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RECEIVED

June 4, 2018

JUN 04 2018

Public Service Commission
 Attn: Gwen R. Pinson, Executive Director
 P.O. Box 615
 211 Sower Boulevard
 Frankfort, KY 40602-0615

PUBLIC SERVICE
 COMMISSION

RE: Jetta Operating Appalachia, LLC
 Farm Tap Tariff Application

Dear Ms. Pinson:

I am writing on behalf of our client Jetta Operating Appalachia, LLC ("Jetta") to submit Jetta's application for a farm tap tariff pursuant to KRS 278.485. Jetta has wells and gathering lines in Leslie, Perry and Letcher Counties and is subject to the obligation to provide access to natural gas in accordance with KRS 278.485.

To provide a little background, in 2011 an affiliate of Jetta purchased oil and gas assets from a subsidiary of Equitable Natural Resources ("EQT"). Jetta operates those assets. At that time, there were no farm taps installed pursuant to KRS 278.485 ("Tariff Farm Taps") on the pipelines included in those assets. Since that time, Jetta has constructed some additional gathering line infrastructure, and it has received seven requests from individuals for access to natural gas from Jetta's gathering lines. Jetta's personnel employed the same practice that had been used previously by EQT with regard to Tariff Farm Taps, including providing information to the applicant regarding the standards for installing the applicant's facilities and the necessity of having the applicant's installation inspected by the Public Service Commission.

It is my understanding that those inspections incurred and that Jetta has provided access to natural gas to seven individuals for residential use pursuant to a written agreement signed by the respective individuals at a rate of \$8.00 per MCF. It was recently brought to Jetta's attention that it did not have a tariff on file with the Public Service Commission for these and future Tariff Farm Taps, and with this letter I am submitting Jetta's application for the issuance of such a tariff.

Please find enclosed one original and ten copies of the following documents for filing with the Commission plus one additional copy that we would request be returned to our office in the enclosed self-addressed stamped envelope:

Gwen R. Pinson
June 4, 2018
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1. An Application for Rates, Rules and Regulations for Furnishing Natural Gas Service Pursuant to KRS 278.485 which includes Jetta's basic rate support calculation;
2. Schedule 1 Well Operator Cost;
3. Schedule 2 Administrative Personnel Cost; and
4. Schedule 3 Postage and Office Supply.

Should there be any questions or additional information needed, please do not hesitate to contact me.

Very truly yours,



Karen Greenwell

KJG/mm
Encls.
61737275.1

AREA Rural Perry, Letcher and Leslie Counties

PSC KY NO. _____

_____ SHEET NO. _____

Jetta Operating Appalachia, LLC
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

JETTA OPERATING APPALACHIA, LLC

OF

305 Dawahare Drive.
Hazard, KY 41701

RATES – CHARGES – RULES - REGULATIONS

FOR FURNISHING

Natural Gas From Farm Taps Pursuant to KRS 278.485

AT

Rural Perry, Letcher & Leslie Counties

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE _____
MONTH / DATE / YEAR

DATE EFFECTIVE _____
MONTH / DATE / YEAR

ISSUED BY *A. H. Roberts*
SIGNATURE OF OFFICER *pin*

TITLE *Sr. Vice President Business Development*

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

AREA Rural Perry, Letcher and Leslie Counties

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RATES

Applicable: To all persons requesting and entitled to service from Jetta pursuant to KRS 278.485.

Rate: Total Gas Price to Applicant per Mcf \$8.65

Tap -On Fee \$150.00

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Gas Price Calculations

12 Month NYMEX Strip (as of 03/27/2018): \$2.87/DTH

12 Month Columbia Gas TCO Strip (as of 03/27/2018): ~~(\$0.26)~~/DTH

\$2.61/DTH

BTU Conversion Based on Btu/cf: x 1.370*

\$3.58/MCF

**average of the field tap meter heat rates, Jan' 2018*

Well Operator: (Schedule 1) \$4.03

Administrative Personnel: (Schedule 2) \$0.83

Postage & Office Supply: (Schedule 3) \$0.21

Total: \$8.65

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RULES AND REGULATIONS AND CONDITIONS FOR SERVICE

1. Incorporated Terms. The terms and conditions of KRS 278.485, KAR 5:026 and any other applicable regulations are incorporated in this filing by reference. In addition to the incorporated terms and conditions, and not in limitation thereof, the following additional provisions apply and are a part of this filing.

2. General Terms.

(a) All gas sold and delivered under this Tariff shall be delivered at the varying pressures of the applicable pipeline of Jetta Operating Appalachia, LLC ("Jetta").

(b) It shall be the sole responsibility of the applicant, at applicant's sole cost, expense and risk, to supply and to have installed, inspected, and maintained the necessary regulator and equipment related thereto and all pipelines and other facilities beyond the tap on Jetta's pipeline, except for the meter which Jetta will install and own.

(c) Jetta shall not be liable to an applicant for any discontinuance, reduction, change or any other effect on service to the applicant resulting from: the plugging, abandonment (temporary or final), or change in the use of any well or wells; temporary or permanent discontinuance or reduction of transportation of gas through any applicable pipeline; the use (or termination of use) of compressors or other equipment; breakage or maintenance of pipelines; changes in Jetta's operations; or other causes related to Jetta's operations or business activities, any or all of which may be undertaken in Jetta's sole discretion.

(d) Jetta is under no obligation to supply any specific quantity or quality of gas to an applicant. The applicant understands and acknowledges that the gas Jetta supplies is untreated; is not

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odorized; may not be consistent in volume, Btu content or other qualities; and may have Btu content higher or lower than gas transported in interstate pipelines or supplied by gas distribution companies.

(e) Jetta shall have the right to enter upon the premises of the applicant to read, inspect, repair, change or remove the meter or any other equipment belonging to Jetta, and Jetta shall also have the right to reclaim any of its property which may be on the applicant's premises.

(f) The applicant agrees that its acceptance and use of gas under this tariff shall be at the applicant's sole risk, and Jetta shall not be liable to the applicant or any third person for any loss, damage to property, personal injury, loss of use, or any other claim of any kind arising from or associated with the applicant's receipt or use of gas from Jetta or pipelines or other equipment or facilities associated with such receipt or use or any of the circumstances referenced in this Section 2.

(g) The applicant agrees to supply his/her home, and only his/her home, pursuant to this Tariff, and if additional lines are found connected to the applicant's service, Jetta reserves the right to terminate this service.

(h) No agent or employee of Jetta has authority to make any oral promise, agreement, or representation inconsistent with this tariff, and no such promise, agreement, or representation shall bind Jetta, unless in writing and signed by an executive officer thereof.

3. FEES

(a) New Installations.

(1) a deposit equal to an estimated three months of gas usage.

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(2) \$150.00 installation fee.

(b) Reinstatement of Service.

(1) Service, which had been previously discontinued, reinstated upon remittance of the following:

(i) All past due amounts.

(ii) A deposit equal to an estimated three months of usage.

(iii) A \$25.00 turn-on fee.

4. CHANGE OF OWNERSHIP

In the event of a transfer of ownership of the premises being served pursuant to this tariff, Jetta will continue to make natural gas for domestic use available to the new owner pursuant to this tariff upon:

(a) Payment of any existing account balance from the previous owner;

(b) Payment of a deposit from the new owner equal to an estimated three months usage;

(c) Payment of a \$25.00 turn-on fee if applicable;

(d) Agreement by the new owner to the terms of this tariff.

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5. GAS MEASUREMENT

(a) The measurement of gas by meter shall be conclusive upon the applicant and Jetta, unless the meter ceases to register, proves to be defective, or is found by test not to be accurate within the limitations of industry or regulatory standards. In such case, the consumption for the period in question shall be estimated. Jetta will, upon written application of applicant, have the meter removed, sealed and tested, and a certificate of the test will be given to the applicant. If the meter so tested shall be found to be accurate within the limits specified in the rules of the Commission, the applicant shall, upon presentation of a bill pay Jetta for such test.

(b) Where the service facilities or other equipment have been tampered with, resulting in improper measurement of the natural gas supplied, the applicant shall be required to pay for such quantity of natural gas as Jetta may estimate from available information to have been used but not registered by Jetta's meter. In addition thereto, the applicant shall be required to bear all costs incurred by Jetta for investigations and inspections and for such protective equipment as may be necessary in Jetta's judgment.

(c) The applicant will promptly notify Jetta of any known or suspected gas leaks.

6. PAYMENT OF BILLS; OTHER DEFAULT; TERMINATION OF SERVICE

(a) The applicant shall pay the installation charge and deposit referred to above and, thereafter, pay Jetta for all gas delivered at rates approved by the Commission. Jetta shall render statements to the applicant at regular monthly intervals for gas delivered, provided that the amount of the bill for the month is greater than or equal to Thirty Dollars (\$30.00). If the bill for any month based on the Applicant's gas usage would be less than Thirty Dollars (\$30.00), Jetta will not send the Applicant a bill for that month. Rather, Jetta will bill the applicant for all gas used, but not yet billed, in the month when Applicant's aggregate bill equals Thirty Dollars(\$30.00) or more. For purposes of this

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Tariff, the term "month" shall mean the period between meter readings, which may or may not correspond to a calendar month or the duration of a calendar month.

(b) The applicant shall remit full and complete payment of each invoice within twenty (20) days following the applicant's receipt thereof. If the applicant fails to make such payment, Jetta will provide notice of the delinquency and that the applicant's access to natural gas pursuant to this tariff may be terminated for non-payment ten(10) days following the mailing of such notice but not before thirty-five (35) days after the mailing of the original bill.

(c) Jetta shall be entitled to terminate the applicant's access to natural gas pursuant to this tariff for any reason provided in the applicable statutes and regulations and as stated herein. Termination of service shall not be Jetta's sole remedy for the recovery of any amounts due hereunder, and Jetta shall have all remedies available to it at law or equity for any breach or failure by the applicant to abide by and perform its obligations under the terms of this tariff.

7. INDEMNIFICATION.

In addition to, and not in limitation of, any provision of this tariff, the applicant agrees to protect, defend, indemnify and hold harmless Jetta and its affiliated companies, and its and their, members, officers, directors, employees, agents, partners ("Indemnified Persons") from and against all losses, claims, liens, demands and causes of action of every kind and character threatened or asserted by any person or governmental agency, including without limitation judgments, penalties, interest, court costs, investigation expenses and costs, attorneys' fees and costs on account of taxes, liens, debts, personal injury, death or damage to property, and all other claims or demands of every character occurring or in any way incident to, in connection with, or arising out of: (a) any equipment, pipeline or other facilities which were or were required to be installed, inspected, maintained or operated by or for the applicant, and (b) the applicant's receipt or use of gas supplied by Jetta hereunder.

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Schedule 1 – Well Operator Cost

Gross Hourly Rate: \$24

Calculation:

Meter Readings- 30 min per customer 6.00 hours per year/customer

Call-Outs, Maintenance, etc.: 2.00 hours per year/customer

Total Hours: 12.00 hours per year/customer

Labor Cost Per Mcf:

12.00 hrs. x \$24.00/Hr. \$288.00

Meter Cost (over 5 years) \$2.50

Usage (12 month avg.) 72 Mcf

Per Mcf: \$4.03

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Schedule 2 – Administrative Personnel Cost

Gross Hourly Rate: \$20

Calculation:

Preparing and reviewing invoices: 2.00 hours per month

Processing cash receipts: 1.00 hours per month

Total Hours: 3.00 hours per month

Personnel Cost Per Mcf:

3.00 hrs. x \$20.00/Hr. \$60.00

Usage (12 month avg.) 72 Mcf

Per Mcf: \$0.83

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Schedule 3 – Postage and Office Supply

Calculation:

\$0.50 Per Customer Postage: \$0.50 Per month

\$1.15 Per Customer other supplies \$1.15 Per month

Total: \$1.65 Per month

Average Mcf Usage: 6 Mcf per month

Per Mcf: \$0.21

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