

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 FURNISHING)	2021-00390
GAS SERVICE PURSUANT TO KRS 278.485)	

COMMISSION STAFF'S SECOND 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 December 22, 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. Provide cost support for the 10 percent late-payment penalty.

2. Refer to Natural Gas Services' response to Commission Staff's First Request for Information (Staff's First Request), Item 1(a).

- a. Explain whether the labor associated with these services is already included in Natural Gas Services' calculation of its monthly customer charge and commodity rate.

b. Explain why the Seasonal or Temporary Turn-On Fee is double the amount of the reconnection fee.

c. Explain why it takes two hours to turn on the gas for a seasonal or temporary turn-on.

d. Explain the procedure followed to transfer service from one occupant to another.

e. Regarding the service trip charge, the response seems to indicate that the service trip would involve repairs. However, the tariff indicates that the fee would be charged for any trip made to collect delinquent bills or terminate service. Explain the discrepancy.

f. Also refer to Natural Gas Services' response to Staff's First Request, Item 7. Explain why it would take 1.5 to 2 hours to perform a special meter reading when Natural Gas Services indicates that it takes its maintenance employee 45 minutes to read the meter.

3. Refer to Natural Gas Services' response to Staff's First Request, Item 2.

a. State whether Natural Gas Services found that any other supplier of farm tap service had this provision in its tariff.

b. Refer also to Natural Gas Services' response to Staff's First Request, Item 13. Explain whether Natural Gas Services or Hay Exploration, Inc. (Hay Exploration) determine whether the gathering lines have sufficient supply to connect additional customers.

4. Refer to Natural Gas Services' response to Staff's First Request, Item 3(c). Explain why KRS 413.120 should not apply in instances of overcollections.

5. Refer to Natural Gas Services' response to Staff's First Request for Information, Item 4(a).

a. Explain whether Natural Gas Services will test a meter it considers to be defective to ensure it is defective before billing the customer based on estimated usage.

b. Given the seasonal nature of natural gas usage, explain whether Natural Gas Services would automatically test or pull the meter for any account with the usage variances described or whether these variance guidelines are a starting point for an investigation.

6. Refer to Natural Gas Services' response to Staff's First Request, Item 5(b). Explain how it was determined that a meter relocate would take six hours, and explain the procedure followed to relocate the meter.

7. Refer to Natural Gas Services' response to Staff's First Request, Items 7 and 9. Confirm that monthly administrative and meter reading costs are included in the customer charge and volumetric rate. If this cannot be confirmed, explain.

8. Refer to Natural Gas Services' response to Staff's First Request, Items 9(a) and (b). Provide an update to the proposed gas cost based on the current 12-month NYMEX strip and Appalachian differential.

9. Refer to Natural Gas Services' response to Staff's First Request, Items 9(d).

a. Confirm that the meter readings referenced are in Mcf (thousand cubic feet) and not Ccf (hundred cubic feet), and that Natural Gas Services expects customers to use this relatively high amount of gas annually.

b. Refer also to Natural Gas Services' response to Staff's First Request, Item 17. State whether Natural Gas Services currently has any customer meters and explain whether Natural Gas Services will confirm that a customer wishes to maintain farm tap service before installing a meter.

10. Refer to Natural Gas Services' response to Staff's First Request, Item 9(g). Explain whether Natural Gas Services employs anyone in its service territory to respond to emergencies. If not, explain how Natural Gas Services responds to emergencies.

11. Refer to Natural Gas Services' response to Staff's First Request, Item 9(i). Explain how Natural Gas Services currently accounts for its expenses to serve farm tap customers and explain what services it currently provides to these customers.

12. Refer to Natural Gas Services' response to Staff's First Request, Item 11.

a. Confirm that Natural Gas Services estimated customer count of 110 does not include any of the 78 customers with free gas services. If this cannot be confirmed, provide the total number of customers which Natural Gas Services intends to charge for farm tap service.

b. Confirm that Natural Gas Services has not included expenses related to farm tap customers with free gas service in its proposed rates. If this cannot be confirmed, explain.

13. Refer to Natural Gas Services' response to Staff's First Request, Item 12. Explain whether Natural Gas Services will disconnect any customers that are not served pursuant to KRS 287.485.

14. Refer to Natural Gas Services' response to Staff's First Request, Item 13.

a. Provide the corporate relationship between Natural Gas Services and Hay Exploration.

b. Explain if Natural Gas Services is an affiliate of Hay Exploration.

c. Explain why Natural Gas Services is the entity providing farm tap service given that it does not own the gathering lines or producing wells. Include in this response any agreements with Hay Exploration to provide farm tap service.

d. Provide the market to which Hay Exploration ultimately sells the natural gas gathered from this system.

15. Refer to Natural Gas Services' response to Staff's First Request, Item 14. State whether Natural Gas Services is simply fulfilling the obligation of Hay Exploration to provide farm tap service.

16. Refer to Natural Gas Services' response to Staff's First Request, Item 15. State whether Hay Exploration has any operator qualifications or operations and maintenance plans or performs leakage or patrolling surveys. If so, provide the details.

17. Refer to Natural Gas Services' response to Staff's First Request, Item 19. Explain why customers would be responsible for odorization of the service line.



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DATED DEC 8 2021

cc: Parties of Record

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