✓

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

APPLICATION FOR RATE ADJUSTMENT BEFORE THE PUBLIC SERVICE COMMISSION

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

			•			
		COMMERCI	IAL 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			
			HONE NUMBER and E-MAIL ADDRESS of the person to whom correst application should be directed:	sponde	ence	or
			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)			
			atement below, the Applicant should check either "YES", "NO", or LICABLE" (N/A))	YES	NO	N/A
4	_					
1.	a.	In its immediate past gross annual revenue	calendar year of operation, Applicant had \$5,000,000 or less in e.	✓		
	b.	In its immediate past	o or more divisions that provide different types of utility service. calendar year of operation, Applicant had \$5,000,000 or less in from the division for which a rate adjustment is sought.			V
2.	a.	Applicant has filed ar year.	annual report with the Public Service Commission for the past	✓		
	b.	Applicant has filed an previous years.	annual report with the Public Service Commission for the two	V		

Applicant's records are kept separate from other commonly-owned enterprises.

3.

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 rate intervention@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.)	V
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.)	7
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.)	7
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.				
5:076 a	By submitting this application, the Applicant consents to the procedures set fortend waives any right to place its proposed rates into effect earlier than six months from 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 belompleted this application, and to the best of my knowledge all the information coration and its attachments is true and correct.				
	Signed Officer of the Company/Authorized Rep				
Title Member					
	Date 12.5.2017				
COMM	NONWEALTH OF KENTUCKY				
COUN	TY 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: 9/30115					
	Misha Jo Wilson Notary Public, ID No. 52030 State at Large, Kentuck My Commission Expires on Sept. 30, 20	8			

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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<u>Tab</u>	<u>Document</u>
1	Attachment SR – Reasons For Application
2	Attachment CPR – Current and Proposed Rates
3	Attachment SAO-G - Statement of Adjusted Operations
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
13	Audit Expense
14	Invoice for Computer Software
15	Depreciation Schedule
16	Revised Tariff Sheets
17	Nonrecurring Charges: Reconnection Fee
18	Nonrecurring Charges: Late Payment Fee
19	Nonrecurring Charges: Returned Payment Fee
20	Nonrecurring Charges: Meter Testing Charge
21	Nonrecurring Charges: Meter Relocation Charge
22	Nonrecurring Charges: Service Investigation Charge
23	Nonrecurring Charges: Service Assignment/Transfer Charge

<u>Tab</u>	<u>Document</u>
24	Nonrecurring Charges: Deposit
25	Nonrecurring Charges: Tap-On Fee
26	Nonrecurring Charges: Disconnection Fee
27	Meter Replacement Surcharge

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.

ARF FORM 1 - ATTACHMENT CPR - SEPTEMBER 2011

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

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	В	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	Е	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	Н	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	\$46,503
Adjustment to Residential Sales	\$ 67

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	\$ 6,855.41
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 = $3,060.20$
Total	\$6,700.20

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 = $2.701.01$
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)	$17.50/hr \times 8hrs \times 2 persons \times 12 mos = 3,360.00$
Meter Reading (Mileage)	110 mi x 1 trips/mo x 12 mos x 0.535 /mi = 706.20
Total	\$4,066.20

<u>Customer Records.</u> 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:	$60 \times 0.049 \times 12 = 394.94$
Envelopes:	720 envelopes x \$38/500 envelopes = \$54.72
-	
Reported Annual Report:	\$22,360
Adjusted Customer Account I	Expenses: \$13,876
Amount of Adjustment:	\$ 8,483

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

<u>Insurance Expense.</u> 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% = \$444.22 Total Insurance: \$1,477.22

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

<u>Preparation of 2015 Annual Report.</u> 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):	\$ 6,982
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:	\$ 500.00
Total:	\$4,532.40
Reported Depreciation Expense (Annual Report)_:	\$ 562.00
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</u> .0765
Total FICA Taxes	\$1,621.03
FICA Taxes:	\$1,621.03
Assessment for Maintenance of PSC:	\$ 85.98
Total:	\$1,707.01

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%

<u>Provision for Income Taxes - Calculation of Tax Gross-Up Factor</u>

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 divide	ed by change in NOI)	1.00000
Times: Allowable Net Incor	me	7,024.64
Net Income Before Taxes		7,024.64
Difference Equals Provision	n 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.

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	e (Proposed Rate	es)			
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		

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	N/A	\$ 5.42 per Month	\$5.42	N/A
Surcharge				

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	Proposed	Change	Change
	Rate	Rate	(\$)	(%)
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

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 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 transaction	ns are listed on the supplemental page.	

Check this box if the Utility has no related p	party transactions.
Check box if additional transactions are list	red on the supplemental page.
commissioner, or any person with a 10 percent o	a family member of the Utility's chief executive officer, a Utility or greater ownership interest in the Utility. The name of each sed and the nature of the relationship are listed on the to Utility Officials."
Michael W. Roberts (Print Name)	(Signed)
Member (Position/Office)	

^{* &}quot;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	_,20 17.
	Mency
	NOTARY PUBLIC
	State-at-Large
	Misha Jo Wilson Notary Public, ID No. 520309 State at Large, Kentucky My Commission Expires on Sept. 30, 2018

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.

SUBMITTED UNDER PETITION FOR CONFIDENTIAL TREATMENT

SUBMITTED UNDER PETITION FOR CONFIDENTIAL TREATMENT



INVOICE

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

P O BOX 711747

Voice:

513-271-1460

CINCINNATI OH 45271-1747

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 COMLEB		BOL#	Payment Terms NET 10 DAYS	
		16-587		
Sales Rep	o ID	Shipping Method	Ship Date	Due Date
SA		US MAIL	10/13/16	10/23/16
Quantity	Item	Description	Unit Price	Amount
9,047 S	POT	PROPANE	0.7495000	6,780.73
9,047 ₹F	EDTAX	PERC TAX - NATIONAL	0.0040000	36.19
9.047 K	YDTAX	KENTUCKY PROPANE PERC TAX	0.0020000	18.09
	A 4	P.O. Spot	M M	
(9074)	gallons		CANO I	
	J		N.	
			'\\	
			3)	
		No on se	7	
		vekelled occide		
		1 so so		
		U		

25 Reliably Economically Promptly
YEARS 1991-2016

on statement as \$16855.41

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



INVOICE

Invoice Number: FEB-82116 Invoice Date: Feb 10, 2016

P O BOX 711747

Voice:

513-271-1460

CINCINNATI OH 45271-1747

Fax:

513-271-1490

Bill To:

COMMERCIAL PROPANE SERVICE 160 SULPHER SPRINGS RD LEBANON, KY 40033 COMMERCIAL PROPANE SERVICE
DANVILLE, KY
USA

Custon	nerID	BOL#	Payment Ten	ms
COMLEB Sales Rep ID		16-099773	NET 10 DAYS	
		Shipping Method	Ship Date	Due Date
SA	4	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
	100 Carlos (100 Ca	P.O. spot-Adrian	10 2000	

25 Reliably
Economically
Promptly
YEARS 1991-2016

PLEASE INCLUDE INVOICE NUMBER WITH YOUR PAYMENT

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



INVOICE

Invoice Number: JAN-81264 Invoice Date: Jan 9, 2016

P O BOX 711747

Voice:

513-271-1460

CINCINNATI OH 45271-1747

Fax:

513-271-1490

Bill To:

COMMERCIAL PROPANE SERVICE 160 SULPHER SPRINGS RD LEBANON, KY 40033 Ship to:

COMMERCIAL PROPANE SERVICE

DANVILLE, KY

USA

D

Custom	nerID	BOL#	Payment Ter	ms	
COMLEB		16-99096	NET 10 DAY	NET 10 DAYS	
Sales R	ep ID	Shipping Method Ship D		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 P.O. Spot	0.0020000	18.73	
	*				

CELEBRATING
Reliably
Economically
Promptly
YEARS 1991-2015

PLEASE INCLUDE INVOICE NUMBER WITH YOUR PAYMENT

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

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, Alhie Croise

Ackie George Real Estate Broker

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

DATE : 03/21/16 TRANS TYPE: REN.

POLICY NUM : 660 5F856243 CUSTOMER ID : 7833H7176

AGY/PROD NUMBER: CTG00 PROD NAME : PT RISK MANAGEMENT INS

AUD FREQ: ANNUAL OPERATOR: JK0224R

LOB: PACKAGE

EFFECTIVE DATE: 03/01/16

EXPIRE DATE: 03/01/17

ANNIV DATE:

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, RY	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
STAT	e level p	REMIUMS	GENERAL LIABILITY (SIM) PROPERTY	61.00 94.00

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 SULPHER SPRINGS RD LEBANON, KY 40033

> Invoice No. 13909 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

Coing to send a breakdown Current Amount Due \$ 4,215.00 in the future.

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

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)	\$0
(Rate of \$40/month for 12 months)	
Discount valid till 10/20/17	\$-5,000
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.

<u>SafeTNet:</u> 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 SOFT\	VARE
Xtalin		
GENERAL MANAGER	Name	
Title 10-10-2017	Title	
Date	Date	
Commercial Propane Services, LLC.		October 13, 2017

Соптрану 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 BA	ALANCE:	\$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

	Over 90 Days	Over 60 Days	Over 30 Days	Current
\$0.00 \$0.00 \$0.00 A	\$0.00	\$0.00	\$0.00	\$7,000.00
Thank You				

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:

Depreciation Schedule					
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	

[.]

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.

AREA: Old Bridge Subdivision, Danville, Ker	itucky
PSC KY NO. 2	

SHEET NO	1		
CANCELLING F	PSC KY NO	1	
	_SHEET NO		

COMMERCIAL PROPANE SERVICE LLC D/B/A BRIGHT'S PROPANE SERVICE, INC.

INDEX

Title	Sheet No.
Index	1
Rates and Charges	2 - 3
Gas Cost Adjustment Clause	4 - 5
Rules and Regulations	6 - 19
Billing Format	20

DATE OF ISSUE	December 6, 2017
	MONTH / DATE / YEAR
DATE EFFECTIVE	January 6, 2018
	MONTH / DATE / YEAR
ISSUED BY	/s/ Michael W. Roberts
	SIGNATURE OF OFFICER
TITLE	Member
BY AUTHORITY OF C	ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO	DATED_

	AREA: Old Bridge Subdivision, Danville, Kentucky PSC KY NO. 2		
COMMERCIAL PROPANE SERVICE LLC	SHEET NO. 2		
D/B/A BRIGHT'S PROPANE SERVICE, INC.	CANCELLING PSC KY NO. 1		
	SHEET NO		
RATES AN	D CHARGES		
APPLICABLE:			
Entire service area of Old Bridge Subdivision, Dany	ville, Kentucky.		
AVAILABILITY:			
	service other than auxiliary or standby service at existing distribution systems and an adequate supply f gas to the company		
CHARACTER OF SERVICE:			
Propane gas having approximately 2,500 BTU per o	cubic foot.		
RATES AND CHARGES:			
Monthly Charge:			
First 400 cubic feet of usage Over 400 cubic feet of usage	\$ 29.84 Minimum Bill \$.07460 Per Cubic Foot		
Non-Recurring Charges:			
Tap-on fee	Actual cost		
Disconnection Charge	\$105.00		
Reconnection Charge	\$105.00		
Late Payment Charge	10% of Monthly Charge		
Returned Payment Fee	\$30.00.		
Meter Testing Charge Meter Relocation Charge	\$135.00 Actual Cost		
Weter Relocation Charge	Actual Cost		
DATE OF ISSUE December 6, 2017 MONTH / DATE / YEAR			
DATE EFFECTIVE January 6, 2018 MONTH / DATE / YEAR			
ISSUED BY /s/ Michael W. Roberts SIGNATURE OF OFFICER			
TITLE Member			
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COM	MMISSION		

IN CASE NO. ____DATED___

ıcky		
Each customer will be assessed a monthly charge of \$5.42 assessed under the Company's meter-replacement plan approved by the Commission in Case No. 2017-00343.		

DATE OF ISSUE	December 6, 2017
	MONTH / DATE / YEAR
DATE EFFECTIVE	January 6, 2018
	MONTH / DATE / YEAR
ISSUED BY	/s/ Michael W. Roberts
	SIGNATURE OF OFFICER
TITLE	Member
BY AUTHORITY OF ORD	DER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO.	DATED

COMMERCIAL PROPANE SERVICE LLC D/B/A BRIGHT'S PROPANE SERVICE, INC.		AREA: Old Bridge Subdivision, Danville, Kentucky PSC KY NO. 2
		SHEET NO. 4
		CANCELLING PSC KY NO. 1
		SHEET NO
	GAS COST ADJUS	TMENT CLAUSE
Cost l	Recovery Rate (GCR) and shall be filed at lea	e Commission which shall contain an updated Gas ast thirty (30) days prior to the beginning of each for billing with the final meter readings of the first
The g	as cost recovery rates are composed of:	
1.		dollar per Mcf basis, which represents the average of gas remaining plus new supplies at the time of
2.	The actual adjustment (AA), on a dollar per Marevious quarter's average gas cost and the actual adjustment (AA).	Mcf basis; compensates for differences between the tual cost of gas during that quarter.
3.	The balance adjustment (BA), on a dollar perover collections which have occurred as a resu	er Mcf basis, which compensates for any under or ult of prior adjustments.
BILL	<u>ING</u> :	
_	as cost recovery rate to be applied to bills openents: $GCR = AGC$	of customers shall equal the sum of the following $+AA+BA$
DEFI	NITIONS:	
		ans the cost of gas supplies, including associated aich results from the application of suppliers' rates
DATE	OF ISSUE December 6, 2017 MONTH / DATE / YEAR	
DATE	EFFECTIVE January 6, 2018 MONTH / DATE / YEAR	
ISSUE	D BY /s/ Michael W. Roberts SIGNATURE OF OFFICER	
TITLE	Member	

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. DATED

COMMERCIAL PROPANE SERVICE LLC D/B/A BRIGHT'S PROPANE SERVICE, INC.		AREA: Old B PSC KY NO	ridge Subdivision, Danv . 2	ille, Kentucky
		SHEET NO	5	
		CANCELLIN	G PSC KY NO	1
			SHEET NO	
•	effect, plus the actual cost of a the system (i.e.):	ny remaining propane with	in the system in rati	o to the total
	Current Purchased Gas Price +	Cost of Propane =	Total Propane Average Cost/2	
	Cubic feet to fill system	Remainder cubic feet of capacity	Total cubic foo	t
of custome	means the quarterly updated gars (sum of the average gas co (i.e., CGR = AGC + AA + BA))	st component plus the act		
	ar Quarters" means each of the ne, and July; (3) August, Septem			
days prior t	ing Period" means the three (3) to the filing date of the updated the the most recent Quarterly Rep	gas recovery rates; i.e., the		
DATE OF ISS	SUE December 6, 2017 MONTH / DATE / YEA			
DATE EFFEC	CTIVE January 6, 2018 MONTH / DATE / YEA			
ISSUED BY_	/s/ Michael W. Robert SIGNATURE OF OFFIC			
TITLE	Member			
BY AUTHORI	TY OF ORDER OF THE PUBLIC SERV	VICE COMMISSION		
IN CASE NO	DATED			

COMMERCIAL PROPANE SERVICE LLC	AREA: Old Bridge Subdivision, Danville, Kentucky PSC KY NO. 2 SHEET NO. 6
D/B/A BRIGHT'S PROPANE SERVICE, INC.	CANCELLING PSC KY NO. 1SHEET NO
RULES AND F	REGULATIONS
1. COMMISSION'S RULES AND REGULAT	ΓΙΟΝS

All gas service rendered by the Company shall be in accordance with the Administrative Regulations by which gas utilities are governed by the Commission and all amendments thereto and modifications thereof which may be made by the Commission.

COMPANY'S RULES AND REGULATIONS 2.

In addition to the Rules and Regulations prescribed by the Commission, all gas service rendered shall also be in accordance with the following Rules and Regulations adopted by the Company provided same do not conflict with those of the Commission.

3. APPLICATION FOR SERVICE

All applications for service shall be made on the Company's standard application or contract form which shall be signed by the Customer, or his duly authorized agent, and accepted by the Company before any service is rendered. Company may require any party applying for service to provide some or all of the following information for the party desiring service: full legal name, address, full Social Security Number or other taxpayer identification number, date of birth (if applicable), relationship of the applying party to the party desiring service, and any other information Company deems necessary for legal, business, or debt-collection purposes. Company shall have the right to reject for valid reasons any such application or contract, including the applying party's refusal to provide requested information.

A separate application or contract shall be made for each class of service at each separate location.

In cases where unusual construction or equipment expense is necessary to furnish the service the Company may require a contract for a minimum period of one (1) year.

DATE OF ISSUE	December 6, 2017
	MONTH / DATE / YEAR
DATE EFFECTIVE	January 6, 2018
	MONTH / DATE / YEAR
ISSUED BY	/s/ Michael W. Roberts
	SIGNATURE OF OFFICER
TITLE	Member
BY AUTHORITY OF ORD	DER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO.	DATED

	PSC KY NO. 2
COMMERCIAL PROPANE SERVICE LLC	SHEET NO. 7
D/B/A BRIGHT'S PROPANE SERVICE, INC.	CANCELLING PSC KY NO. 1
	SHEET NO

4. CUSTOMER DEPOSIT

Company may require a cash deposit or other guaranty from customers to secure payment of bills in accordance with 807 KAR 5:006, Section 8, but no deposit will be required for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection. Deposits may be required from all customers not meeting satisfactory credit and payment criteria.

Satisfactory credit for customers will be determined by usibg independent credit sources (primarily used with new customers having no prior history with Company), as well as historic and ongoing payment and credit history with Company.

Company may offer customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first six (6) normal billing periods. Service may be refused or discontinued for failure to pay or maintain the requested deposit.

Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to Customer's bills, except that no refund or credit will be made if Customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to Customer's bill prior to twelve (12) months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to Customer

The deposit for a customer is in the amount of \$160.00, which is calculated in accordance with 807 KAR 5:006, Section 8(1)(d).

Company shall retain Customer's deposit for a period not to exceed twelve (12) months, provided Customer has met satisfactory payment and credit criteria. If a deposit is held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.

DATE OF ISSUE	December 6, 2017
	MONTH / DATE / YEAR
DATE EFFECTIVE	January 6, 2018
	MONTH / DATE / YEAR
ISSUED BY	/s/ Michael W. Roberts
	SIGNATURE OF OFFICER
TITLE	Member
BY AUTHORITY OF O	RDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO.	DATED

8
C KY NO. 1
SHEET NO

If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

5. TAP-ON FEE

The Company shall require a tap-in-fee for all new connections equal to the actual cost of the new connection. This fee is to cover the actual cost of the tap-on fee, 1/2 day rental of generator, fusion equipment, ditch witch, tap-in-fee cover box, and the labor for installing all of the above.

6. RESALE OF GAS

Gas service furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such gas to any other person, firm, or corporation on Customer's premises or for use on any other premises.

7. OWNERS CONSENT TO OCCUPY

In case the Customer is not the owner of the premises or of the intervening property between the premises and the Company's service connection, it shall be the Customer's responsibility to obtain from the property owner or owners the necessary consent to install and maintain in, on, or over said premises all such piping and other equipment as are required or necessary for supplying gas service to the Customer whether the piping and equipment be the property of the Customer or the Company.

8. ACCESS TO PREMISES

The Company shall have the right of access to the Customer's premises at all reasonable times for the purpose of installing, reading, inspecting, repairing, or removing its meter, regulator, or other equipment used in connection with its supply of gas service or for the purpose of turning on or shutting off the gas supply when necessary and for all other proper purposes.

DATE OF ICCITE	Danamhan (2017
DATE OF ISSUE	December 6, 2017 MONTH / DATE / YEAR
	MONIH/DATE/TEAR
DATE EFFECTIVE _	January 6, 2018
	MONTH / DATE / YEAR
ISSUED BY	/s/ Michael W. Roberts
	SIGNATURE OF OFFICER
TITLE	Member
BY AUTHORITY OF C	ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO.	DATED

	AREA: Old Bridge Subdivision, Danville, Kentucky PSC KY NO. 2
COMMERCIAL PROPANE SERVICE LLC	SHEET NO. 9
D/B/A BRIGHT'S PROPANE SERVICE, INC.	CANCELLING PSC KY NO. 1
	SHEET NO

9. COMPANY'S EQUIPMENT AND INSTALLATIONS

The Company shall furnish, install, and maintain at its expense the necessary service connection extending from its main to the Customer's nearest curb or property line. The location of this service connection will be made at the discretion and judgment of the Company.

The Company will furnish, install, and maintain at its expense the necessary meter, regulator, and connections which will be located at or near the main, service connection, property line, near or in the building, at the discretion or judgment of the Company. Whenever practical, in the judgment of the Company, the location will be as near the supply main as possible and outside of buildings. Suitable site or location for the meter, regulator, and connections shall be provided by the Customer and the title to this equipment shall remain in the Company, with the right to install, operate, maintain, and remove same, and no charge shall be made by the Customer for use of the premises as occupied or used.

10. CUSTOMER'S EQUIPMENT AND INSTALLATION

Company shall furnish, install, and maintain at Customer's expense the necessary Customer's service line extending from the Company's service connection at the curb or property line to the building or place of use of the gas. Any Customer accepting gas service under this section shall be deemed to have granted the Company an easement across Customer's property for such service

The installation of the Customer's service line will be made in accordance with the requirements of the constituted authorities and the Company's specifications covering location, installation, kind and size of pipe, type of pipe coating or wrapping, and method of connection. The Customer shall not make any changes in or interfere with his service line without the written consent of the Company.

In all cases where practical, the Customer's service line shall not be installed entering a building underground but shall be brought up out of the ground with a riser and entrance made to the building through the wall or foundation a minimum of six (6) inches above the ground.

The Customer shall furnish, install, and maintain at his expense the necessary house piping, connections, and appliances, and same shall be installed in accordance with the requirements and specifications of

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TITLE	Member
BY AUTHORITY OF	ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO.	DATED

	AREA: Old Bridge Subdivision, Danville, Kentucky PSC KY NO. 2
COMMERCIAL PROPANE SERVICE LLC	SHEET NO. 10
D/B/A BRIGHT'S PROPANE SERVICE, INC.	CANCELLING PSC KY NO. 1
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"INSTALLATION OF GAS PIPING AND GAS APPLIANCES IN BUILDINGS" as complied and approved by the American Standards Association, the National Board of Fire Underwriters, the American Gas Association, and the State Fire Marshall, and other similar bodies on December 5, 1950 (ASA-Z 21.30—1950), and any revisions thereof which are herewith incorporated by reference as part of the Company's Rules and Regulations where applicable and when not in conflict with the requirements of the constituted authorities.

No appliances shall be used which are not of a standard design and which have not been approved by the American Gas Association or a similar or equally qualified agency.

Suitable pressure regulators shall be installed by or at the expense of the Customer on all heating appliances and special equipment which have an hourly input of 50,000 BTU or higher, pressure regulators shall also be installed on all appliances with lower inputs where provided or recommended by the manufacturer or where necessary, at the discretion of the Company, to provide better and safer gas utilization and service.

All of the Customer's service line, piping, connections, and appliances shall be suitable for the purposes thereof and shall be maintained by the Customer at his expense at all times in a good, safe, and serviceable condition.

11. METERING

The gas consumed shall be measured by a meter or meters to be installed by the Company upon the Customer's premises at a point most accessible or convenient for the Company and all bills shall be calculated upon the registration of said meter or meters except as hereinafter provided. If more than one meter is installed at different locations on the Customer's premises, each meter shall be considered separately in calculating the amount of any bills. Meters include all measuring instruments and equipment.

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12. PROTECTION OF COMPANY'S PROPERTY

All meters, piping, and other appliances and equipment furnished by and at the expense of the Company, which may at any time be in or on Customer's premises shall, unless otherwise expressly provided herein, be and remain the property of the Company, and the Customer shall protect such property from loss or damage, and no one who is not an agent of the Company shall be permitted to remove such property or to tamper with or damage same.

13. EXCLUSIVE SERVICE

Except in cases where the Customer has a special contract with the Company for reserve or auxiliary service, no other fuel service shall be used by the Customer on the same installation in conjunction with the Company's service connection, either by means of valves or any other connection. The Customer shall not sell the gas purchased from the Company to any other Customer, Company, or Person, and the Customer shall not deliver gas purchased from the Company to any connection where said gas is to be used off of Customer's premises or by persons over whom Customer has no control.

14. POINT OF DELIVERY OF GAS

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of the Company's service connection into the Customer's service line or pipe of the Customer, or at the outlet of the meter, whichever is nearest the delivery main of the Company.

15. CUSTOMER'S LIABILITY

The Customer shall assume all responsibility for the gas service in or on the Customer's premises at and from the point of delivery of gas and for all piping, appliances, and equipment used in connection therewith which are not the property of the Company, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the Customer's premises or at and from the point of delivery of gas occasioned by such gas or gas service and equipment, except where said injury or damage will be shown to have been caused solely by the negligence of the Company.

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	PSC KY NO. 2	
COMMERCIAL PROPANE SERVICE LLC	SHEET NO. 12	
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16. CONTINUOUS OR UNIFORM SERVICE

The Company shall supply gas continuously and without interruption and adopts and shall maintain, subject to the Commission's regulations, a standard pressure of eleven (11) inches w.c. as measured at the outlet side of the customer meter. However, the Company shall assume no liability for any damage or loss resulting from inadequate or interrupted supply or from any pressure variation when such conditions are not due to willful fault or neglect on its part.

17. MONTHLY BILLS

Bills for gas service will be rendered monthly unless otherwise specified. The term "month" for billing purposes shall mean the period between any two consecutive readings of the meter by the Company, such readings to be taken as near as practicable every thirty (30) days.

Bills are issued on or about the fifth day of the month. Payment is due and payable within 30 days of issuance. Failure to receive a bill does not exempt a Customer from these provisions.

When the Company is unable to read the meter after a reasonable effort, or where the meter fails to operate, the Customer will be billed on an estimated basis at the average of three (3) immediately preceding months, or similar months of utilization, and the billing adjusted as necessary when the meter is read.

18. LATE PAYMENT

If payment is not received by the due date of the bill, a 10% late payment charge will be assessed on the current month's charges. Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or require to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice.

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TITLE	***************************************	
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COMMERCIAL PROPANE SERVICE LLC D/B/A BRIGHT'S PROPANE SERVICE, INC.			AREA: Old Bridge PSC KY NO. 2	Subdivision, Danville, Kentucky
		I DDODANE SEDVICE I I C	SHEET NO	13
				SC KY NO. 1
19.	RETU	JRNED PAYMENT FEE		
		nces where a Customer renders payment to c e Customer will be charged \$30.00 to cover	- ·	
20.	REQU	JESTED METER TEST		
Custo allow	mer, pu ed by 8	st of a meter is performed during normal rsuant to 807 KAR 5:006, Section 19, and 807 KAR 5:022, Section 8(3)(a)1, and Section the test and transportation costs.	the results show t	the meter is within the limits
21.	METE	ER RELOCATION FEE		
		stomer requests that an installed meter be l be charged the actual cost of the relocation		e Customer's premises, the
22. SERVICE INVESTIGATION FEE				
of the	meter.	y will not perform installation or maintenar Some health- and safety-related services a ach services are limited to the following:		
	1)	Response to gas leak complaints regardless	s of cause.	
	2) Response to fires regardless of cause.			
	3) Restore service when outage is caused by Company.			
	4) Comp	Bill investigations, meter and meter reading any facilities.	ing investigations,	and routine maintenance of
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ISSUE	D BY	/s/ Michael W. Roberts SIGNATURE OF OFFICER		
TITLE		Member		

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	AREA: Old Bridge Subdivision, Danville, Kentucky PSC KY NO. 2	
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If a Customer requests a service investigation beyond those enumerated above, Customer shall pay a charge of \$95.00

23. BUDGET BILLING PLAN

Under the Company's Budget Billing Plan, a Customer may elect to pay, each billing period, a budgeted amount in lieu of billings for actual usage. A customer may enroll in the plan at any time.

The budgeted amount will be determined by Company and will be based on one-twelfth of the customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during the customer's budget year. If actual usage indicates the customer's account will not be current with the final payment in the customer's budget year, the customer will be required to pay their Budget Payment Plan account to \$0 prior to the beginning of the customer's next budget year.

If a customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove the customer from the plan, restore the customer to regular billing and require immediate payment of any deficiency. A customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the Plan for twelve (12) months.

Failure to receive a bill does not exempt a customer from the provisions of these terms and conditions.

24. PARTIAL PAYMENT PLAN

Qualifying customers may enter into a partial payment plan in accordance with 807 KAR 5:006(14)(2).

25. WINTER HARDSHIP RECONNECTION

Qualifying customers may have service reconnected pursuant to 807 KAR 5:006 (15) and (16) if conditions of the regulation are met.

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26. ASSIGNMENT OF CONTRACT AND SERVICE TRANSFER FEE

The benefits and obligations of any service application or contract shall begin when the Company commences to supply gas service and shall inure to and be binding upon the successors and assigns, survivors, and executors or administrators, as the case may be, of the original parties thereto, respectively, for the full term thereof, provided, however, that no application, agreement, or contract for service may be assigned or transferred without the written consent or approval of the Company and the payment of \$30.00 to the Company for expenses incurred in the assignment or transfer.

When the gas supply has been discontinued or disconnected for non-payment of bills or other violation of the Company's Rules and Regulations, the service will not be restored at the same location, or connected at another location, for the same or related occupants under a different contract or name when it is evident the change of name is a subterfuge designed to defraud or penalize the Company

27. RENEWAL OF CONTRACT

If upon the expiration of any service contract for a specified term, the Customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed and extended for successive periods of one year each, subject to termination at the end of any year upon thirty days written notice by either party.

28. CUSTOMER'S DISCONTINUANCE OF SERVICE

Any Customer desiring service discontinued or changed from one location to another shall give the Company three (3) days advance notice in person, by telephone, or in writing, provided such notice does not violate contractual obligations. The Customer shall be held responsible for all gas consumed until such notice is received by the Company and three (3) days' time allowed to read the meter and render a final bill.

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	AREA: Old Bridge Subdivision, Danville, Kentucky PSC KY NO. 2	
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29. COMPANY'S DISCONTINUANCE OF SERVICE FOR CAUSE

The Company may refuse or discontinue service to an applicant or Customer, after proper notice for failure to comply with its Rules and Regulations or any state and municipal rules and regulations, when a dangerous condition is found to exist on the Customer's or applicant's premises, when a Customer or applicant refuses or neglects to provide reasonable access to the premises, for fraudulent or illegal use of service, or for nonpayment of bills. However, service shall not be discontinued until the Company has diligently tried to induce the Customer to comply with its Rules and Regulations, or has diligently attempted to induce the Customer to pay the bills.

If discontinuance is for nonpayment of bills, the Customer shall be given at least ten (10) days written notice, separate from the original bill, and cut-off shall be effective not less than twenty-seven (27) days after mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the date the utility notifies the customer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

Where a dangerous condition is found to exist on the Customer's premises, the service shall be discontinued without notice.

Where necessary for construction, maintenance, or operation purposes, the Company may temporarily discontinue service to a Customer, however, notice shall be given whenever practical to do so.

The Company may discontinue service to a Customer immediately and without notice where it is discovered that the Customer has been or is using gas without same being partially or wholly measured through the meter or where the gas is, or has been, used fraudulently, or where the Company's equipment has been tampered with. Where the service has been discontinued for any of these reasons the Company, by written notice to the Customer, may require the Customer, at his expense, to make proper changes or corrections as required by the Company before service is restored.

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In addition to the foregoing, the Company may require the Customer to pay the Company the cost of any and all damages to the Company's equipment, the deficiency in revenue estimated on as accurate a basis as is available, and the cost incurred by the Company in the correction of the defects or diversion including the cost of removal and installation of meters and regulators and the cost of restoring service.

30. RECONNECTION CHARGE

A reconnection charge will be made by the Company to cover the cost incurred in reconnecting the meter or service when (a) the Customer's service has been disconnected for non-payment of bills, or for violation of the Commission's or Company's Rules and Regulations, and the Customer has qualified for and requested the service to be reconnected or (b) the Customer's service has been disconnected at his request and at any time subsequently within twelve (12) months is reconnected at the same or any other premises.

This Reconnection Charge to be made by the Company and paid by the Customer before or at the time the service is reconnected shall be \$105.00.

No charge will be made for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.

31. DISCONNECTION CHARGE

A disconnection charge will be made by the Company to cover the cost incurred in disconnecting the meter or service when non-payment of bills or violation of the Commission's or Company's Rules and Regulations occurs.

This disconnection charge to be made by the Company and paid by the Customer before or at the time the service is disconnected shall be \$105.00.

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	AREA: Old Bridge Subdivision, Danville, Kentucky PSC KY NO. 2	
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32. REFUSAL OF SERVICE

The Company will not render service to any Customer unless the Customer's service line, house piping, appliances, and equipment are properly installed and in safe operating condition, or where the Customer continually fails to comply with the Company's Rules and Regulations.

The Company will not furnish service to any applicant who owes the Company any past due bill or a delinquent account for service furnished either at the same or other location until such indebtedness shall have been paid in full.

The Company reserves the right to refuse or to defer full service to an applicant where the existing mains are inadequate to service the applicant's requirements without adversely affecting the service to Customers already connected and being served.

33. NOTICE OF ESCAPING GAS OR UNSAFE CONDITIONS

Immediate notice must be given by the Customer to the office or employee of the Company if any escaping gas or unsafe conditions are detected or any defects or improper installations are discovered in the piping and equipment of either the Company or the Customer which are on the Customer's premises.

No flames or lights are to be taken near any escape of gas and the gas must be shut off at the meter cock or valve until the hazard is eliminated and the gas service is not to be turned on again except by a Company employee.

The Company will not be responsible or assume any liability for any injury, loss, or damage which may arise from the carelessness or negligence of the Customer or his agents or representatives.

34. TURNING OFF GAS SERVICE AND RESTORING SAME

The gas service may be turned off at the meter when justified by the Customer or his agent or any constituted authorities but no person, unless in the employ of the gas Company or having permission from the gas Company, shall turn the gas on or restore service.

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35. NO EXCEPTIONS TO RULES AND REGULATION No agent, representative or employee of the Comparate representation not incorporated in or provided for by the Ruthis Company and neither has any agent, representative, or to amend, modify, alter, or waive any of the said Rules and	ny shall make any promise, agreement, or ules and Regulations of the Commission or of employee of the Company any right or power
36. RULES AND REGULATIONS MAY BE AMENITHE Company reserves the right to amend or modify additional Rules and Regulations as the Company deems resubject to the approval of the Commission.	its Rules and Regulations or to adopt such

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COMMERCIAL PROPANE SERVICE LLC D/B/A BRIGHT'S PROPANE SERVICE, INC.		AREA: Old Bridge Subdivision, Danville, Kentucky PSC KY NO. 2	
		SHEET NO. <u>20</u>	
		CANCELLING PSC KY NO. 1SHEET NO	
	BILLING I	FORMAT	
	Commercial Propane Service, 160 Sulphur Springs Road Lebanon KY 40033 270-699-9437	Nov 29, 2017 Account #: 524 Invoice #: 10531	
	Old Bridge Danville, KY 40422	Invoice Date: 11/14/17 Total Due: \$61.00 TERMS: Net Due in 30 Days.	
		Amount Enclosed: \$	
	Please Return This Portion	With Your Payment	
	Description: Quantity Description	Unit Price Amount	
	1340.0 Propane Gas - Meter: Old Bridge Start Reading: 341430 End Reading: 342770 1	\$0.0455 \$61.00 Diff: 1,340.0	
		Sub Total: \$61.00	
		Tax Total: \$0.00 Invoice Total: \$61.00	
		Prev. Balance: \$0.00	
		Total Due: \$61.00	
	This is the new format for our invoicing. If you have any que call the office. Thank you for your business!	estions regarding your bill, please do not hesitate to	
	For Fuel or Service At: Old Bridge		
	Danville, KY 40422 Commercial Propane Service, LLC	Account #: 524	
	160 Sulphur Springs Road Lebenon KY 40033 270-899-9437	Invoice #: 10531 Invoice Date: 11/14/17	
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NONRECURRING CHARGE COST JUSTIFICATION

Type of Ch	arge: Reconnection Charge	
1. Field Ex	kpense:	
A.	Materials (Itemize)	
		\$_0.00
B.	Labor (Time and Wage)	
	2 Hours x \$18.84/hr*	37.68
	Total Field Expense	\$ 37.68
2. Clerical	and Office Expense	
A.	Supplies	\$
B.	Labor	8.08**
	Total Clerical and Office Expense	\$_8.08
3. Miscella	aneous Expense	
A.	Transportation	\$ <u>58.85***</u>
B.	Other (Itemize)	
	Total Miscellaneous Expense	\$ 58.85
Tota	al 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

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).

Type of Ch	narge: Returned Payment Charge	
1. Field E	xpense:	
A.	Materials (Itemize)	
		\$_0.00
В.	Labor (Time and Wage)	
		0.00
	Total Field Expense	\$ _0.00
2. Clerica	and Office Expense	
A.	Supplies	\$
B.	Labor	20.19*
	Total Clerical and Office Expense	\$ _20.19
3. Miscella	aneous Expense	
A.	Transportation	\$ 0.00
B.	Other (Itemize)	
	Bank Fee	10.00
	Total Miscellaneous Expense	\$ _10.00
Tot	al Nonrecurring Charge Expense	\$ _30.19 ≈ 30.00

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

^{1.25} hours of labor

Type of C	harge: Meter Testing Charge	
1. Field E	xpense:	
A.	Materials (Itemize)	
		\$ <u>0.00</u>
В.	Labor (Time and Wage)	
	4 Hours x \$18.84/hr*	75.36
	Total Field Expense	\$ 75.36
2. Clerica	I and Office Expense	
A.	Supplies	\$
B.	Labor	
	Total Clerical and Office Expense	\$ 0.00
3. Miscell	aneous Expense	
A.	Transportation	\$_58.85**
B.	Other (Itemize)	
	Total Miscellaneous Expense	\$ 58.85
Tot	al Nonrecurring Charge Expense	\$ _134.21 ≈ 135.00

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

^{**} Assumes round trip of 110 miles @ \$0.535 per mile

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.

Type of C	harge: Service Investigation Charge	
1. Field E	xpense:	
A.	Materials (Itemize)	
		\$_0.00
B.	Labor (Time and Wage)	
	2 Hours x \$18.84/hr*	37.68
	Total Field Expense	\$ <u>37.68</u>
2. Clerica	al and Office Expense	
A.	Supplies	\$
B.	Labor	
	Total Clerical and Office Expense	\$ _0.00
3. Miscell	aneous Expense	
A.	Transportation	\$_58.85**
B.	Other (Itemize)	
	Total Miscellaneous Expense	\$ 58.85
Tot	tal Nonrecurring Charge Expense	\$ 96.53 ≈ 95.00

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

^{**} Assumes round trip of 110 miles @ \$0.535 per mile

Type of Ch	narge: Service Assignment/Transfer Charge	
1. Field E	xpense:	
A.	Materials (Itemize)	
		\$_0.00
В.	Labor (Time and Wage)	0.00
	Total Field Expense	\$_0.00
2. Clerica	I and Office Expense	
A.	Supplies	\$
B.	Labor	32.30*
	Total Clerical and Office Expense	\$ 32.30
3. Miscella	aneous Expense	
A.	Transportation	\$_0.00
В.	Other (Itemize)	
	Total Miscellaneous Expense	\$_0.00
Tot	al Nonrecurring Charge Expense	\$ 32.30 ≈ 30.00

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

² hours of labor

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.

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

SB

		P.O. No.	Terms	Account #		Job #
			Due on receipt	5751	1	92780
Date	Item	De	escription	Quantity	Rate	Amount
7/29/2016 Contract	Ī	Habbueffwood Dr Dany Inderground LP Gas line Gales Tax TMP-1 N 214	2		1,385.00	1,385.00
There is no warranty	on drain cleaning or co	ustomer-supplied items.		Total	•	\$1,385.00
Dhana #		7		Payments/	Credits	\$0.00
Phone # 859-734-2667	Fax # 859-734-2642	_		Balance Du	ıe	\$1,385.00

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	Ac	count #		Job #
			Due on receipt	5751		195600	
Date	Item	Des	scription		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	2,180.00
						,	
There is n	o warranty on drain cleaning or	customer-supplied items.		_	tal		

Fotal	\$2,180.00

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

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

Type of Ch	narge: Disconnection Charge	
1. Field E	xpense:	
A.	Materials (Itemize)	
		\$_0.00
B.	Labor (Time and Wage)	
	2 Hours x \$18.84/hr*	37.68
	Total Field Expense	\$ _37.68
2. Clerica	I and Office Expense	
A.	Supplies	\$
B.	Labor	8.08**
	Total Clerical and Office Expense	\$ 8.08
3. Miscella	aneous Expense	
A.	Transportation	\$ <u>58.85***</u>
B.	Other (Itemize)	
	Total Miscellaneous Expense	\$ _58.85
Tot	al Nonrecurring Charge Expense	\$ <u>104.63 ≈ 105</u> .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

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:

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

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

Hayslett Mechanical Contractors, Inc.



To:	CPS	***************************************	Fron	n: Gil Hayslett II	
Fax:		***************************************	Page	?S: 1	
Phone	91		Date	: 12/5/2017	
Re:	Mete	r/regulator	CC:	18 L 18 TO TO THE	
□ Urg	gent	☐ For Review	☐ Please Comment	□ Please Reply	☐ Please Recycle
Cor	nments	3:			
Budge regula		to remove one exis	ting LP meter and regu	lator and furnish/insta	all one new LP meter and
Mater	ials	\$450 +/-			
Labor		\$200 +/-			
Total	budget.	\$650 +/- each			
Thanl	(S,				
Gil Ha	ayslett II				