

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

**In the Matter of:**

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

**SUPPLEMENTAL RESPONSE OF COMMERCIAL PROPANE SERVICE**  
**TO**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**  
**DATED FEBRUARY 16, 2018**

**FILED: May 4, 2018**



**COMMERCIAL PROPANE SERVICE, LLC**

**Supplemental Response to Commission Staff's Second Request for Information  
February 16, 2018**

Case No. 2017-00343

Question No. 4

Witness: Gerald Wuetcher

**Q-4.** Refer to the response to Staff's First Request, Items 8a. and 8.c.

a. Refer to Item 8.c. Since test-year sales for purposes of the billing analysis should include customers' actual usage, provide the total usage, based on meter-reading records, for minimum-bill customers as a group.

**A-4.** a. Based upon a review of Commercial Propane Service's metering records, the total usage of the minimum billed customers for the test period was 218,568 cubic feet.

Certain assumptions were made to determine this amount. The bills that Commercial Propane Service issued for the months of June, July, and August 2016 were based upon estimated billings and assumed each customer used 400 cubic feet only. While the bills issued in September 2016 were based upon actual meter readings, Commercial Propane subtracted 1,200 cubic feet from the reading to compensate for the estimates made in the three prior months. This practice likely overstated the volume of gas used by minimum-bill customers. To obtain a more accurate number, each customer's total usage for the billing months of June through September was divided by four to obtain an average usage for this period. Since there was little variance in weather conditions during this period, the average should be very close to actual customer usage each of these months.

The bills that Commercial Propane Service issued for the month of December 2016 were also based upon an estimated customer usage of 400 cubic feet. (Commercial Propane Service read the meters the following month.) To obtain a more accurate count of customer use for December 2016 bills, a factor based upon the total number of heating degree days ("HDD") in the two month period was applied to each customer's total usage for the two billing months. This factor is shown below:

$$\frac{\text{HDDs (December 2016 Billing Period)}}{\text{HDDs (December 2016 Billing Period) + HDDs (January 2017 Billing Period)}}$$

The HDD information was obtained from the National Weather Service Website (<http://w2.weather.gov/climate/index.php?wfo=lmk>) and is based upon information for Lexington, Kentucky – the closest location for which HDD information was available.

The number of HHDs for period upon which December 2016 bills were based was 453. For the period upon which January 2017 bills were based, it was 857.

The table below reflects the revised usage amounts obtained from a review of the billing records and the application of the methodology discussed above.

<b>Month</b>	<b>Bills</b>	<b>Total Usage Cu.ft.</b>	<b>Minimum Usage Cu.ft.</b>	<b>Above Minimum Usage Cu.ft.</b>	<b>Total Amount Per Existing Rates</b>
January	66	163,817	23,767	140,050	\$ 7,576.94
February	65	262,252	22,645	140,050	\$ 7,558.73
March	65	171,842	23,586	239,607	\$12,090.56
April	67	119,227	24,057	148,256	\$ 7,968.68
May	63	54,168	20,998	33,170	\$ 2,657.13
June	64	21,217	13,402	7,815	\$ 1,521.18
July	62	21,217	13,402	7,815	\$ 1,484.76
August	64	21,217	13,402	7,815	\$ 1,521.18
September	62	21,217	13,402	7,815	\$ 1,484.76
October	66	30,790	13,740	17,050	\$ 1,977.98
November	63	24,130	14,560	9,570	\$ 1,582.86
December	65	95,627	21,607	74,020	\$ 4,553.04
<b>Total</b>	<b>772</b>	<b>1,006,721</b>	<b>218,568</b>	<b>833,033</b>	<b>\$51,977.78</b>