

RECEIVED

JAN 10 2019

PUBLIC SERVICE
COMMISSION

#1

Gary Bowling
Box # 267 32 Hills
Van Lear, Ky 41263
Age. 75

Kentucky P.S.C.

① Re: Rate Adjustment
② Customer Charge

#1 From the current and increase charges. It looks like the actual numbers are an increase from \$15.0140 to \$17.7951 for MCFs. That is quite a raise. Most of its customers total income is from social security. Most of the rest are low wage income. This would put an extra hardship on all of us, who already have to much to pay. As you can see from the inclosed stubs. One is from moderately cold month. 12-2018. It raises bill from net amount \$169.64 to \$197.45. The other is from 1-2018. It was a very cold month. It raises from net \$231.51 to \$270.44. We don't know how much it can go. According to

#2

how cold it gets. So I am asking you to disallow this raise.

#2. customer charge.

IT LOOKS LIKE THE WAY IT WAS APPROVED. WAS IN THE SUMMER MONTHS WHEN SALES WERE LOW, IT ALLOWED THE COMPANY TO HAVE A LITTLE MONEY TO WORK WITH. WHAT ABOUT THE WINTER MONTHS WHEN WE USE 10 TO 14 AND MORE. THEY SHOULD NOT HAVE THIS ON OUR BILLS FROM DEC. TO MARCH. IF I CAN'T PAY MY BILLS IN WINTER, NO ONE GIVES ME MORE MONEY.

Thank you:

Gary Bowling

	Actual <u>Test Year</u>	Adjustments <u>To Test Year</u>	Adjusted <u>Test Year</u>
Operating Revenues	\$ 250,712	\$ (143,801)	\$ 106,911
Operating Expenses	\$ 327,354	\$ (198,445)	\$ 128,909
Operating Income	\$ (76,642)	\$ 54,644	\$ (21,998)
Depreciation Expense	\$ 37,981	\$ -0-	\$ 37,981
Net Income	\$ (114,623)	\$ 54,644	\$ (59,979)

Total expenses for the adjusted test year, including depreciation, are \$100,000. Applying an operating rate of 60 percent produces a revenue requirement of \$100,000, resulting in \$22,100 in net income. The net income of \$22,100 is required to provide for the related income tax expense of \$0,420. The sum of \$100,000 and \$0,420 is \$100,420, which is Johnson County's revenue requirement and the level of base rate revenues being authorized by this Order.

OTHER ISSUES

Rate Design

In its December 5, 2012 data response, Johnson County proposed to combine its rate design for its residential and commercial classes and establish a monthly customer charge and a volumetric rate for all Mcf sold.³⁰ Johnson County proposed a monthly customer charge of \$15 for all customers. We find that the proposed rate design and customer charges are reasonable, and are similar to recent rate designs and customer charges approved for other small gas utilities to provide stability to revenue collection, especially during summer months when low sales volumes are experienced. The Commission also finds, based on the revenue increase and test year sales volumes found reasonable herein, that the volumetric base rate proposed by Johnson County

²⁹ Net income of \$22,758 X 'Tax Gross-up Factor' of 1.23839 = \$28,183.

³⁰ Response to Staff's Second Request dated November 12, 2012, Item 2.b.

Johnson County Gas
P.O. Box 447
Betsy Layne, KY 41605-0447 Phone 606-789-5481

FIRST CLASS MAIL
U.S. POSTAGE PAID
1 OUNCE
HAROLD, KY
PERMIT NO. 5

Account Number		Service ID		
Prev. Read Date		Cur. Read Date		
11/30/2018		12/31/2018		
Service	Previous Reading	Current Reading	Consumption	Amount
RS2	336	346	10	150.14
MON				15.00
Sch				4.50
Sal Tax				0.00
Past Due Amount		Current Charges		Net Amount
0.00		169.64		169.64
Due Date		After Due Date	Net Amount	
01/20/2019		184.65	169.64	
Deposit Interest applied				0.00

Due Date	Net Amount
01/20/2019	184.65
Due Date	Account Number
01/20/2019	

Mail this Stub With Your Payment
Rates available upon request

MON charge is Monthly Customer Charge

GARY BOWLING
PO BOX 267
VAN LEAR, KY 41265

17.7951
10
177.95
15.00
4.50

\$ 197.45

Johnson County Gas **Payments must be received**
P.O. Box 447 **close of business**
Betsy Layne, KY 41605-0447 Phone 606-789-5481

Account Number		Service ID		
Prev. Read Date		Cur. Read Date		
12/30/2017		01/31/2018		
Service	Previous Reading	Current Reading	Consumption	Amount
RS2	283	297	14	210.20
MON				15.00
Sch				6.31
Sal				0.00
Past Due Amount		Current Charges		Net Amount
0.00		231.51		231.51
Due Date		After Due Date	Net Amount	
02/20/2018		252.53	231.51	
Deposit Interest applied				0.00

17.7951
x 14
249.13
15.00
6.31

\$ 270.44

**NOTICE OF APPLICATION OF JOHNSON COUNTY GAS COMPANY
TO ADJUST RATES FOR NATURAL GAS SERVICE
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

December 28th, 2018

Pursuant to the Kentucky Public Service Commission's regulation 807 KAR 5:076, Johnson County Gas Company, Inc. gives notice that an application has been filed on December 28th, 2018, with the Kentucky Public Service Commission seeking approval to adjust its rates for natural gas service. This rate adjustment will apply to all Johnson County Gas Company's customers. If Johnson County Gas Company's application is approved, monthly natural gas bills from Johnson County Gas Company will increase as follows:

<u>Current Residential and Commercial Charges</u>			
	<u>Base Rate</u>	<u>Gas Cost</u>	<u>Total</u>
Customer Charge (Monthly)	<i>\$15.00</i>		\$15.00
All MCFs	<i>\$8.6000</i>	\$6.4140	\$15.0140
<u>Proposed Rates</u>			
	<u>Base Rate</u>	<u>Amount of Increase</u>	<u>Percentage of Increase %</u>
Customer Charge (Monthly)	<i>\$15.00</i>	N/A	0%
All MCFs	<i>\$17.7951</i>	\$9.1951	106.92%
<u>Gas Cost</u>			
	\$6.4140 per MCF		

The Johnson County Gas Company average customer monthly usage is 4 MCFs per month. In 2017 the customers of Johnson County Gas Company used an average 1240 MCFs per month. The average cost per customer was \$75.06 Based on average usage, the cost will increase \$36.78 per month if the proposed rates are approved by the Kentucky Public Service Commission. The rates contained in this notice are the rates proposed by Johnson County Gas Company, however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may submit a timely written request to intervene to the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request and including the status and interest of the party. If the Kentucky Public Service Commission does not receive a request to intervene within thirty (30) days of the initial publication or mailing of this notice, the Kentucky Public Service Commission may take final action on the application. Any comments regarding this application may be submitted through the Commission's Web site at <http://psc.ky.gov/> or by mail to P.O. Box 615, Frankfort, Kentucky 40602.

Copies of Johnson County Gas Company's application may be obtained or viewed from Johnson County Gas Company, at 497 George Road, Betsy Layne, KY 41605, Monday through Friday from 8:30 a.m. to 5:00 p.m. The application and all documents filed with the Kentucky Public Service Commission may be viewed and downloaded at the Kentucky Public Service Commission's Web site at <http://psc.ky.gov/> or a copy can be obtained from the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602 between the hours of 8:00 a.m. to 4:00 p.m.



Bud Rife
**Johnson County Gas Company
President**