

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF HAY)	
EXPLORATION, INC. FOR INITIAL RULES,)	CASE NO.
REGULATIONS, AND RATES FOR FURNISHING)	2023-00152
GAS SERVICE PURSUANT TO KRS 278.485)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO HAY EXPLORATION, INC.

Hay Exploration, Inc. (Hay Exploration), 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 29, 2023. The Commission directs Hay Exploration 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 response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

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).

Hay Exploration shall make timely amendment to any prior response if Hay Exploration 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 Hay Exploration fails or refuses to furnish all or part of the requested information, Hay Exploration 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, Hay Exploration 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 Hay Exploration's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 2.

a. For each charge, fill out the following form attached as an Appendix, providing all relevant calculations.

b. For the returned check charge, provide documentation from the bank showing the amount charged for each returned check.

c. Also refer to Hay Exploration's response to Commission Staff's First Request for Information (Staff's First Request), Item 14(c), Exhibits 1 and 2. Explain why

Well Operator Costs, Administrative Costs, and Postage and Office Supplies list late notices if these costs are recovered separately.

2. Refer to Hay Exploration's response to Staff's Second Request, Item 7.

a. Provide the total annual usage for the system, including free gas.

b. Provide the annual amount of free gas.

3. Refer to Hay Exploration's response to Staff's Second Request, Item 8(b).

Confirm that the free gas costs of \$18,637.60 should be subtracted from the total costs of \$65,765.00 to determine the revenue requirement for base rates. If this cannot be confirmed, explain.

4. Refer to Hay Exploration's response to Staff's Second Request, Item 10.

a. Explain why Hay Exploration did not include margins in its rate calculation.

b. Explain whether Hay Exploration is familiar with the operating ratio method to determine operating margins.

5. Refer to Hay Exploration's response to Staff's Second Request, Item 11 and 14(b).

a. Explain how costs for free gas customers were excluded from all expenses except meter reading.

b. Provide the number of meter reads expected for free gas customers in total before they are charged any base rates.

c. Explain whether non-recurring charges will be assessed to free gas customers that are under the threshold for free gas.

6. Refer to Hay Exploration's response to Staff's Second Request, Item 12. Provide the annual usage for the two churches supplied by Hay Exploration.

7. Refer to Hay Exploration's response to Staff's Second Request, Items 16 and 20.

a. Explain whether Hay Exploration has determined whether unauthorized service connections are within the definition of farm tap customers under KRS 278.485. If so, explain how Hay Exploration plans to install meters for these connections. If not, explain whether Hay Exploration would disconnect those customers.

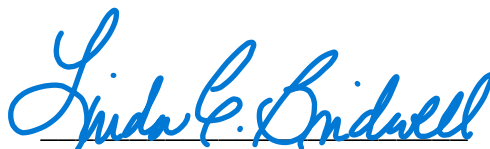
b. State how many unauthorized connections have been identified and whether these connections are included in the 110 customers.

8. Refer to Hay Exploration's response to Staff's Second Request, Item 26.

a. Confirm that Hay Exploration proposes rates in this proceeding. If confirmed, explain why Hay Exploration did not provide notice of its proposed rates to current customers.

b. Explain Hay Exploration's plans to notify customers of the change from universal free gas to charging base rates.

9. Refer to the proposed tariff and Hay Exploration's Response to Staff's Second Request, Item 38, Attachment. Explain the discrepancies between the proposed tariff and the Terms and Conditions for Furnishing Natural Gas to Farm Tap Customers that are included with the Application for Gas Service.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED SEP 15 2023

cc: Parties of Record

Case No. 2023-00152

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00152 DATED SEP 15 2023

ONE PAGE TO FOLLOW

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