

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF NATURAL)	
GAS SERVICES, LLC FOR INITIAL RULES,)	CASE NO.
REGULATIONS AND RATES FOR)	2021-00390
FURNISHING GAS SERVICE PURSUANT TO)	
KRS 278.485)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO NATURAL GAS SERVICES, LLC

Natural Gas Services, LLC (Natural Gas Services), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on November 29, 2021. The Commission directs Natural Gas Services to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made, and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

¹ Case No. 2020-00085, Electronic Emergency Docket Related to the Novel Coronavirus COVID-19 (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Natural Gas Services shall make timely amendment to any prior response if Natural Gas Services obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Natural Gas Services fails or refuses to furnish all or part of the requested information, Natural Gas Services shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Natural Gas Services shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the proposed tariff, Section II. Rates and Charges, subsection c. Other Charges.

a. Provide cost support for the following:

- (1) Seasonal or Temporary Turn On Fee of \$50;
- (2) Transfer Service Fee of \$30;
- (3) Returned Check Charge of \$30;
- (4) Service Trip Charge of \$50; and

(5) Special Meter Reading Charge of \$39.50.

b. Confirm that the Special Meter Reading Charge will not be assessed if the original meter reading was incorrect. If this cannot be confirmed, explain.

c. Explain how Natural Gas Services arrived at the \$225 upper limit for the meter test fee.

d. Also refer to the document entitled Terms and Conditions for Furnishing Natural Gas to Farm Tap Customers, Section II. Rates and Charges, subsection C, Other Charges, which lists the meter test fee as \$225 instead of actual cost up to \$225 as stated in the proposed tariff. Explain why the meter test fee is listed as \$225 in the document entitled Terms and Conditions for Furnishing Natural Gas to Farm Tap Customers.

2. Refer to the proposed tariff, Section III. Terms of Service, subsection c, Refusal of Service, which states “Company reserves the right to refuse or to defer full service to an applicant where the existing mains are inadequate to serve the applicant's requirements without adversely affecting the service to customers already connected and being served.” State the legal basis for Natural Gas Services to refuse service to a customer located within one-half air mile of its lines.

3. Refer to the proposed tariff, Section III. Terms of Service, subsection n, Meter Test Fee, which states “If any meter so tested is found to be more than 2% slow, the Company will adjust the natural gas used, as measured by such meter, by such percentage that the meter was found to be in error. The Company will re-bill adjusted amount for a period of one-half the elapsed time since the last previous test, but not for

more than six months. The Company will refund to Customer the difference between the amount paid by the Customer and adjusted bills.”

a. Explain whether Natural Gas Services will follow the same procedure if the meter is found to be more than 2 percent fast.

b. Explain why Natural Gas Services chose six months as the upper time limit to calculate the rebilling.

c. Explain whether Natural Gas Services will use the same six month period for instances where the meter is more than 2 percent fast.

4. Refer to the proposed tariff, Section III. Terms of Service, subsection n, Meter Test Fee, which states “If any meter is found not to register any gas usage for any period, the Company may collect for the natural gas estimated to be used but not registered on the meter. Estimated use shall be calculated by averaging the amounts used under similar weather or operating conditions during the period immediately preceding or subsequent to the period of non-registration, or over a corresponding period in a previous year. The period of time for which collection for nonregistered gas service may be made shall be limited only by the date on which the meter is determined to have become defective.”

a. Explain how Natural Gas Services will determine when the meter became defective.

b. Explain whether a customer who did not obtain service through fraud, theft, or deception, would be liable for unbilled service after two years from the date of service.

5. Refer to the proposed tariff, Section III. Terms of Service, subsection s, Customer's Installation, which indicates that Natural Gas Services reserves the right to require a customer to reimburse the Company for any cost due to a change in meters, meter location or change to any other apparatus made at the request of the customer.

a. Explain if there would be any circumstances in which a customer would not be required to reimburse the Company for such change.

b. Also refer to the document entitled Terms and Conditions for Furnishing Natural Gas to Farm Tap Customers, Section II. Rates and Charges, subsection c, Other Charges, which includes a \$150 relocate meter fee which is not included in the proposed tariff. Explain whether Natural Gas Services is proposing to charge a \$150 relocate meter fee. If so, provide cost support for the fee.

6. Refer to the document entitled Terms and Conditions for Furnishing Natural Gas to Farm Tap Customers, Section III. Terms of Service. Explain why the budget billing plan section is not included in this document.

7. State whether Natural Gas Services is proposing to charge a minimum bill of \$30 as shown on unnumbered page 6 of the electronic document, or a minimum bill of \$15, as shown on unnumbered page 22 of the electronic document. Provide support for the minimum bill amount proposed.

8. State the volume of gas Natural Gas Services estimates it will sell annually to farm tap customers.

9. Refer to the page setting out the basis of the farm tap rate calculation.

a. Provide the most current 12-month NYMEX strip rate.

b. Provide the correct Appalachian differential, which is the difference between the NYMEX price at the Henry Hub and the Columbia Gas Transmission (TCO) Appalachian hub.

c. State what customer classes (i.e. residential or commercial) are represented by the 110 customers that Natural Gas Services indicates it anticipates supplying.

d. Provide support for the estimated annual per customer usage of 152 Mcf.

e. Provide the expenses included in the “expense cost” portion of the proposed gas charge.

f. Explain why the gas cost should include both the forfeited revenue and expense.

g. Explain how the number of call outs was determined for the Mileage Cost.

h. Explain whether the Supply Cost of \$174 is for the entire system or a single customer.

i. Provide Natural Gas Services’ income statement for farm tap customers for 2019, 2020, and any period available for 2021.

10. State whether Natural Gas Services currently provides gas service for compensation. If so, provide a schedule of any rates, rules, regulations, or conditions of service currently in effect and state whether Natural Gas Services currently requires an application for gas service or reads customer meters.

11. State whether Natural Gas Services provides any customer with free gas service, including customers who receive free gas service as a result of lease or right-of-way agreements. If so, provide the number and average annual usage for these customers.

12. Confirm that Natural Gas Services only provides service to the owners of property on or over which any producing well or gas gathering pipeline is located, or the owners of real estate whose property and point of desired service is located within one-half air-mile of Natural Gas Services' producing gas well or gas gathering pipeline. If this cannot be confirmed, provide the number of customers that are not served pursuant to KRS 287.485.

13. Provide a system map or maps that show Natural Gas Services' natural gas system, including the location, size, category, and material of lines and the location of producing wells.

14. Provide a general description of Natural Gas Services' gas system, including the date(s) of construction and ultimate market for gathered gas.

15. State whether Natural Gas Services has any operator qualifications or operations and maintenance plans or performs leakage or patrolling surveys. If so, provide the details.

16. Explain whether Natural Gas Services has considered creating customer classes to differentiate between customers with significantly different usage levels.

17. Explain whether Natural Gas Services' customers have been notified of the proposed rates. If so, provide the notice. If not, explain how customers will be notified.

18. Refer to the document entitled Application for Gas Service, unnumbered page 2, paragraph titled "Important Items to Note:", and first bullet point. Provide a revised version with the correct monthly minimum customer charge and usage rate.

19. State whether the gas in the Natural Gas Services' system is odorized. If so, state the method of odorization.



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DATED NOV 08 2021
cc: Parties of Record

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