAB 12

NAMED INSURED: COMMERCIAL PROPANE SERVICE LLC Travelers DATE : 03/21/16
 SPECIAL NOTES: 12/10/15 Agency Address 1 TRANS TYPE: REN.
 INSURANCE CO : TRAV PROP CAS CO OF AMERI Agency Address 2
 BUSINESS TYPE: Hartford , CT 06105

POLICY NUM : 660 5F856243 AGY/PROD NUMBER: CTG00 AUD FREQ: ANNUAL
 CUSTOMER ID : 7833H7176 PROD NAME : PT RISK MANAGEMENT INS OPERATOR: JK0224R

LOB: PACKAGE EFFECTIVE DATE: 03/01/16 EXPIRE DATE: 03/01/17 ANNIV DATE:

*****LOCATION/BUILDING PREMIUM RECAP*****

LOC	BLDG	ADDRESS	LINE OF BUSINESS	PREMIUM
001	001	160 SULPHUR SPRINGS RD LEBANON, KY	GENERAL LIABILITY (SIM) PROPERTY	3,391.00 1,485.00
			TOTAL	4,876.00
001	002	160 SULPHUR SPRINGS RD LEBANON, KY	PROPERTY	260.00
			TOTAL	260.00
001	003	160 SULPHUR SPRINGS RD LEBANON, KY	PROPERTY	1,333.00
			TOTAL	1,333.00
002	004	201 BLUFFWOOD DR DANVILLE, KY	PROPERTY	1,033.00
			TOTAL	1,033.00
STATE LEVEL PREMIUMS			GENERAL LIABILITY (SIM)	61.00
			PROPERTY	94.00

TAB 13

Compton, Kottke & Associates, P.S.C.

220 West Main Street, Suite 2200
Louisville, KY 40202-1395
(502) 587-8851

HERITAGE OPERATING, LLC
DBA BRIGHTS PROPANE SERVICE CO
160 SULPHUR SPRINGS RD
LEBANON, KY 40033

Invoice No. 13909
Date 11/02/2017
Client No. 109500

Preparation of 2015 Annual PSC Report
(Includes set up of QB accounts to match report standards - 30.45 hours)
*This was accrued on 2016 Annual Report

Going to send a breakdown
in the future.

Current Amount Due \$ 4,215.00

Another inv. (smaller) - covers the work done recently
- covers prop. tax return

1 1/2% (18% per annum) will be charged on all account balances 30 days past due.

WHITE - Client Copy
YELLOW - Remittance Copy

TAB 14

Investment Summary

	Amount
Ignite Lite Software:	
1 User Ignite Lite License ** (page 7)	\$3,000
Implementation Services:	
Installation/Training Tasks:	\$12,500
Project Management	
Consultation/Business Analysis	
Data Mapping	
Live Data Conversion	
3 Days of Setup, Installation, Training and Follow Up (When 2 trainers are onsite, it is considered 2 days of training)	
Sub Total:	\$15,500
Vendor Interface:	
Financial Software Interface / Setup (i.e. QuickBooks)	\$2,500
Credit Card Interface / Setup (Credit Card Vault Required)	\$1,000
SafeTNet:	
Up to 4GB of Data Storage (First 90 days No Charge) (Rate of \$40/month for 12 months)	\$0
<i>Discount valid till 10/20/17</i>	<u>\$-5,000</u>
GRAND TOTAL (Tax Not Included):	\$14,000

Any additional training on top of what is proposed above will be billed at the rate in effect at that time.

TERMS: 50% Down for a deposit,
50% Due the first day of the installation.

SOFTWARE SUPPORT & MAINTENANCE:

Ignite Lite: Billed yearly beginning 90 days from the software installation date at a rate of \$125/month or \$1,495/year.

SafeTNet: Billed yearly beginning 90 days from the software installation date unless you choose to cancel this functionality prior to then.

ACCEPTANCE OF PROPOSAL: *The above prices, specifications and conditions are satisfactory and are hereby accepted. Blue Cow Software is authorized to do the work as specified. Payment will be made as outlined above.*

AUTHORIZED SIGNATURE

BLUE COW SOFTWARE

Name

Title
10-19-2017

Date

Name

Title

Date

Commercial Propane Services, LLC.

October 13, 2017

Company Name

*All pricing disclosed on this proposal will be honored by Blue Cow Software for thirty (30) days unless otherwise extended in writing by Blue Cow Software.

Blue Cow Software
 50 Salem St
 Lynnfield, MA 01940
 (888) 499-2583

STATEMENT

November 10, 2017

STATEMENT

Commercial Propane Services, LLC
 160 Sulphur Springs Road
 Lebanon, KY 40033

Account Number
8778
Amount Enclosed

270-699-9437

Please Return Upper Portion of This Statement With Your Payment

START DATE: 10/1/17		ACCOUNT NUMBER: 8778		PREVIOUS BALANCE: \$0.00	
DATE	REF NUM	REFERENCE	SALES	PAYMENTS	BALANCE
10/23/17	120237	Ignite Lite- 1 User, Implementation Services, Financial / GL Interface - Implementation & Training, Credit Card Interface - Maintenance, 3 Months of SafeTNet, Discount	\$14,000.00	\$0.00	\$14,000.00
10/23/17	120242	Check 1935	\$0.00	\$7,000.00	\$7,000.00

Current	Over 30 Days	Over 60 Days	Over 90 Days	Over 120 Days	AMOUNT DUE
\$7,000.00	\$0.00	\$0.00	\$0.00	\$0.00	
Thank You					\$7,000.00

Blue Cow Software
 50 Salem St
 Lynnfield, MA 01940
 (888) 499-2583

TAB 15

In accordance with the Commission's Order in Case No. 2014-00250,¹ the total utility plant being acquired by CPS was reported in the amount of \$55,916. Based on the accumulated depreciation balance last reported by Bright's Propane Service, Inc., the net book value of the assets CPS acquired was \$7,118. Based on the \$7,118 net book value and the \$5,000 purchase price CPS paid to acquire the facilities, there was a resulting plant acquisition adjustment of negative \$2,118. CPS was required to recognize this negative plant acquisition adjustment when it recorded its acquisition of the utility assets on its books, but made an offsetting accounting entry that resulted in the plant acquisition adjustment not being carried on its books after it completed its recording of the transaction. The offsetting entry to remove the plant acquisition adjustment from CPS's books of account was a debit of \$2,118 to Account 114 and a credit of the same amount to Account 108, Accumulated Depreciation. After this entry, the impact on CPS's books was:

<u>Debit</u>	<u>Credit</u>
Plant- Acct. 101 \$55,916	Accumulated Depreciation - Acct. 108 \$50,916
	Cash - Acct. 131 \$5,000

Since the acquisition, CPS completed two upgrades to its system and recently purchased computer software. The following table identifies the depreciation schedule for the plant acquired and the subsequent upgrades and purchases:

<u>Depreciation Schedule</u>				
Item	Original Cost	Year Acquired	Useful Life (Years)	Annual Depreciation Amount
Plant Acquired	\$ 5,000.00	2015	10	\$ 500.00
Bulkhead Upgrade	\$10,400.00	2016	20	\$ 520.00
Regulator Upgrade	\$ 3,662.00	2016	5	\$ 732.40
Computer Software	\$14,000.00	2017	5	\$2,800.00

¹ *Joint Application of AmeriGas Partners, L.P. and Commercial Propane Service LLC for Approval of Commercial Propane Service LLC's Acquisition of AmeriGas Partners, L.P.'s Utility Assets in Old Bridge Subdivision, Danville, Kentucky, Case No. 2014-00250 (Ky. PSC Nov. 25, 2014) at 9-12.*

TAB 16

TAB 17

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Reconnection Charge

1. Field Expense:

A. Materials (Itemize)	
_____	<u>\$ 0.00</u>
_____	_____
_____	_____
B. Labor (Time and Wage)	
<u>2 Hours x \$18.84/hr*</u>	<u>37.68</u>
Total Field Expense	<u>\$ 37.68</u>

2. Clerical and Office Expense

A. Supplies	\$ _____
B. Labor	<u>8.08**</u>
Total Clerical and Office Expense	<u>\$ 8.08</u>

3. Miscellaneous Expense

A. Transportation	<u>\$ 58.85***</u>
B. Other (Itemize)	
_____	_____
_____	_____
_____	_____
Total Miscellaneous Expense	<u>\$ 58.85</u>

Total Nonrecurring Charge Expense **\$ 104.63 ≈ 105.00**

* Assumes wage of \$17.50 per hour + FICA taxes

** Assumes wage of \$15.00 per hour + FICA taxes

***Assumes round trip of 110 miles @ \$0.535 per mile nrcjust.doc - August 13, 2007

TAB 18

TAB 18

LATE PAYMENT FEE

807 KAR 5:006, Section 9(3)(h) provides that a “late payment charge may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. Commercial Propane Service proposes to assess late payment fee of 10 percent if a customer fails to make timely payment on his or her bill. This fee is generally consistent with those assessed by other utilities subject to Commission regulation. *See Tariff Filing of Kentucky-American Water Company to Establish a Late Payment Fee*, Case No. 2012-00155 (Ky. PSC Nov. 1, 2012).

TAB 19

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Returned Payment Charge

1. Field Expense:

A. Materials (Itemize)

_____ \$ 0.00

B. Labor (Time and Wage)

_____ 0.00

Total Field Expense \$ 0.00

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor 20.19*

Total Clerical and Office Expense \$ 20.19

3. Miscellaneous Expense

A. Transportation \$ 0.00

B. Other (Itemize)

Bank Fee _____ 10.00

Total Miscellaneous Expense \$ 10.00

Total Nonrecurring Charge Expense \$ 30.19 ≈ 30.00

* Assumes: wage of \$15.00 per hour + FICA taxes (\$16.15)

1.25 hours of labor

TAB 20

TAB 21

TAB 21

METER RELOCATION CHARGE

Commercial Propane Service proposes to establish a meter relocation charge of “Actual Cost.” Since acquiring the underground pipe propane distribution system, Commercial Propane has not performed any meter relocations. Since the cost of a relocation will depend upon a number of factors, including the topography of the area, the physical features on the lot, and the distance from Commercial Propane Service’s underground piping, the configuration of the existing piping and the desired location, it is more appropriate to charge actual rather than a charge based upon an average of the cost of prior taps.

TAB 22

TAB 23

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Service Assignment/Transfer Charge

1. Field Expense:

A. Materials (Itemize)	
_____	<u>\$ 0.00</u>
_____	_____
_____	_____
B. Labor (Time and Wage)	
_____	<u>0.00</u>

Total Field Expense	<u>\$ 0.00</u>

2. Clerical and Office Expense

A. Supplies	\$ _____
B. Labor	<u>32.30*</u>

Total Clerical and Office Expense	<u>\$ 32.30</u>

3. Miscellaneous Expense

A. Transportation	<u>\$ 0.00</u>
B. Other (Itemize)	
_____	_____
_____	_____
_____	_____
Total Miscellaneous Expense	<u>\$ 0.00</u>

Total Nonrecurring Charge Expense **\$ 32.30 ≈ 30.00**

* Assumes: wage of \$15.00 per hour + FICA taxes (\$16.15)
2 hours of labor

TAB 24

TAB 24

CALCULATION OF DEPOSITS

807 KAR 5:006, Section 8(1)(a) provides that a “utility may require from a customer a minimum cash deposit or other guaranty to secure payment of bills, except from those customers qualifying for service reconnection pursuant to Section 16 of this administrative regulation.” 807 KAR 5:006, Section 8(1)(d) permits a utility to establish an equal deposit amount for each class based on the average bill of customers in that class, but the deposit amount shall not exceed two-twelfths (2/12) of the average annual bill of customers in the class if bills are rendered monthly.

Commercial Propane Service proposes a deposit based upon 2/12ths of the average annual bill. Based upon test period usage and applying the proposed rates, approximate 771 bills would be issued and \$62,393.20 would be billed in one year. This results in an average monthly bill of \$80.93 ($\$62,393.20 \div 771$ bills). Two times this amount is \$161.86. This amount has been rounded to \$160 for ease of administration.

TAB 25

TAB 25

TAP-ON FEE

Commercial Propane Service proposes to revise its tap-on fee from the present rate of \$275.00 to "Actual Cost." Since acquiring the underground pipe propane distribution system, Commercial Propane has made only two tap-ons, which outside contractors performed. The invoice for each tap-on is attached. The cost of each tap-on differs significantly. Since there are a number of factors that affect the cost of a tap-on, including the topography of the area, the physical features on the lot, and the distance from Commercial Propane Service's underground piping, it is more appropriate to charge actual rather than a charge based upon an average of the cost of prior taps. Please note that there are few undeveloped lots in the Old Bridge Subdivision and the likelihood of numerous requests for taps is small.

Hayslett Mechanical Contractors, Inc
 PO Box 345
 729 Warwick Road
 Harrodsburg, KY 40330

Invoice

Date	Invoice #
7/29/2016	19650

Bill To
Commerical Propane Service 160 Sulphur Springs Road Lebanon, KY 40033

OB

P.O. No.	Terms	Account #	Job #
	Due on receipt	5751	192780

Date	Item	Description	Quantity	Rate	Amount
7/29/2016	Contract	214 Blueffwood Dr Danville Underground LP Gas line Sales Tax		1,385.00 6.00%	1,385.00 0.00
		<i>Tap-in @ 214 Bluff</i>			

There is no warranty on drain cleaning or customer-supplied items.

Total \$1,385.00

Payments/Credits \$0.00

Balance Due \$1,385.00

Phone #	Fax #
859-734-2667	859-734-2642

Hayslett Mechanical Contractors, Inc
 PO Box 345
 729 Warwick Road
 Harrodsburg, KY 40330

Invoice

Date	Invoice #
10/25/2016	19899

Bill To
Commerical Propane Service 160 Sulphur Springs Road Lebanon, KY 40033

P.O. No.	Terms	Account #	Job #
	Due on receipt	5751	195600

Date	Item	Description	Quantity	Rate	Amount
10/25/2016	Contract	Furnish/install approximately 165' of SDR 11 underground gas including 20; road bore along with riser and tapping tee Sales Tax		2,180.00 6.00%	2,180.00 0.00

OB

There is no warranty on drain cleaning or customer-supplied items.

Total	\$2,180.00
Payments/Credits	\$0.00
Balance Due	\$2,180.00

Phone #	Fax #
859-734-2667	859-734-2642

TAB 26

TAB 27

TAB 27

METER REPLACEMENT SURCHARGE

Commercial Propane Service's meters are in excess of 30 years old, have exceeded their useful life and should be replaced. Commercial Propane Service, however, lacks sufficient funds to replace these meters at one time. It proposes to establish a meter replacement surcharge the proceeds of which will be used solely to fund the purchase of new meters. It proposes to replace one-tenth of its existing meters annually and to fund the cost through the use of a monthly surcharge. The use of a surcharge would eliminate the need to recover depreciation expense and interest expense that would be incurred if Commercial Propane Service attempted to replace the meters by borrowing the funds. By using the surcharge method to finance the cost of the replacement meters, Commercial Service Propane foregoes recovery of any return on the installation and use of the meters.

Commercial Propane Service proposes to assess the proposed surcharge monthly from all customers over a period of ten years. The surcharge is designed to generate sufficient annual revenues to fund the purchase and installation of six new meters annually. Commercial Propane Service calculated the amount of the monthly surcharge using the estimated cost of purchasing (Attached Invoice) and installing six meter annually and assessing each of the estimated 60 customers an equal charge monthly. The actual calculations are shown below:

$$\begin{aligned} \text{Estimated cost of purchasing and installing 6 meters} &= 6 \times \$650.00 = \$3,900.00 \\ \text{Monthly surcharge} &= \$3,900.00 \div 12 \text{ months} \div 60 \text{ customers} = \mathbf{\$5.42} \end{aligned}$$

Commercial Propane Service proposes to purchase and install six meters at the start of each year. The total surcharge amount, therefore, will be based upon the actual costs. Commercial Propane Service further proposes to adjust this charge annually to reflect any changes in meter acquisition costs and any over-collections. (If annual surcharge proceeds fail to cover the cost of the acquired meters for the annual period, Commercial Propane Service will absorb the unrecovered cost and not seek recovery of the unrecovered amount through an adjustment in the surcharge amount.) When it files annually with the Commission a revised tariff sheet to reflect such changes, Commercial Propane Service will also file a written report containing proof of the cost of the acquired meters for the prior year and a report of the collections and disbursements for that period as well as any other information that the Commission deems necessary.

729 Warwick Road PO Box 345
Harrodsburg, KY 40330
Phone 859-734-2667
Fax 859-734-2642

**Hayslett Mechanical
Contractors, Inc.**

Fax

To: CPS **From:** Gil Hayslett II

Fax: **Pages:** 1

Phone: **Date:** 12/5/2017

Re: Meter/regulator **CC:**

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

● **Comments:**

Budget price to remove one existing LP meter and regulator and furnish/install one new LP meter and regulator:

Materials.....\$450 +/-

Labor.....\$200 +/-

Total budget.....\$650 +/- each

Thanks,

Gil Hayslett II
