

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF EAST)	
KENTUCKY MIDSTREAM, LLC FOR APPROVAL)	CASE NO.
OF A PROPOSED TARIFF UNDER 807 KAR)	2023-00112
5:026, SECTION 9)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO EAST KENTUCKY MIDSTREAM, LLC

East Kentucky Midstream, LLC (East Kentucky Midstream), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on September 1, 2023. The Commission directs East Kentucky Midstream 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.

East Kentucky Midstream shall make timely amendment to any prior response if East Kentucky Midstream obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which East Kentucky Midstream fails or refuses to furnish all or part of the requested information, East Kentucky Midstream shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned 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, East Kentucky Midstream 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, PSC KY NO. 1, Original Sheet No. 2. The tariff references the possibility of a supply of gas for resale. Explain under what circumstances an applicant for farm tap service would be in a position to resell gas.

2. Refer to the proposed tariff, PSC KY NO. 1, Original Sheet No. 3.

a. Provide detailed cost support for the following charges and explain for each charge whether the labor associated with these services is already included in East Kentucky Midstream's calculation of its monthly customer and usage charges:

(1) Installation Fee of \$25.

(2) Seasonal/Temporary Disconnect Fee of \$100.

b. Explain whether the Seasonal/Temporary Disconnect Fee is charged separately for the disconnection and reconnection or whether the \$100 charge includes the cost of both the disconnection and reconnection.

3. Refer to the proposed tariff, PSC KY NO. 1, Original Sheet No. 4.4. Explain whether East Kentucky Midstream plans to charge a set amount for the meter test fee or if the amount will vary based on the cost of each test. If the amount will be a set amount, provide detailed cost support for the charge and explain whether the labor associated with the service is already included in East Kentucky Midstream's calculation of its monthly customer and usage charges.

4. Refer to the proposed tariff, PSC KY NO. 1, Original Sheet No. 4.4.

a. Explain how East Kentucky Midstream arrived at a deposit amount of \$100. Provide any supporting calculations.

b. Explain under what circumstances East Kentucky Midstream will waive the deposit.

c. Explain under what circumstances the deposit will be refunded to the customer.

d. Explain whether East Kentucky Midstream will pay interest on the deposit.

5. Refer to the proposed tariff, PSC KY NO. 1, Original Sheet No. 4.5. Explain why a customer must take service for at least one year in order to qualify for the Budget Billing Plan.

6. Refer to the proposed tariff, PSC KY NO. 1, Original Sheet No. 4.6, in which East Kentucky Midstream states that customers shall pay any applicable reconnection fee for restoration of service. Provide the amount, if any, East Kentucky Midstream will charge for reconnection and provide detailed cost support for the charge and explain whether the labor associated with this service is already included in East Kentucky Midstream's calculation of its monthly customer and usage charges.

7. Refer to the proposed tariff, PSC KY NO. 1, Original Sheet No. 4.6. Explain why a customer who requests temporary disconnection of service and later requests restoration of service should possibly be required to pay the applicable customer charge for each month or part thereof that service was discontinued.

8. Refer to the Application, revised Exhibit D (filed June 29, 2023), cost support for the proposed rates.

a. Confirm that East Kentucky Midstream currently has, and expects to continue to have, 315 farm tap customers.

b. Confirm that East Kentucky Midstream expects sales volumes to farm tap customers to be 23,193 Mcf annually based on average monthly usage of 1,932.75 Mcf.

c. State whether East Kentucky Midstream has data from previous years of the acquired system indicating number of customers and annual Mcf usage. If so, provide the supporting documentation.

d. Provide calculations showing how East Kentucky Midstream derived the proposed monthly customer charges of \$11 and \$22 and the \$13 per Mcf volumetric rate. The calculation should include, but not be limited to, the gas cost inherent in the volumetric rate.

9. Refer to the Application, revised Exhibit D, cost support for the proposed rates, pages 2–4.

a. Explain how East Kentucky Midstream derived the blended, weighted allocator to farm-tap service operations of 0.153. Include in the explanation the specific allocators and allocation factors for each account.

b. Provide the total 2022 expenses by month.

c. Explain whether East Kentucky Midstream proposes to use an operating ratio to determine reasonable margins from base rates. If not, explain how East Kentucky Midstream determined the appropriate margins for base rates.

d. Explain what kind of insurance is recorded in account “6330 Insurance Expense.”

e. Confirm that “68405 Taxes” are income taxes. If this cannot be confirmed, explain the kind of taxes.

10. State whether East Kentucky Midstream serves or expects to serve any “free gas” customers who receive gas in exchange for pipeline crossing their property. If so, provide the number and average annual usage for these customers.

11. Describe the source of the gas delivered to East Kentucky Midstream’s farm tap customers.

12. State whether all 315 customers that East Kentucky Midstream serves as farm tap customers are served from gathering lines or transmission lines carrying gas beyond their properties for sale to the wholesale market.

13. Confirm that East Kentucky Midstream 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 East Kentucky Midstream producing gas well or gas gathering pipeline. If this cannot be confirmed, provide the number of customers that are not served pursuant to KRS 278.485.

14. Explain whether East Kentucky Midstream has plans to disconnect any customers that are not served pursuant to KRS 278.485.

15. Explain whether existing farm taps have been extended or divided to provide service to more than one customer per farm tap. If so, include supporting documentation.

16. Explain whether East Kentucky Midstream employs anyone in its service territory to respond to emergencies. If not, explain how East Kentucky Midstream responds to emergencies.

17. Provide a system map or maps that show East Kentucky Midstream's natural gas system, including the location, size, category, and material of lines and the location of producing wells.

18. State whether East Kentucky Midstream purchases gas for redelivery to farm tap customers. If so, provide details of the transactions involved in procuring gas for the customers, including volumes and number of customers involved.

19. Describe the quality of the gas supplied to East Kentucky Midstream's farm tap customers. The description should include, but not be limited to, whether dehydration equipment is used, whether the gas is odorized, and whether compression equipment is used to deliver the gas.



Linda C. Bridwell, PE
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Public Service Commission
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DATED AUG 17 2023

cc: Parties of Record

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