

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On August 23, 2017, Commercial Propane Service, LLC d/b/a Bright's Propane Service, Inc. ("Bright's Propane") filed a notice of intent to file an application for a general rate adjustment pursuant to 807 KAR 5:076. Bright's Propane is a Kentucky corporation, regulated by the Commission as a utility under KRS 278.010(3)(b), which operates facilities that supply natural gas to approximately 59 customers residing in the Old Bridge Subdivision in Boyle County, Kentucky.<sup>1</sup> On February 15, 1991, in Case No. 1990-00091, the Commission approved the rates and initial operations for Bright's Propane.<sup>2</sup>

On December 6, 2017, Bright's Propane submitted its application based on its annual report for calendar year 2016. The rates proposed by Bright's Propane produce annual base rate revenues of \$76,209, which is an increase of \$29,706, or 63.88 percent over test-year base rate revenues of \$46,503.<sup>3</sup>

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<sup>1</sup> Application, ARF Form 1 at 3 and Tab 7: ARF Form 3 at 3.

<sup>2</sup> Case No. 1990-00091, *Jurisdictional Status of Bright's Propane Company's Propane Distribution System* (Ky. PSC Feb. 15, 1991).

<sup>3</sup> Application, Tab 4: Attachment RR-OR.

On December 18, 2017, the Commission entered an Order establishing a procedural schedule and stating that, pursuant to 807 KAR 5:076, Section 11, a Commission Staff Report would not be issued, and the information needed to process this case would be obtained through the Application and Commission Staff's Requests for Information. On December 22, 2017, Bright's Propane filed a Motion for Reconsideration, which requested, *inter alia*, that the Commission amend its December 18, 2017 Order to direct the issuance of a Commission Staff Report. On January 10, 2018, the Commission denied Bright's Propane's motion, stating that the preparation of a Commission Staff Report is discretionary.

As noted in the December 18, 2017 Order, 807 KAR 5:076, Section 7(1) requires that an applicant who applies for a rate adjustment pursuant to the procedures set forth in 807 KAR 5:076 may not place its proposed rates into effect until the Commission approves those rates, or six months from the date the application is accepted for filing. Therefore, Bright's Propane's proposed rates could not have gone into effect before June 6, 2018. On June 5, 2018, Bright's Propane file a notice of intent to place its proposed rates into effect on July 1, 2018.

There are no intervenors in this matter. Bright's Propane responded to two requests for information from Commission Staff. On March 2, 2018, Bright's Propane filed a motion to schedule an informal conference ("IC") with Commission Staff to discuss the possibility of settlement in this matter through the use of an alternative method of rate regulation. An IC was held on March 13, 2018, at which Bright's Propane provided its initial draft of a settlement for discussion purposes. On March 30, 2018, Bright's Propane submitted an Offer of Settlement ("Settlement") to resolve all issues in this proceeding.

## BACKGROUND

The Commission has historically used an operating ratio approach to determine revenue requirements for small, privately owned utilities.<sup>4</sup> This approach is used because no basis for rate-of-return determination exists or the cost of the utility has largely or fully been recovered through the receipt of contributions. Given that Bright's Propane is a small propane distribution system, the Commission has historically found that this method should be used to determine Bright's Propane's revenue requirement.

On November 25, 2014, the Commission issued a final order in Case No. 2013-00076<sup>5</sup> that granted Irvington Gas Company ("Irvington Gas") several alternatives to usual regulatory requirements in recognition of the unique competitive market that propane utilities face. Specifically, the Commission addressed Irvington Gas's concerns by: (1) reducing the requirements for what is to be included in its tariff filed with the Commission; (2) foregoing the requirement for routine Gas Cost Adjustment ("GCA") filings; and (3) requiring a minimal amount of information in the annual report filed with the Commission. The Commission finds that Bright's Propane, as the only other propane

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<sup>4</sup> An operating ratio, which measures the difference between operating revenues and expenses, is defined by the following equation: 
$$\frac{\text{Operation \& Maintenance Expense} + \text{Depreciation} + \text{Taxes}}{\text{Gross Revenues}}$$

The Commission has found that the operating ratio is a reasonable and necessary alternative to the rate of return method for calculating the allowable net operating income for small investor owned utilities. Specifically, it has found that the rate of return method cannot be used because there is "no basis" upon which to determine a rate of return for these utilities, Case No. 95-236, *Application of Thelma Waste Control, Inc. for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities* (Ky. PSC Apr. 15, 1996) at 6. Further, it has found that the operating ratio method is appropriate when plant investment is low and operating expenses are high, Case No. 7982, *Notice of Application of Fern Lake Company* (Ky. PSC Aug. 27, 1981) at 3.

<sup>5</sup> Case No. 2013-00076, *An Investigation into the Jurisdictional Status of the Irvington Gas Company's Underground Propane Operations* (Ky. PSC Nov. 25, 2014).

utility in Kentucky, should be subject to the same regulatory requirements as Irvington Gas.

### OFFER OF SETTLEMENT

Bright's Propane proposes to implement an alternative form of regulation, similar to that granted to Irvington Gas, with respect to its tariffed rates, routine filings, and annual reports. Bright's Propane proposes to establish a not-to-exceed price of \$0.107 per cubic foot and maintain the minimum bill usage of 400 cubic feet.<sup>6</sup> This price per cubic foot would be the maximum that Bright's Propane may charge without prior approval. The minimum bill would be calculated at the applicable rate charged for propane consumption for each billing period, as would all consumption in excess of 400 cubic feet.<sup>7</sup>

Bright's Propane also proposes the following non-recurring charges:<sup>8</sup>

|                                    |                          |
|------------------------------------|--------------------------|
| Tap-on Fee                         | Actual Cost              |
| Disconnection Fee                  | \$ 85.00                 |
| Reconnection Fee                   | \$ 95.00                 |
| Late Payment Charge                | 10% of Monthly Charge    |
| Returned Payment Fee               | \$ 30.00                 |
| Meter Testing Charge               | \$115.00                 |
| Meter Relocation Charge            | Actual Cost              |
| Service Investigation Charge       | \$ 75.00                 |
| Service Assignment/Transfer Charge | \$ 30.00                 |
| Deposit                            | \$ 85.00 (not to exceed) |

Bright's Propane further proposes to terminate its GCA mechanism and associated quarterly reports on its propane prices.<sup>9</sup> Any changes in Bright's Propane's propane costs would be reflected in the not-to-exceed rate.

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<sup>6</sup> Settlement at 1.

<sup>7</sup> Memorandum in Support of Offer of Settlement ("Memo in Support") at 3.

<sup>8</sup> Settlement at 2.

<sup>9</sup> Settlement at 2.

Bright's Propane proposes to file an abbreviated annual report with the Commission that contains: (1) a title page similar to that of a standard annual report; (2) the footage of pipe and mains and the number of meters on its piped underground systems at year end; (3) the revenues, sales volumes, and year-end number of customers served via its piped underground systems for the calendar year; and (4) the number of price changes during the year and the range, from highest to lowest, of the prices that were charged during the year.<sup>10</sup>

Bright's Propane is also requesting a waiver pursuant to KRS 278.2219, which allows it to waive the requirements of KRS 278.2201 to 278.2213 regarding a cost allocation manual for regulated and non-regulated operations.<sup>11</sup> Bright's Propane avers that the need to develop a cost allocation manual will not exist if the proposed Settlement is accepted, because its rates will be limited to a market-based cap and cost allocation between its regulated and unregulated operations will have no impact on the rates charged to its customers.

## DISCUSSION

### Tariffed Rates and GCA Filings

Bright's Propane proposes to set its not-to-exceed price at \$0.107 per cubic foot, equivalent to \$3.85 per gallon. This is the maximum weekly price per gallon for residential propane in Kentucky for the period of 2014 to 2017, as reported by the U.S. Energy Information Administration ("EIA").<sup>12</sup> Irvington Gas was granted a not-to-exceed price per

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<sup>10</sup> *Id.* at 2–3.

<sup>11</sup> *Id.* at 3.

<sup>12</sup> U.S. Energy Information Administration, Weekly Kentucky Propane Residential Price, [www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=W\\_EPLLPA\\_PRS\\_SKY\\_DPG&f=W](http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=W_EPLLPA_PRS_SKY_DPG&f=W).

cubic foot of \$0.0828, or \$3.00 per gallon, calculated as 150 percent of the average price for residential propane from 2009–2013.<sup>13</sup> The equivalent calculation for Bright's Propane uses the average price from 2013–2017 of \$0.0985 per cubic foot, yielding a not-to-exceed price of \$3.54 per gallon.<sup>14</sup> The Commission finds that a not-to-exceed price of \$0.0985 per cubic foot is more consistent with that granted for Irvington Gas and will still allow Bright's Propane to avoid future rate relief, except under significant changes in propane markets or extraordinary circumstances.

Bright's Propane proposes to terminate the GCA mechanism because its gas cost and rates will effectively be market-based with the proposed rate design. However, in the event that wholesale propane prices rise to a level that causes Bright's Propane to consider the not-to-exceed price insufficient, it would need to file a GCA application<sup>15</sup> to receive approval to charge such a higher price. Bright's Propane is authorized to file GCA applications on an as-needed basis, identical to the procedure authorized for Irvington Gas. The Commission finds that the GCA should remain part of Bright's Propane's tariff, but that Bright's Propane should be excused from routine GCA filings. To the extent Bright's Propane must revise its GCA tariff to match the procedures used by Irvington Gas, it should do so when it submits its compliance tariff.

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<sup>13</sup> Case No. 2013-00076, *Irvington Gas Company*, Order at 9.

<sup>14</sup> U.S. Energy Information Administration, Weekly U.S. Propane Residential Price, [https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=W\\_EPLLPA\\_PRS\\_NUS\\_DPG&f=W](https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=W_EPLLPA_PRS_NUS_DPG&f=W).

<sup>15</sup> The application would include documentation that fully supports the proposed increase.

## Minimum Bill

Bright's Propane's proposed not-to-exceed gas price rate design is reasonable and consistent with the rate design of Irvington Gas. However, the Commission is not convinced that a minimum bill rate design is the most appropriate way to recover costs for Bright's Propane. EIA data on residential propane prices for 2016 to 2018 shows that propane prices have been in a \$2.00–\$2.50 per gallon range. A minimum bill using \$2.50 per gallon would produce a monthly minimum bill of \$27.80. Although a minimum bill at the not-to-exceed price would be \$42.80, Bright's Propane will not be charging the not-to-exceed price every month because it must remain competitively priced against the myriad propane suppliers in the region. The minimum bill usage of 400 cubic feet is approximately 11 gallons of propane and, for customers who are primarily using the propane for heating purposes, it is unreasonable that the minimum monthly bill could fluctuate when there is trivial usage during the non-heating months. A monthly customer charge of \$20.00 is reasonable when compared to the cost of bottled propane service. Bright's Propane customers do not pay separate delivery fees, hazmat charges, fuel surcharges, or tank leases, all of which bottled propane customers must pay. Therefore, the Commission rejects Bright's Propane's proposal to continue the minimum bill of 400 cubic feet and the proposed not-to-exceed rate. The Commission will instead allow Bright's Propane a monthly customer charge of \$20.00, with 0 cubic feet of usage, and a not-to-exceed gas price of \$0.0985 per cubic foot. This will provide Bright's Propane with the opportunity to earn a reasonable return, while providing reasonable bill stability and conservation incentives to its customers.

### Nonrecurring Charges

Bright's Propane has provided cost justification for its proposed nonrecurring charges.<sup>16</sup> It has stated that customers will be given estimates of the "actual cost" before work is performed for its proposed Tap-on Fee and Meter Relocation Charge.<sup>17</sup> The Commission finds that these charges and fees are fair, just, and reasonable and should be approved.

### Annual Report

Bright's Propane proposes to file an abbreviated annual report with the Commission that contains: (1) a title page similar to that of a standard annual report; (2) the footage of pipe and mains and the number of meters on its piped underground systems at year end; (3) the revenues, sales volumes, and year-end number of customers served via its piped underground systems for the calendar year; and (4) the number of price changes during the year and the range, from highest to lowest, of the prices that were charged during the year. This is consistent with the alternative requirements that the Commission implemented for Irvington Gas, and thus the Commission accepts Bright's Propane's proposal to file an abbreviated annual report.

### Cost Allocation Manual

Bright's Propane also requests a waiver pursuant to KRS 278.2219, which allows it to waive the requirements of KRS 278.2201 to 278.2213 regarding a cost allocation manual for regulated and non-regulated operations. Because Bright's Propane will charge a market-based rate subject to the not-to-exceed cap, Bright's Propane will not be

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<sup>16</sup> Bright's Propane's response to Commission Staff's Second Request for Information, Item 1.

<sup>17</sup> Bright's Propane's response to Commission Staff's First Request for Information, Items 11 and 15.

required to calculate its revenue requirement based on its fully allocated expenses. Having reviewed the evidence and being otherwise sufficiently advised, the Commission finds that Bright's Propane has shown good cause to permit it to waive the requirements of KRS 278.2201 to 278.2213.

#### SUMMARY

The Commission, after consideration of the evidence of record and being sufficiently advised, finds that:

1. The rates and charges proposed by Bright's Propane should be denied.
2. The provisions in the Settlement, as set forth in Appendix A hereto, should be approved, subject to the modifications set forth in this Order.
3. Bright's Propane should revise its GCA tariff to reflect that applications will only be filed on an as-needed basis and other changes described herein.
4. The rates and charges set forth in Appendix B to this Order are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

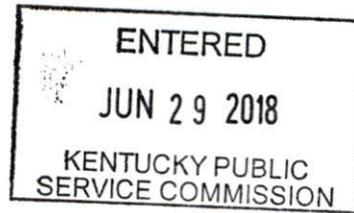
1. The rates and charges proposed by Bright's Propane are denied.
2. The rates and charges found reasonable herein and set forth in Appendix B to this Order are approved for service rendered by Bright's Propane on and after the date of this Order.
3. Bright's Propane's request for a waiver pursuant to KRS 278.2219 is granted.

4. Within seven days of the date of entry of this Order, Bright's Propane shall file written notice with the Commission indicating whether Bright's Propane accepts and agrees to be bound by the modifications to the Settlement as set forth in this Order.

5. Within 20 days of the date of entry of this Order, Bright's Propane shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets reflecting the rates and charges approved herein and reflecting that they were approved pursuant to this Order.

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By the Commission



ATTEST:

  
Executive Director

Case No. 2017-00343

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2017-00343 DATED **JUN 29 2018**

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

**In the Matter of:**

|  |   |                            |
|--|---|----------------------------|
| <b>ELECTRONIC APPLICATION OF</b>       | ) |                            |
| <b>COMMERCIAL PROPANE SERVICE LLC</b>  | ) | <b>CASE NO. 2017-00343</b> |
| <b>FOR RATE ADJUSTMENT PURSUANT TO</b> | ) |                            |
| <b>807 KAR 5:076</b>                   | ) |                            |

**OFFER OF SETTLEMENT**

Commercial Propane Service LLC d/b/a Bright's Propane Service, Inc. ("CPS") respectfully submits the following Offer of Settlement to resolve all issues in this proceeding:

1. Effective upon the first billing after the Public Service Commission's acceptance of the terms of this Offer of Settlement, CPS will bill its customers for propane utility service at a rate not to exceed \$0.107 per cubic foot (equivalent to \$3.85 per gallon). This not-to-exceed arrangement is consistent with the Public Service Commission's regulatory approach for Kentucky's only other propane utility company,<sup>1</sup> and recognizes that CPS does not possess a monopoly over the delivery of propane service to the Old Bridge neighborhood, that several bottled propane companies currently deliver propane to residents of the Old Bridge neighborhood, and that any CPS customer can elect to cease taking service from CPS and receive service from a bottled propane supplier.

2. CPS will continue to assess a minimum charge based upon the usage of 400 cubic feet of propane gas. CPS and its utility predecessors in interest have assessed this charge since 1991 when the Public Service Commission first asserted regulatory jurisdiction over Bright's Propane Service, Inc.

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<sup>1</sup> See *In the Matter of: An Investigation into the Jurisdictional Status of the Irvington Gas Company's Underground Propane Operations*, Case No. 2013-00076, Order at 9-10 (Nov. 25, 2014).

3. The Gas Cost Adjustment (“GCA”) mechanism will cease to be effective upon approval of this Offer of Settlement and any current obligations imposed upon CPS by that mechanism shall terminate.

4. CPS will be authorized to assess the following non-recurring charges:

|                                    |                       |
|------------------------------------|-----------------------|
| Tap-on Fee                         | Actual Cost           |
| Disconnection Fee                  | \$ 85.00              |
| Reconnection Fee                   | \$ 95.00              |
| Late Payment Charge                | 10% of Monthly Charge |
| Returned Payment Fee               | \$ 30.00              |
| Meter Testing Charge               | \$115.00              |
| Meter Relocation Charge            | Actual Cost           |
| Service Investigation Charge       | \$ 75.00              |
| Service Assignment/Transfer Charge | \$ 30.00              |

5. CPS will be authorized to assess a deposit not to exceed \$85.

6. CPS will provide service under the terms set forth in the tariff attached hereto as Offer of Settlement Exhibit 1.

7. Within 20 days of the issuance of an order from the Public Service Commission accepting this Offer of Settlement, CPS will file with the Commission the tariff attached hereto as Offer of Settlement Exhibit 1.

8. Effective beginning with the calendar year ending December 31, 2017, CPS will satisfy the requirements of 807 KAR 5:006 Section 4(2) by submitting to the Commission a report that contains (1) a title page similar to that of a standard annual report; (2) the feet of pipe and mains and the number of meters on its piped underground systems at year-end; (3) the revenues, sales volumes, and year-end number of customers served via its piped underground systems for the calendar year; and (4) the number of price changes during the year and the range, from highest to lowest, of the prices that were charged during the year. This reporting requirement in lieu of the more lengthy reports required of Commission-regulated natural gas

distribution systems is consistent with the Public Service Commission's approach in Case No. 2013-00076, which involved the only other Commission-regulated propane utility.<sup>2</sup>

9. Pursuant to KRS 278.2219, CPS is granted a waiver from KRS 278.2219 and shall not be required to develop a cost-allocation manual for its regulated and non-regulated operations. This waiver is appropriate and reasonable as CPS's rates will be based on market conditions and limited by the not-exceed rate.

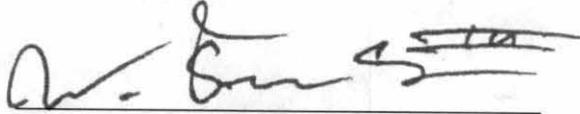
CPS respectfully asks the Public Service Commission to find that this Offer of Settlement is reasonable and in the public interest and to accept it without delay. It is consistent with the Commission's rate-making and regulatory approach regarding the only other Commission-jurisdictional propane utility, will reduce the regulatory burden on one of the smallest utilities in the Commonwealth, and will ensure CPS's customers are protected by a not-to-exceed rate while recognizing the competitive realities of retail propane market in the Old Bridge area.

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<sup>2</sup> *Id.* at 10-11 (Nov. 25, 2014).

Dated: March 30, 2018

Respectfully submitted,



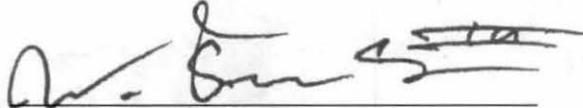
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*Counsel for Commercial Propane Service LLC*

**CERTIFICATE OF COMPLIANCE**

This is to certify that Commercial Propane Service LLC's March 30, 2018 electronic filing of the Offer of Settlement is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on March 30, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy in paper medium of the Offer is being mailed by first class U.S. Mail, postage prepaid, to the Commission on March 30, 2018.



W. Duncan Crosby III

*Counsel for Commercial Propane Service LLC*

# Exhibit A





















SHEET NO. 11

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

CANCELLING PSC KY NO. 1

SHEET NO. \_\_\_\_\_

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19. RETURNED PAYMENT FEE

In those instances where a Customer renders payment to Company which is not honored upon deposit by Company, the Customer will be charged \$30.00 to cover the additional processing costs.

20. REQUESTED METER TEST

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter is within the limits allowed by 807 KAR 5:022, Section 8(3)(a)1, and Section 8(3)(b)1, the Customer will be charged \$115.00 to cover the test and transportation costs.

21. METER RELOCATION FEE

Where a Customer requests that an installed meter be relocated on the Customer's premises, the Customer will be charged the actual cost of the relocation.

22. SERVICE INVESTIGATION FEE

The Company will not perform installation or maintenance services on customer facilities downstream of the meter. Some health- and safety-related services are provided by Company free of charge to its customers. Such services are limited to the following:

- 1) Response to gas leak complaints regardless of cause.
- 2) Response to fires regardless of cause.
- 3) Restore service when outage is caused by Company.
- 4) Bill investigations, meter and meter reading investigations, and routine maintenance of Company facilities.

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DATE OF ISSUE XXXXXX XX, 2018

MONTH / DATE / YEAR

DATE EFFECTIVE XXXX XX, 2018

MONTH / DATE / YEAR

ISSUED BY /s/ Michael W. Roberts

SIGNATURE OF OFFICER

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_





SHEET NO. 14

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

CANCELLING PSC KY NO. 1

SHEET NO. \_\_\_\_\_

**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.

DATE OF ISSUE XXXXXX XX, 2018  
MONTH / DATE / YEAR

DATE EFFECTIVE XXXX XX, 2018  
MONTH / DATE / YEAR

ISSUED 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.**

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 \$95.00.

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 \$85.00.

DATE OF ISSUE XXXXXX XX, 2018  
MONTH / DATE / YEAR

DATE EFFECTIVE XXXX XX, 2018  
MONTH / DATE / YEAR

ISSUED BY /s/ Michael W. Roberts  
SIGNATURE OF OFFICER

TITLE Member

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

SHEET NO. 16

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

CANCELLING PSC KY NO. 1

SHEET NO. \_\_\_\_\_

**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.

DATE OF ISSUE XXXXXX XX, 2018  
MONTH / DATE / YEAR

DATE EFFECTIVE XXXX XX, 2018  
MONTH / DATE / YEAR

ISSUED BY /s/ Michael W. Roberts  
SIGNATURE OF OFFICER

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

SHEET NO. 17

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

CANCELLING PSC KY NO. 1

SHEET NO. \_\_\_\_\_

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**35. NO EXCEPTIONS TO RULES AND REGULATIONS**

No agent, representative or employee of the Company shall make any promise, agreement, or representation not incorporated in or provided for by the Rules and Regulations of the Commission or of this Company and neither has any agent, representative, or employee of the Company any right or power to amend, modify, alter, or waive any of the said Rules and Regulations except as hereinafter provided.

**36. RULES AND REGULATIONS MAY BE AMENDED**

The Company reserves the right to amend or modify its Rules and Regulations or to adopt such additional Rules and Regulations as the Company deems necessary in the proper conduct of its business subject to the approval of the Commission.

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DATE OF ISSUE XXXXXX XX, 2018

MONTH / DATE / YEAR

DATE EFFECTIVE XXXX XX, 2018

MONTH / DATE / YEAR

ISSUED BY /s/ Michael W. Roberts

SIGNATURE OF OFFICER

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

SHEET NO. 18

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

CANCELLING PSC KY NO. 1

SHEET NO. \_\_\_\_\_

**BILLING FORMAT**

**Commercial Propane Service, LLC**  
160 Sulphur Springs Road  
Lebanon KY 40033  
270-699-9437

**INVOICE**

Nov 29, 2017

|               |          |
|---------------|----------|
| Account #:    | 524      |
| Invoice #:    | 10531    |
| Invoice Date: | 11/14/17 |
| Total Due:    | \$61.00  |

**[Redacted]**  
Old Bridge  
Danville, KY 40422

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<br>Start Reading: 341430 End Reading: 342770 Diff: 1,340.0 | \$0.0455   | \$61.00 |

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 questions regarding your bill, please do not hesitate to call the office.

Thank you for your business!

For Fuel or Service At: **[Redacted]**  
Old Bridge  
Danville, KY 40422

Commercial Propane Service, LLC  
160 Sulphur Springs Road  
Lebanon KY 40033  
270-699-9437

Account #: 524  
Invoice #: 10531  
Invoice Date: 11/14/17

DATE OF ISSUE XXXXXXXX XX, 2018  
MONTH / DATE / YEAR

DATE EFFECTIVE XXXX XX, 2018  
MONTH / DATE / YEAR

ISSUED BY /s/ Michael W. Roberts  
SIGNATURE OF OFFICER

TITLE Member

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2017-00343 DATED **JUN 29 2018**

The following rates and charges are prescribed for the customers served by Bright's Propane Service, Inc. All other rates and charges not specifically mentioned in this Order shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RETAIL RATES:

|                               | <u>Base Rate</u>         |
|-------------------------------|--------------------------|
| <u>RESIDENTIAL/COMMERCIAL</u> |                          |
| Customer Charge               | \$20.00                  |
| All cubic feet                | \$0.0985 (not to exceed) |

NONRECURRING CHARGES:

|                                    |                          |
|------------------------------------|--------------------------|
| Tap-on Fee                         | Actual Cost              |
| Disconnection Fee                  | \$ 85.00                 |
| Reconnection Fee                   | \$ 95.00                 |
| Late Payment Charge                | 10% of Monthly Charge    |
| Returned Payment Fee               | \$ 30.00                 |
| Meter Testing Charge               | \$115.00                 |
| Meter Relocation Charge            | Actual Cost              |
| Service Investigation Charge       | \$ 75.00                 |
| Service Assignment/Transfer Charge | \$ 30.00                 |
| Deposit                            | \$ 85.00 (not to exceed) |

\*Adrian N Roberts  
Commercial Propane Service, LLC d/b/a Bright's  
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Lebanon, KY 40033

\*Duncan W Crosby  
Stoll, Keenon, Ogden PLLC  
2000 PNC Plaza, 500 West Jefferson St  
, 40202-2828

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