

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 NOTICE OF INFORMAL CONFERENCE

Commission Staff hereby schedules an informal conference on February 18, 2022, at 9:30 a.m. Eastern Standard Time, to take place via video conference link. The purpose of the conference is to generally address Natural Gas Services, LLC's tariff filing, and specifically address the lists of topics from Commission Staff attached as an Appendix to this Notice.

Commission Staff will contact participants by electronic mail to provide details for joining the conference by telephone and video link.



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

DATED FEB 16 2022

cc: Parties of Record

## APPENDIX

### APPENDIX TO A NOTICE ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00390 DATED

1. Refer to Natural Gas Services, LLC's (Natural Gas Services) response to Commission Staff's Second Request for Information, Item 6.

a. Regarding the mileage for vehicles, explain whether Natural Gas Services meant to use \$0.56 per mile, which was the 2021 Internal Revenue Service rate, instead of \$0.056 per mile.

b. Indicate how many roundtrip miles Natural Gas Services assumed to arrive at the revised meter relocation fee of \$250.

c. Indicate how many hours of excavator use Natural Gas Services assumed to arrive at the revised meter relocation fee of \$250.

2. Refer to Natural Gas Services' response to Commission Staff's Third Request for Information, Item 4. Provide an estimate of the total annual revenue to be derived from the late payment charge and explain how the estimate was calculated.

3. The information currently in the record of this case indicates that Natural Gas Services serves 110 customers, of which 78 are free gas customers, and that there are an unknown number of additional connections. It also indicates it projects customers using 152 Mcf per year, resulting in estimated annual sales of 16,720 Mcf. It proposes a rate structure including a \$30 monthly minimum bill and a volumetric rate of \$8.35 per Mcf.

a. State whether Natural Gas Services projects it will bill only 32 customers (110 minus 78) monthly. If not, state how many customers are likely to be billed.

b. State whether Natural Gas Services' annual sales revenue from volume of gas sold is expected to be \$139,612 (16,720 Mcf x \$8.35), \$40,614 (152 Mcf x 32 customers x \$8.35), or something else.

c. State whether the \$30 minimum bill is intended to include some volume of gas. As currently set out in the proposed tariff, presumably 3.6 Mcf (30/8.35) are included in the minimum bill, and customers would only be charged \$8.35 per Mcf for additional usage over 3.6 Mcf. The response should include a calculation showing what amounts a customer would be billed for usage of 1, 3, and 5 Mcf.

d. State whether and under what circumstances "free gas customers" will be billed. The response should include whether these customers will only receive a bill when their usage for a given annual period exceeds 200 Mcf, and whether Natural Gas Services intends to charge them the proposed monthly minimum bill.

e. Provide a detailed calculation of Natural Gas Services' anticipated annual revenue based on its proposed rates and the number of customers and sales volumes it expects to bill.

4. The information currently in the record of this case includes updates to the NYMEX strip rate and to the Appalachian differential, and indicates a 1,050 Btu average heat content of gas delivered to farm tap customers. Based on this information, provide a revised calculation for the "Estimated price to be received", shown as a total cost of gas of \$4.61 per Mcf on the tariff application cost calculation page.

5. Provide an update on the formal agreement between Hay Exploration and Natural Gas Services. Provide a copy of the agreement.

6. Explain Natural Gas Services' proposed timing for the following:

a. Notifying customers of their option to continue farm tap service subject to new rates and service conditions;

b. Sending and receiving applications to continue farm tap service;

c. Disconnecting those customers who decline continued service;

d. Meter reading to establish beginning usage for charges; and

e. Billing customers for the first time.

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