

Natural Gas Services, LLC
Response to Public Service Commission's Initial Request for Information
Case No. 2021-00390

Request No. 1:

Refer to the proposed tariff, Section II. Rates and Charges, subsection c. Other Charges.

- a. Provide cost support for the following:
 - (1) Seasonal or Temporary Turn on Fee of \$50;
 - (2) Transfer Service Fee of \$30;
 - (3) Returned Check Charge of \$30;
 - (4) Service Trip Charge of \$50; and
 - (5) Special Meter Reading Charge of \$39.50.
- b. Confirm that the Special Meter Reading Charge will not be assessed if the original meter reading was incorrect. If this cannot be confirmed explain.
- c. Explain how Natural Gas Services arrived at the \$225 upper limit for the meter test fee.
- d. Also refer to the document entitled Terms and Conditions for Furnishing Natural Gas to Farm Tap Customers, Section II. Rates and Charges, subsection C, Other Charges, which lists the meter test fee as \$225 instead of actual cost up to \$225 as stated in the proposed tariff. Explain why the meter test fee is listed as \$225 in the document entitled Terms and Conditions for Furnishing Natural Gas to Farm Tap Customers.

Response No. 1:

- a. The charges provided here are based on precedential charges approved in the Troublesome Creek Tariff, cost to NGS to provide this service, and ability of the customer base to pay the charges. Additionally, NGS has analyzed whether these fees will act as a deterrent from abuse of the services listed and determined that these fees are sufficient to achieve that goal. Thus, these fees do not take into account all of the potential costs to NGS to provide the service, but the amount of the charge was

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determined to successfully recover most or all of the expense of providing the service while ensuring the customer base's ability to pay.

- (1) Seasonal or Temporary Turn on Fee of \$50. The time involved for the employee to turn on the gas will be approximately two hours multiplied by their hourly wage of \$25.44 ($2 \times \$25.44 = \50.88). NGS has rounded this cost down to \$50 to align itself with other natural gas providers in the area (e.g., Troublesome Creek).
- (2) Transfer Service Fee of \$30.00. The cost for the administrator to revise the service records and billing records to reflect the transfer of service, plus supplies, is estimated at \$30.00. This calculation was derived by estimating that it would take the administrator approximately one hour and fifteen minutes at an hourly wage of \$23.49, plus \$0.64 cents in supply costs. Calculation: $\$23.49 \times 1.25 = \29.36 (labor) + \$0.64 (supplies) = \$30.00.
- (3) Returned Check Charge of \$30. The cost for a returned check charge is estimated at \$30.00. This cost was derived by estimating that it would take the administrator between 20-30 minutes at an hourly wage of \$23.49 to correct the books and mail the customer a notice with postage ($\$23.49 \times 0.45 = \10.57), plus the bank's returned check fee of \$19.50. Calculation: $\$23.49 \times 0.45 = \10.57 (labor) + \$19.50 (returned check fee) = \$30.07.
- (4) Service Trip Charge of \$50. The cost for a service trip charge was derived from the amount of time it would take the employee to meet with the customer and make the necessary repairs (estimated to take 1.5 to 2 hours) at an hourly wage of \$25.44. Calculation: $\$25.44 \times 2 = \50.88 .

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- (5) Special Meter Reading Charge of \$50.00. NGS intends to modify its special meter reading charge to be \$50.00 in its final tariff filing. The cost for a special meter reading charge was calculated by multiplying the amount of time it would take the employee to meet with the customer to perform the special meter reading (estimated to take 1.5 to 2 hours) against the employee's hourly wage of \$25.44. Calculation: $\$25.44 \times 2 = \50.88 .
- b. If the original meter reading is incorrect due to NGS error, there will not be a special meter reading charge.
 - c. On 11/22/2021, Natural Gas services, LLC ("NGS") contacted RL Laughlin, a reputable meter testing company, to inquire about pricing on testing meters. There are a minimum of five meters tested each time. Each meter test has a fee of \$97.00. RL Laughlin's estimate also includes a \$600.00 travel fee, which will be evenly distributed amongst the five meters to be tested (which equals \$120.00/meter). When these two fees are added ($\$97.00/\text{meter test fee} + \$120.00/\text{travel fee}$), each meter test will cost \$217.00. Based on these calculations, NGS determined \$225.00 is an appropriate upper limit for the meter test fee.
 - d. NGS intended for the Terms and Conditions for Furnishing Natural Gas to Farm Tap Customers, Section II. Rates and Charges, subsection C, Other Charges to list the meter test fee to be listed as "actual costs up to \$225" so that these two sections would be consistent with one another. This discrepancy will be corrected in the final filing.

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Meter Test Reading

RL Laughlin Travel fee (\$75/hour for 8 hours total)	\$	600.00
Per Meter Test fee	\$	97.00

There is a minimum of 5 meters to test each time. Given there are 5 meters tested, the \$600 travel fee would be distributed evenly amongst 5 meters in the amount of \$120. If you add the travel fee plus the per meter test fee the value would be \$217.

RL Laughlin is the closest meter testing company that we have found to be both timely and reputable.

Meter Relocation Fee

Labor (\$25.44 per hour per laborer estimated 6 hours)	\$	152.64
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Responding Witness: Monica Sturgill

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Request No. 2:

Refer to the proposed tariff, Section III. Terms of Service, subsection c, Refusal of Service, which states "Company reserves the right to refuse or to defer full service to an applicant where the existing mains are inadequate to serve the applicant's requirements without adversely affecting the service to customers already connected and being served." State the legal basis for Natural Gas Services to refuse service to a customer located within one-half air miles of its lines.

Response No. 2:

NGS has many old wells that are barely serving the current volume of gas required by existing customers. Expanding service to a significant new customer base from some of the older wells would seriously jeopardize NGS's ability to serve the existing demand. Prior to filing this provision in the terms of service, NGS researched other farm tap tariffs to confirm that precedent exists of this type of tariff. The Commission has previously approved this same term of service in the case of Troublesome Creek under its Terms of Service, provision C.

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Request No. 3:

Refer to the proposed tariff, Section III. Terms of Service, subsection n, Meter Test Fee, which states "If any meter so tested is found to be more than 2% slow, the Company will adjust the natural gas used, as measured by such meter, by such percentage that the meter was found to be in error. The Company will re-bill adjusted amount for a period of one-half the elapsed time since the last previous test, but not for more than six months. The Company will refund to Customer the difference between the amount paid by the Customer and adjusted bills."

- a. Explain whether Natural Gas Services will follow the same procedure if the meter is found to be more than 2 percent fast.
- b. Explain why Natural Gas Services chose six months as the upper time limit to calculate the rebilling.
- c. Explain whether Natural Gas Services will use the same six-month period for instances where the meter is more than 2 percent fast.

Response No. 3:

- a. Yes, although calculation will account for the previous two years, per KRS 278.225.
- b. At the time of filing, NGS was unaware of the 2-year requirement provided for by KRS 278.225. NGS will modify the final terms of service to reflect compliance with the statute.
- c. No, NGS will use a 2-year timeframe, per KRS 278.225.

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Request No. 4:

Refer to the proposed tariff, Section III. Terms of Service, subsection n, Meter Test Fee, which states "If any meter is found not to register any gas usage for any period, the Company may collect for the natural gas estimated to be used but not registered on the meter. Estimated use shall be calculated by averaging the amounts used under similar weather or operating conditions during the period immediately preceding or subsequent to the period of non-registration, or over a corresponding period in a previous year. The period of time for which collection for nonregistered gas service may be made shall be limited only by the date on which the meter is determined to have become defective."

- a. Explain how Natural Gas Services will determine when the meter became defective.
- b. Explain whether a customer who did not obtain service through fraud, theft, or deception, would be liable for unbilled service after two years from the date of service.

Response No. 4:

- a. A meter will be objectively considered defective when the reading reflects a 30% variance from the average of the same month over the preceding two years. If that information is not available, then a 30% variance from the same month in the preceding year will constitute a defective meter. If no prior annual data is available, then a 40% variance from the prior month will be considered a defective meter.
- b. No, NGS will use a 2-year timeframe, per KRS 278.225.

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Request No. 5:

Refer to the proposed tariff, Section III. Terms of Service, subsection s, Customer's Installation, which indicates that Natural Gas Services reserves the right to require a customer to reimburse the Company for any cost due to a change in meters, meter location or change to any other apparatus made at the request of the customer.

a. Explain if there would be any circumstances in which a customer would not be required to reimburse the Company for such change.

b. Also refer to the document entitled Terms and Conditions for Furnishing Natural Gas to Farm Tap Customers, Section II. Rates and Charges, subsection c, Other Charges, which includes a \$150 relocate meter fee which is not included in the proposed tariff. Explain whether Natural Gas Services is proposing to charge a \$150 relocate meter fee. If so, provide cost support for the fee.

Response No. 5:

a. Yes, if the meter location change was required by NGS, the customer would not be charged for the change.

b. Yes, the fee was inadvertently left off the proposed tariff. Cost support is provided below.

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Meter Relocation Fee

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Request No. 6:

Refer to the document entitled Terms and Conditions for Furnishing Natural Gas to Farm Tap Customers, Section III. Terms of Service. Explain why the budget billing plan section is not included in this document.

Response No. 6:

This information was included in Section III. Terms of Service, subsection f. Budget Billing Plan on page 10 of Natural Gas Services original tariff filing. However, NGS will modify its final filing to include the budget billing plan in subsection F. of Section III. Terms of Service on page 24 of its filing. The remaining subsections will be pushed back by one letter.

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Request No. 7:

State whether Natural Gas Services is proposing to charge a minimum bill of \$30 as shown on unnumbered page 6 of the electronic document, or a minimum bill of \$15, as shown on unnumbered page 22 of the electronic document. Provide support for the minimum bill amount proposed.

Response No. 7:

Natural Gas Services proposes to charge a minimum bill of \$30. The \$15 shown on unnumbered page 22 is an error. The cost of \$30 as a minimum bill was calculated by adding the costs incurred in reading the meter and the administrative costs incurred in billing and bookkeeping where no gas is used. NGS estimates that these tasks will take its administrator approximately 30 minutes ($\$23.49 \times 0.5 = \11.75) and that it will take approximately 45 minutes for its maintenance employee to read the meter ($\$25.44 \times 0.75 = \19.08). Calculation: $\$11.75$ (administrator's labor) + $\$19.08$ (maintenance's labor) = $\$30.83$.

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Request No. 8:

State the volume of gas Natural Gas Services estimates it will sell annually to farm tap customers.

Response No. 8:

110 customers x 152 mcf average per customer per year = 16,720 MCF

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Request No. 9:

Refer to the page setting out the basis of the farm tap rate calculation.

- a. Provide the most current 12-month NYMEX strip rate.
- b. Provide the correct Appalachian differential, which is the difference between the NYMEX price at the Henry Hub and the Columbia Gas Transmission (TCO) Appalachian hub.
- c. State what customer classes (i.e., residential or commercial) are represented by the 110 customers that Natural Gas Services indicates it anticipates supplying.
- d. Provide support for the estimated annual per customer usage of 152 Mcf.
- e. Provide the expenses included in the "expense cost" portion of the proposed gas charge.
- f. Explain why the gas cost should include both the forfeited revenue and expense.
- g. Explain how the number of calls was determined for the Mileage Cost.
- h. Explain whether the Supply Cost of \$174 is for the entire system or a single customer.
- i. Provide Natural Gas Services' income statement for farm tap customers for 2019, 2020, and any period available for 2021.

Response No. 9:

- a. See below.
- b. The two data tables attached in the following pages include NYMEX and TCO gas pricing data, as well as the Appalachian differentials for each respective time period.

Data Table 1 reflects the gas pricing data described above in monthly increments from

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- January 2019 to December 2021 (projected). **Data Table 2** reflects the gas pricing data described above on an annual basis from 2002 to 2021.
- c. The 110 customers that Natural Gas Services anticipates supplying are all in the residential customer class.
 - d. The estimated annual per customer usage of 152 Mcf was calculated based on an area of twenty-four (24) farm taps, which were metered and tracked for a two-year period (2010-2011). Although NGS is aware that there are other areas with higher usage, NGS was not able to allocate usage to a per customer level. The data from when these twenty-four farm taps were metered and tracked in 2010 and 2011 is the only data presently available to NGS. As such, this data served as the basis for calculating the estimated annual per customer usage as 152 Mcf. This data has been included in the following pages.
 - e. The expenses included in the "expense cost" portion of the proposed gas charge includes the following costs (calculated as expense per mcf): Well Operator Costs (\$1.88) + Administrative Costs (\$0.37) + Supply Costs (\$1.14)+ Mileage Costs (\$0.27) + Postage and Office Supplies Costs (\$0.07). When added together, the total of these costs equals the "expense costs" of \$3.73. The amount included in the application "\$3.74" contained a mathematical error. The actual amount is \$3.73.

Calculation: $\$1.88 + \$0.37 + \$1.14 + \$0.27 + \$0.07 = \3.73
 - f. The forfeited revenue is the difference in the amount sold on the market against the price sold to farm tap customers. But for the farm tap customers, total revenue would include this difference. Providing service to the farm tap customers creates this lost revenue expense, hence it has been included in the cost of servicing farm tap customers.

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- g. This number was derived from the number of call outs NGS had in 2020. "Call outs" includes all after hours calls regarding breaks and repairs. The mileage calculation was based on the distance that maintenance staff had to travel from their residence in Ashland, Ohio to get to the customer and the meter needing repair.
- h. The Supply Cost of \$174 represents the cost per customer per year.
- i. No such statements exist. NGS has never charged its farm tap customers for service.

Responding Witness: Monica Sturgill

Access to NYMEX Pricing Data

NYMEX pricing data helps Constellation natural gas customers strategically procure and manage their natural gas supply.

* Quotes below are on a 15 minute delay.

Last refreshed at **02:19:29 PM EST on November 16, 2021.**

Market data provided by ICE Data Services.

Natural Gas Forward Pricing : Monthly				
Month	Price	Change(\$)	Change(%)	LastSettle
Dec-21	\$5.313	0.296	5.9%	\$5.017
Jan-22	\$5.399	0.295	5.78%	\$5.104
Feb-22	\$5.283	0.292	5.85%	\$4.991
Mar-22	\$4.966	0.248	5.26%	\$4.718
Apr-22	\$4.164	0.119	2.94%	\$4.045
May-22	\$4.081	0.108	2.72%	\$3.973
Jun-22	\$4.111	0.107	2.67%	\$4.004
Jul-22	\$4.15	0.102	2.52%	\$4.048
Aug-22	\$4.152	0.101	2.49%	\$4.051
Sep-22	\$4.134	0.106	2.63%	\$4.028
Oct-22	\$4.157	0.103	2.54%	\$4.054
Nov-22	\$4.233	0.102	2.47%	\$4.131
Dec-22	\$4.406	0.109	2.54%	\$4.297
Jan-23	\$4.493	0.107	2.44%	\$4.386
Feb-23	\$4.362	0.101	2.37%	\$4.261
Mar-23	\$4.04	0.082	2.07%	\$3.958
Apr-23	\$3.333	0.04	1.21%	\$3.293
May-23	\$3.261	0.045	1.4%	\$3.216
Jun-23	\$3.292	0.043	1.32%	\$3.249
Jul-23	\$3.325	0.037	1.13%	\$3.288
Aug-23	\$3.341	0.041	1.24%	\$3.3
Sep-23	\$3.329	0.039	1.19%	\$3.29
Oct-23	\$3.365	0.036	1.08%	\$3.329

Natural Gas Forward Pricing : Strips				
Strip	Price	Change(\$)	Change(%)	LastSettle
12 Mth (Dec21-Nov22)	\$4.512	0.165	3.8%	\$4.347
Winter (Dec21-Mar22)	\$5.24	0.283	5.7%	\$4.958
Summer (Apr22-Oct22)	\$4.136	0.107	2.6%	\$4.029
Winter (Nov22-Mar23)	\$4.307	0.1	2.4%	\$4.207
Summer (Apr23-Oct23)	\$3.321	0.04	1.2%	\$3.281
Cal 22	\$4.436	0.149	3.5%	\$4.287
Cal 23	\$3.613	0.057	1.6%	\$3.556
Natural Gas prices are in \$/MMBtu.				

Other Energy Products				
Product	Price	Change(\$)	Change(%)	LastSettle
Crude Oil prices are in \$/barrel.				
Heating Oil and Gasoline prices are in \$/gallon.				
Coal prices are in \$/ton.				

Nov-23	\$3.491	0.05	1.45%	\$3.441
Natural Gas prices are in \$/MMBtu.				

Data Table 1

Gas Pricing Information						
Note: All amounts shown are on a DTH basis						
	NYMEX	INSIDE FERC		INSIDE FERC		Index
	Final	TCO	TCO	DTI	DTI	Difference
Year-Month	Settle	Appal. Index	Basis	Appal. Index	Basis	TCO-DTI
21-Jan	\$2.470	\$2.040	(\$0.430)	\$1.890	(\$0.580)	\$0.150
21-Feb	\$2.760	\$2.460	(\$0.300)	\$2.320	(\$0.440)	\$0.140
21-Mar	\$2.850	\$2.510	(\$0.340)	\$2.290	(\$0.560)	\$0.220
21-Apr	\$2.590	\$2.120	(\$0.470)	\$1.910	(\$0.680)	\$0.210
21-May	\$2.930	\$2.470	(\$0.460)	\$2.170	(\$0.760)	\$0.300
21-Jun	\$2.980	\$2.550	(\$0.430)	\$2.300	(\$0.680)	\$0.250
21-Jul	\$3.620	\$3.020	(\$0.600)	\$2.690	(\$0.930)	\$0.330
21-Aug	\$4.040	\$3.220	(\$0.820)	\$2.920	(\$1.120)	\$0.300
21-Sep	\$4.370	\$3.650	(\$0.720)	\$3.440	(\$0.930)	\$0.210
21-Oct	\$5.840	\$4.810	(\$1.030)	\$4.560	(\$1.280)	\$0.250
21-Nov	\$6.202	\$5.560	(\$0.642)	\$4.560	(\$1.642)	\$1.000
21-Dec	\$5.050	\$4.600	(\$0.450)	\$4.550	(\$0.500)	\$0.050
2021 AVG	\$3.45	\$2.89	(\$0.56)	\$2.65	(\$0.80)	\$0.24
20-Jan	\$2.160	\$1.820	(\$0.340)	\$1.730	(\$0.430)	\$0.090
20-Feb	\$1.880	\$1.530	(\$0.350)	\$1.460	(\$0.420)	\$0.070
20-Mar	\$1.820	\$1.550	(\$0.270)	\$1.460	(\$0.360)	\$0.090
20-Apr	\$1.630	\$1.340	(\$0.290)	\$1.190	(\$0.440)	\$0.150
20-May	\$1.790	\$1.590	(\$0.200)	\$1.450	(\$0.340)	\$0.140
20-Jun	\$1.720	\$1.470	(\$0.250)	\$1.270	(\$0.450)	\$0.200
20-Jul	\$1.500	\$1.260	(\$0.240)	\$1.160	(\$0.340)	\$0.100
20-Aug	\$1.850	\$1.630	(\$0.220)	\$1.270	(\$0.580)	\$0.360
20-Sep	\$2.580	\$1.700	(\$0.880)	\$1.110	(\$1.470)	\$0.590
20-Oct	\$2.100	\$1.200	(\$0.900)	\$1.000	(\$1.100)	\$0.200
20-Nov	\$3.000	\$2.250	(\$0.750)	\$1.710	(\$1.290)	\$0.540
20-Dec	\$2.900	\$2.050	(\$0.850)	\$1.620	(\$1.280)	\$0.430
2020 AVG	\$2.08	\$1.62	(\$0.46)	\$1.37	(\$0.71)	\$0.25
19-Jan	\$3.640	\$3.400	(\$0.240)	\$3.320	(\$0.320)	\$0.080
19-Feb	\$2.950	\$2.740	(\$0.210)	\$2.710	(\$0.240)	\$0.030
19-Mar	\$2.860	\$2.650	(\$0.210)	\$2.620	(\$0.240)	\$0.030
19-Apr	\$2.710	\$2.480	(\$0.230)	\$2.430	(\$0.280)	\$0.050
19-May	\$2.570	\$2.300	(\$0.270)	\$2.130	(\$0.440)	\$0.170
19-Jun	\$2.630	\$2.320	(\$0.310)	\$2.170	(\$0.460)	\$0.150
19-Jul	\$2.290	\$1.990	(\$0.300)	\$1.920	(\$0.370)	\$0.070
19-Aug	\$2.140	\$1.870	(\$0.270)	\$1.800	(\$0.340)	\$0.070
19-Sep	\$2.250	\$1.890	(\$0.360)	\$1.610	(\$0.640)	\$0.280
19-Oct	\$2.430	\$1.730	(\$0.700)	\$1.350	(\$1.080)	\$0.380
19-Nov	\$2.600	\$2.220	(\$0.380)	\$2.020	(\$0.580)	\$0.200
19-Dec	\$2.470	\$2.130	(\$0.340)	\$2.050	(\$0.420)	\$0.080

(Projected)

Data Table 2

Gas Pricing Information - Annual Averages						
Note: All amounts shown are on a DTH basis						
	NYMEX	INSIDE FERC		INSIDE FERC		Index
	Final	TCO	TCO	DTI	DTI	Difference
Year	Settle	Appal. Index	Basis	Appal. Index	Basis	TCO-DTI
2021 AVG	\$3.45	\$2.89	(\$0.56)	\$2.65	(\$0.80)	\$0.24
2020 AVG	\$2.08	\$1.62	(\$0.46)	\$1.37	(\$0.71)	\$0.25
2019 AVG	\$2.63	\$2.31	(\$0.32)	\$2.18	(\$0.45)	\$0.13
2018 AVG	\$3.09	\$2.86	(\$0.23)	\$2.57	(\$0.52)	\$0.29
2017 AVG	\$3.11	\$2.90	(\$0.21)	\$2.23	(\$0.88)	\$0.67
2016 AVG	\$2.46	\$2.32	(\$0.14)	\$1.37	(\$1.09)	\$0.95
2015 AVG	\$2.66	\$2.55	(\$0.11)	\$1.44	(\$1.22)	\$1.11
2014 AVG	\$4.42	\$4.37	(\$0.05)	\$3.28	(\$1.14)	\$1.09
2013 AVG	\$3.65	\$3.65	\$0.00	\$3.45	(\$0.21)	\$0.21
2012 AVG	\$2.79	\$2.79	\$0.00	\$2.79	\$0.00	\$0.01
2011 AVG	\$4.04	\$4.14	\$0.10	\$4.20	\$0.16	(\$0.06)
2010 AVG	\$4.39	\$4.54	\$0.14	\$4.59	\$0.19	(\$0.05)
2009 AVG	\$3.99	\$4.18	\$0.19	\$4.27	\$0.28	(\$0.09)
2008 AVG	\$9.04	\$9.39	\$0.35	\$9.53	\$0.49	(\$0.14)
2007 AVG	\$6.86	\$7.12	\$0.26	\$7.22	\$0.36	(\$0.10)
2006 AVG	\$7.23	\$7.48	\$0.25	\$7.55	\$0.32	(\$0.07)
2004 AVG	\$6.14	\$6.39	\$0.26	\$6.49	\$0.35	(\$0.10)
2003 AVG	\$5.39	\$5.65	\$0.26	\$5.95	\$0.56	(\$0.30)
2002 AVG	\$3.22	\$3.41	\$0.19	\$3.41	\$0.19	\$0.00

Meter ID	USAGE 01/2010-12/2011
HG0001	32.45
HG0002	19.8
HG0003	24.95
HG0004	170.21
HG0005	0.3
HG0006	845.55
HG0007	188.02
HG0008	20.4
HG0009	23.46
HG0010	80.91
HG0011	329.72
HG0012	430.78
HG0013	23.46
HG0014	20.71
HG0015	27.24
HG0016	122.57
HG0017	17.17
HG0018	219.93
HG0019	145.84
HG0020	0
HG0021	196.09
HG0022	169.64
HG0023	2.24
HG0024	58.13
2 YEAR TOTAL	3169.57
1 YEAR TOTAL	1584.785
Per Customer Average	132.0654167
Adjusted yearly usage**	20
Total Per Customer Yearly Usage	152.0654167

***These meters are only for 20% of the farm taps. No other readings are available.**

****Adjusted yearly usage is added to the average as these readings are only one area of the farm tap customers. This area is also the lowest usage. Other areas are not metered at the tap, but metered at the well and through transportation line for us to recognize that the usage on the other areas is higher than the usage in this area.**

Natural Gas Services, LLC
Response to Public Service Commission's Initial Request for Information
Case No. 2021-00390

Request No. 10:

State whether Natural Gas Services currently provides gas service for compensation. If so, provide a schedule of any rates, rules, regulations, or conditions of service currently in effect and state whether Natural Gas Services currently requires an application for gas services or reads customer meters.

Response No. 10:

Natural Gas Services does not currently provide gas service for compensation.

Responding Witness: Monica Sturgill

Natural Gas Services, LLC
Response to Public Service Commission's Initial Request for Information
Case No. 2021-00390

Request No. 11:

State whether Natural Gas Services provides any customer with free gas service, including customers who receive free gas service as a result of lease or right-of-way agreements. If so, provide the number and average annual usage for these customers.

Response No. 11:

There are seventy-eight (78) farm tap customers with agreements providing for free gas service up to 200,000 cubic feet per year. It is possible that there may be more free gas users who are presently unknown.

Responding Witness: Monica Sturgill

Natural Gas Services, LLC
Response to Public Service Commission's Initial Request for Information
Case No. 2021-00390

Request No. 12:

Confirm that Natural Gas Services 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 Natural Gas Services' producing gas well or gas gathering pipeline. If this cannot be confirmed, provide the number of customers that are not served pursuant to KRS 287.485.

Response No. 12:

NGS cannot confirm because it currently believes that existing farm taps have been extended or divided to provide service to more than one customer per farm tap. NGS is pursuing rates and meters in part to determine where unauthorized connections have been made.

Responding Witness: Monica Sturgill

Natural Gas Services, LLC
Response to Public Service Commission's Initial Request for Information
Case No. 2021-00390

Request No. 13:

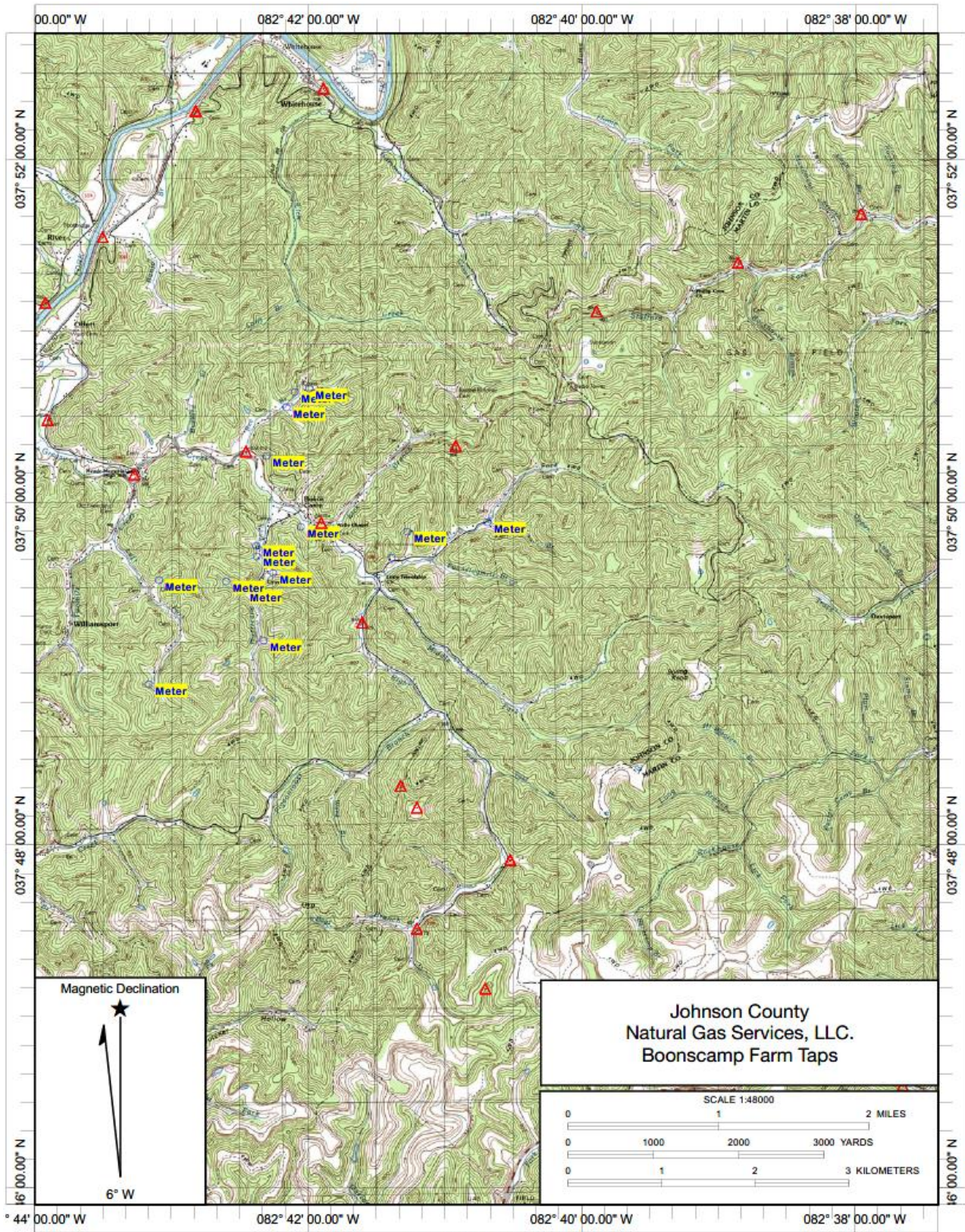
Provide a system map or maps that show Natural Gas Services' natural gas system, including the location, size category, and material of lines and the location of producing wells.

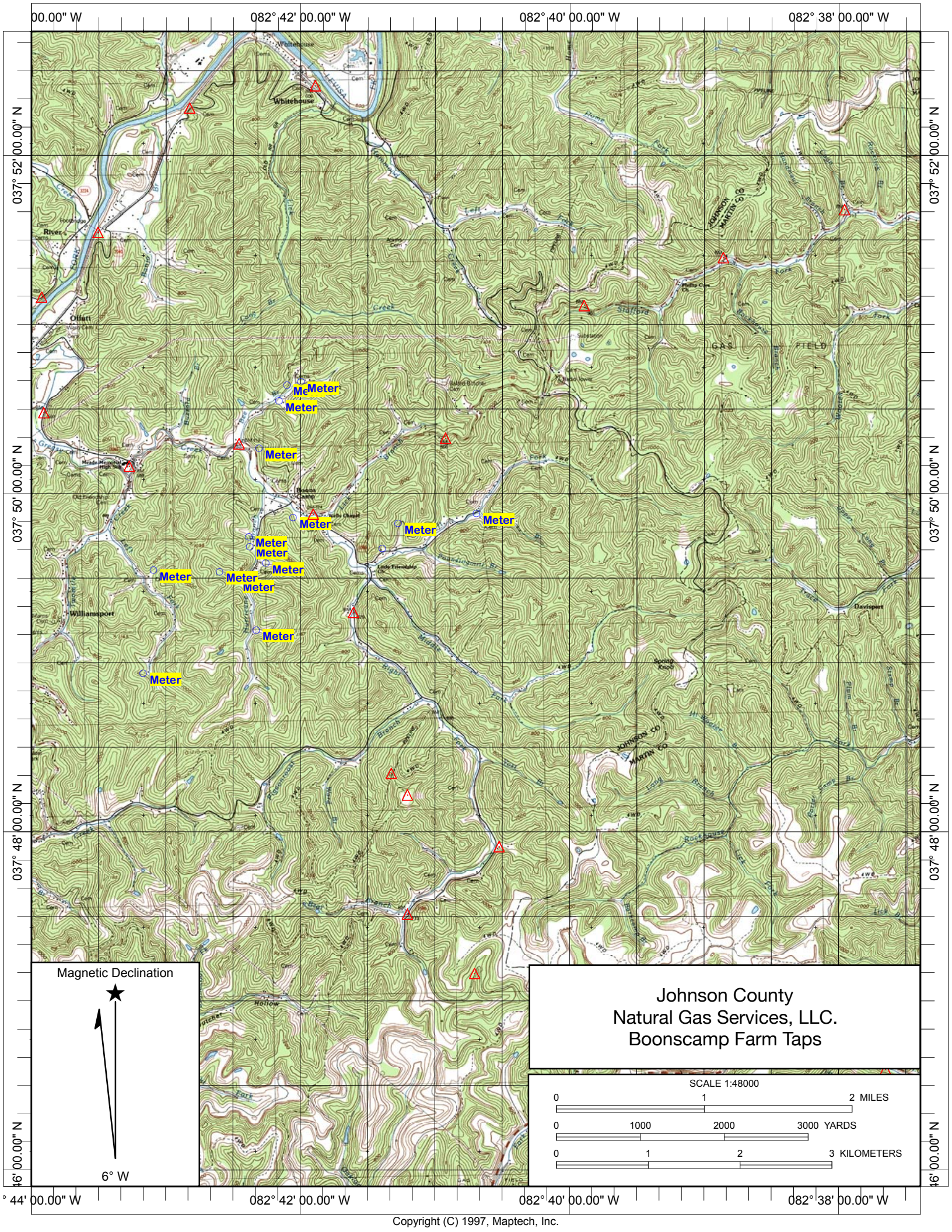
Response No. 13:

See below. Note that NGS's system consists only of farm taps and meters. The gas is purchased from Hay Exploration, the entity that owns and operates the gas wells and pipelines.

Responding Witness: Monica Sturgill

Natural Gas Services, LLC
Response to Public Service Commission's Initial Request for Information
Case No. 2021-00390





00.00" W

082° 42' 00.00" W

082° 40' 00.00" W

082° 38' 00.00" W

037° 52' 00.00" N

037° 52' 00.00" N

037° 50' 00.00" N

037° 50' 00.00" N

037° 48' 00.00" N

037° 48' 00.00" N

037° 46' 00.00" N

037° 46' 00.00" N

00.00" W

082° 42' 00.00" W

082° 40' 00.00" W

082° 38' 00.00" W

00.00" W

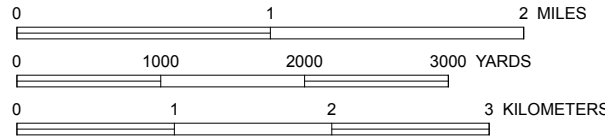
Magnetic Declination



6° W

Johnson County
Natural Gas Services, LLC.
Boonscamp Farm Taps

SCALE 1:48000



Markers

Name: Meter

Short Name: Meter

Coordinates: 037° 59' 53.41" N, 082° 37' 46.38" W

Name: Meter

Short Name: Meter

Coordinates: 037° 49' 53.12" N, 082° 40' 41.18" W

Name: Meter

Short Name: Meter

Coordinates: 037° 49' 49.64" N, 082° 41' 16.27" W

Name: <No Name>

Short Name: NoName

Coordinates: 037° 49' 40.82" N, 082° 41' 23.28" W

Name: Meter

Short Name: Meter

Coordinates: 037° 49' 51.62" N, 082° 42' 03.05" W

Name: Meter

Short Name: Meter

Coordinates: 037° 50' 33.10" N, 082° 42' 09.29" W

Name: Meter

Short Name: Meter

Coordinates: 037° 50' 38.68" N, 082° 42' 05.70" W

Name: Meter

Short Name: Meter

Coordinates: 037° 50' 39.80" N, 082° 41' 59.47" W

Name: Meter

Short Name: Meter

Coordinates: 037° 50' 16.21" N, 082° 42' 18.18" W

Name: Meter

Short Name: Meter

Coordinates: 037° 48' 56.15" N, 082° 43' 09.78" W

Name: Meter

Short Name: Meter

Coordinates: 037° 49' 32.96" N, 082° 43' 05.26" W

Name: Meter

Short Name: Meter

Coordinates: 037° 49' 35.46" N, 082° 42' 15.20" W

Name: Meter

Short Name: Meter

Coordinates: 037° 49' 41.27" N, 082° 42' 22.37" W

Name: Meter

Short Name: Meter

Coordinates: 037° 49' 44.83" N, 082° 42' 22.68" W

Name: Meter

Short Name: Meter

Coordinates: 037° 49' 29.26" N, 082° 42' 28.15" W

Name: Meter

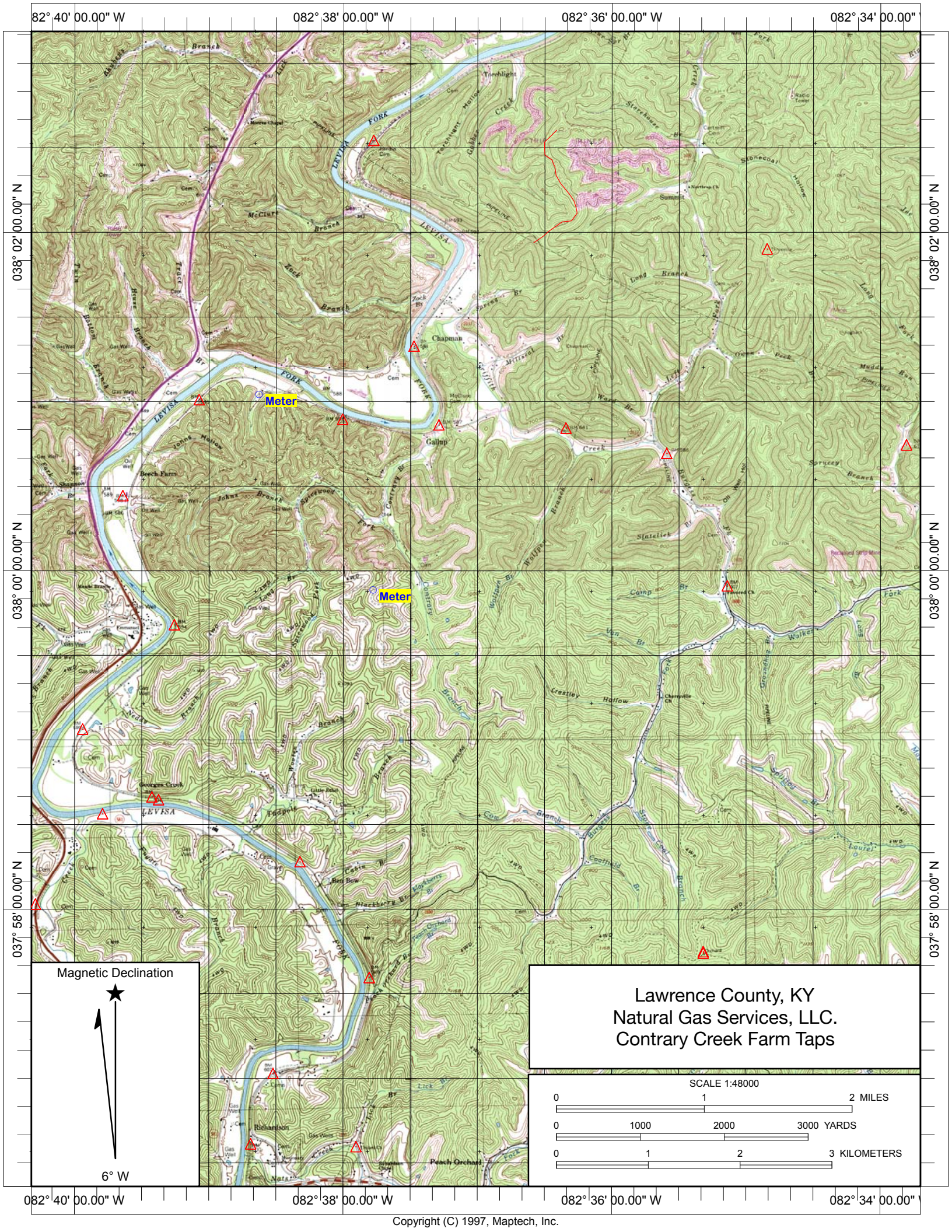
Short Name: Meter

Coordinates: 037° 49' 32.30" N, 082° 42' 35.79" W

Name: Meter

Short Name: Meter

Coordinates: 037° 49' 11.58" N, 082° 42' 19.42" W



82° 40' 00.00" W

82° 38' 00.00" W

82° 36' 00.00" W

82° 34' 00.00" W

038° 02' 00.00" N

038° 02' 00.00" N

038° 00' 00.00" N

038° 00' 00.00" N

037° 58' 00.00" N

037° 58' 00.00" N



Meter

Meter

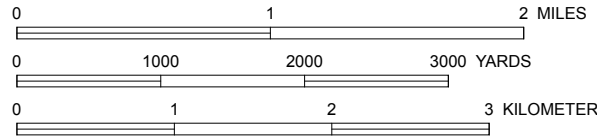
Magnetic Declination



6° W

Lawrence County, KY
Natural Gas Services, LLC.
Contry Creek Farm Taps

SCALE 1:48000



82° 40' 00.00" W

82° 38' 00.00" W

82° 36' 00.00" W

82° 34' 00.00" W

Tracks

Name: Trk1

Distance: 1 mile, 209 feet

Log Points: 22

Markers

Name: Meter

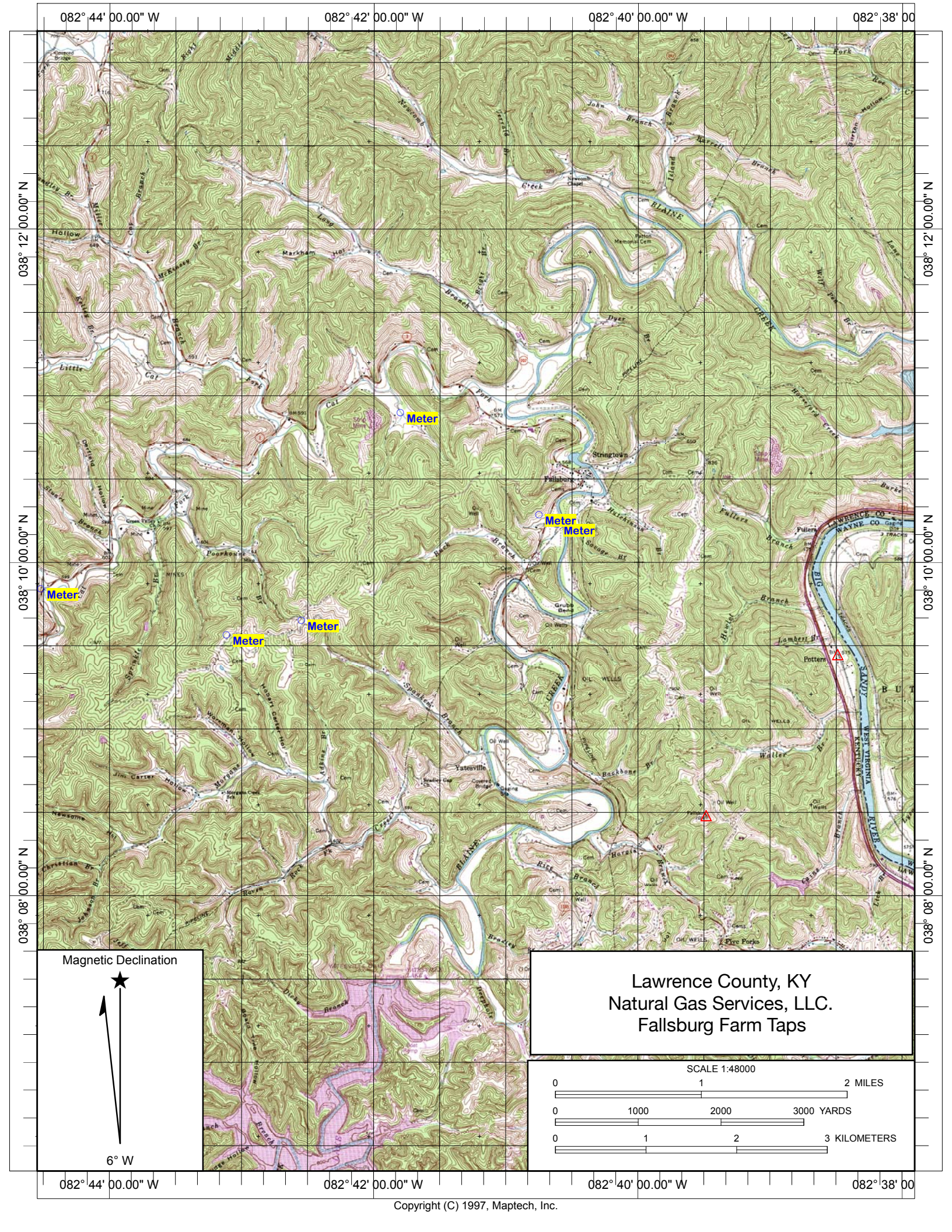
Short Name: Meter

Coordinates: 038° 01' 02.66" N, 082° 38' 37.48" W

Name: Meter

Short Name: Meter

Coordinates: 037° 59' 53.41" N, 082° 37' 46.38" W

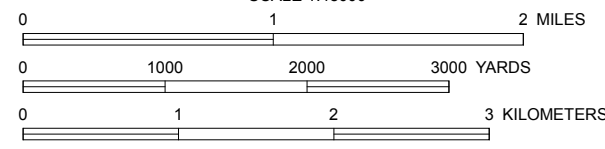


Magnetic Declination



Lawrence County, KY
Natural Gas Services, LLC.
Fallsburg Farm Taps

SCALE 1:48000



Markers

Name: Meter

Short Name: Meter

Coordinates: 038° 10' 13.99" N, 082° 40' 36.44" W

Name: Meter

Short Name: Meter

Coordinates: 038° 10' 54.05" N, 082° 41' 47.81" W

Name: Meter

Short Name: Meter

Coordinates: 038° 09' 39.11" N, 082° 42' 32.72" W

Name: Meter

Short Name: Meter

Coordinates: 038° 09' 34.01" N, 082° 43' 06.81" W

Name: Meter

Short Name: Meter

Coordinates: 038° 09' 50.62" N, 082° 44' 30.95" W

Name: Meter

Short Name: Meter

Coordinates: 038° 10' 17.48" N, 082° 40' 44.75" W

Name: Meter

Short Name: Meter

Coordinates: 038° 01' 02.66" N, 082° 38' 37.48" W

083° 04' 00.00" W

083° 02' 00.00" W

083° 00' 00.00" W

038° 04' 00.00" N

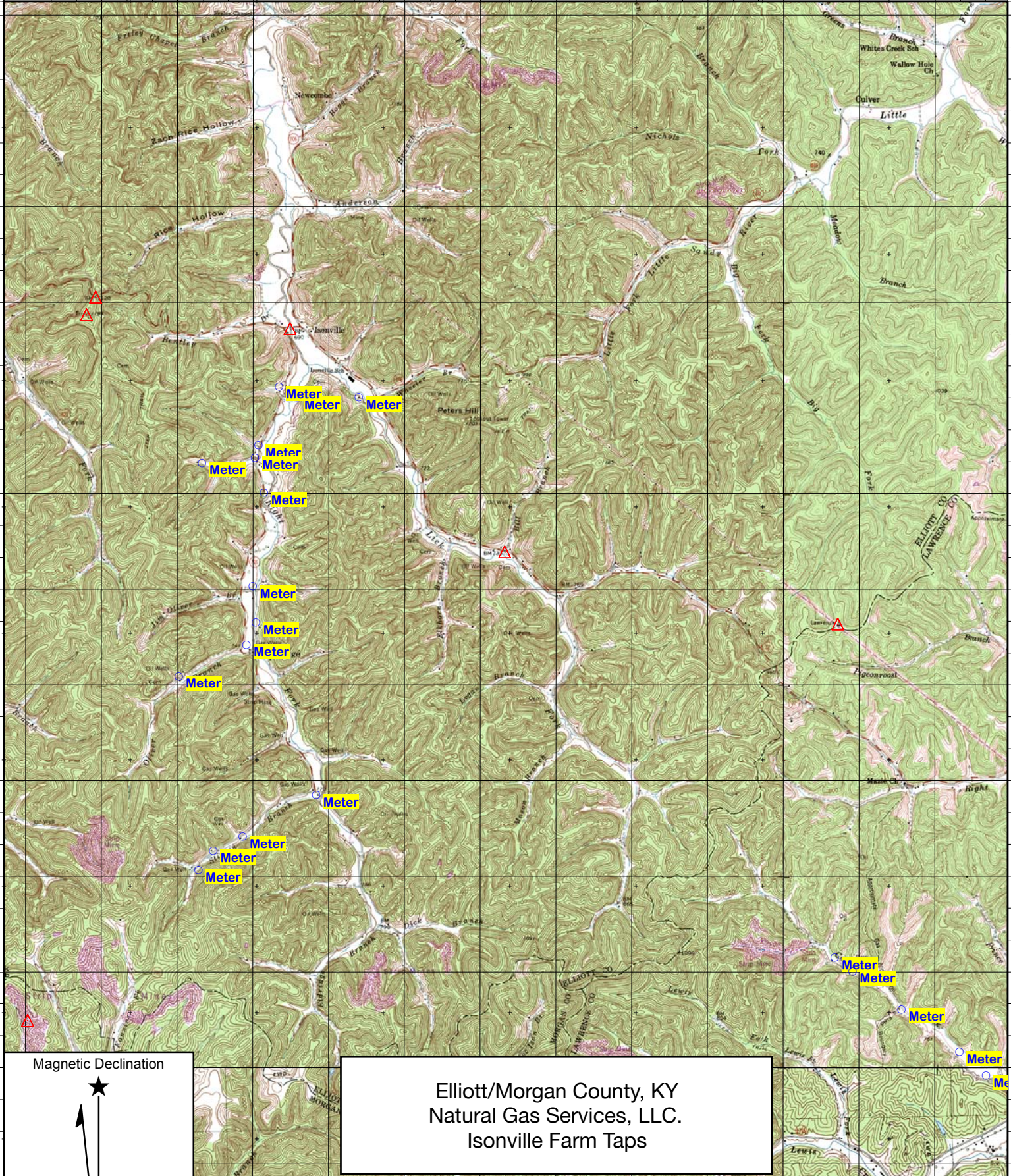
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038° 02' 00.00" N

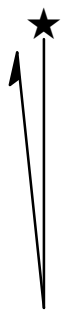
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038° 00' 00.00" N

038° 00' 00.00" N



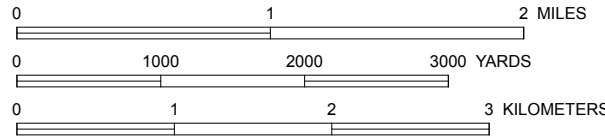
Magnetic Declination



6° W

Elliott/Morgan County, KY
 Natural Gas Services, LLC.
 Isonville Farm Taps

SCALE 1:48000



083° 04' 00.00" W

083° 02' 00.00" W

083° 00' 00.00" W

Tracks

Name: Trk3

Distance: 0 feet

Log Points: 1

Name: Trk6

Distance: 0 feet

Log Points: 1

Markers

Name: Meter

Short Name: Meter

Coordinates: 037° 59' 57.54" N, 082° 58' 39.59" W

Name: Meter

Short Name: Meter

Coordinates: 038° 00' 04.99" N, 082° 58' 50.06" W

Name: Meter

Short Name: Meter

Coordinates: 038° 00' 34.52" N, 082° 59' 39.47" W

Name: Meter

Short Name: Meter

Coordinates: 038° 00' 30.30" N, 082° 59' 32.43" W

Name: Meter

Short Name: Meter

Coordinates: 038° 00' 18.27" N, 082° 59' 13.04" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 30.39" N, 083° 03' 12.32" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 33.62" N, 083° 03' 19.53" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 15.23" N, 083° 03' 27.51" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 11.50" N, 083° 03' 28.92" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 00.45" N, 083° 03' 25.32" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 09.76" N, 083° 03' 49.90" W

Name: Meter

Short Name: Meter

Coordinates: 038° 02' 02.67" N, 083° 03' 59.12" W

Name: Meter

Short Name: Meter

Coordinates: 038° 02' 12.86" N, 083° 03' 32.35" W

Name: Meter

Short Name: Meter

Coordinates: 038° 02' 19.69" N, 083° 03' 28.60" W

Name: Meter

Short Name: Meter

Coordinates: 038° 02' 31.00" N, 083° 03' 29.85" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 30.47" N, 083° 02' 47.87" W

Name: Meter

Short Name: Meter

Coordinates: 038° 01' 01.84" N, 083° 03' 51.31" W

Name: Meter

Short Name: Meter

Coordinates: 038° 01' 25.52" N, 083° 03' 04.73" W

Name: Meter

Short Name: Meter

Coordinates: 038° 01' 08.14" N, 083° 03' 45.45" W

Name: Meter

Short Name: Meter

Coordinates: 038° 01' 12.49" N, 083° 03' 33.72" W

Name: Meter

Short Name: Meter

Coordinates: 037° 58' 58.43" N, 083° 05' 47.90" W

Name: Meter

Short Name: Meter

Coordinates: 037° 57' 50.93" N, 083° 05' 56.35" W

Name: Meter....

Short Name: Mtr

Coordinates: 037° 57' 55.77" N, 083° 06' 04.96" W

Name: Meter

Short Name: Meter

Coordinates: 037° 58' 04.08" N, 083° 06' 13.88" W

Name: Meter

Short Name: Meter

Coordinates: 037° 57' 55.03" N, 083° 06' 22.95" W

Name: Meter

Short Name: Meter

Coordinates: 037° 55' 10.31" N, 083° 06' 19.97" W

083° 02' 00.00" W

083° 00' 00.00" W

082° 58' 00.00" W

038° 04' 00.00" N

038° 04' 00.00" N

038° 02' 00.00" N

038° 02' 00.00" N

038° 00' 00.00" N

038° 00' 00.00" N

038° 58' 00.00" N

038° 58' 00.00" N

Meter

ter

Meter
Meter

Meter

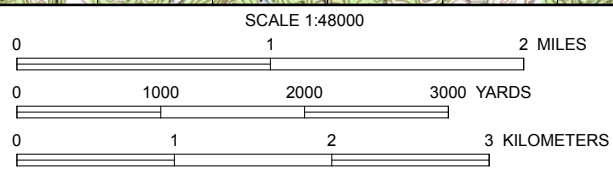
Meter
Meter

Magnetic Declination



6° W

Elliott/Lawrence County, KY
Natural Gas Services, LLC.
Isonville Farm Taps 2



083° 02' 00.00" W

083° 00' 00.00" W

082° 58' 00.00" W

Tracks

Name: Trk6

Distance: 0 feet

Log Points: 1

Markers

Name: Meter

Short Name: Meter

Coordinates: 037° 59' 57.54" N, 082° 58' 39.59" W

Name: Meter

Short Name: Meter

Coordinates: 038° 00' 04.99" N, 082° 58' 50.06" W

Name: Meter

Short Name: Meter

Coordinates: 038° 00' 34.52" N, 082° 59' 39.47" W

Name: Meter

Short Name: Meter

Coordinates: 038° 00' 30.30" N, 082° 59' 32.43" W

Name: Meter

Short Name: Meter

Coordinates: 038° 00' 18.27" N, 082° 59' 13.04" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 30.39" N, 083° 03' 12.32" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 33.62" N, 083° 03' 19.53" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 15.23" N, 083° 03' 27.51" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 11.50" N, 083° 03' 28.92" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 00.45" N, 083° 03' 25.32" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 09.76" N, 083° 03' 49.90" W

Name: Meter

Short Name: Meter

Coordinates: 038° 02' 02.67" N, 083° 03' 59.12" W

Name: Meter

Short Name: Meter

Coordinates: 038° 02' 12.86" N, 083° 03' 32.35" W

Name: Meter

Short Name: Meter

Coordinates: 038° 02' 19.69" N, 083° 03' 28.60" W

Name: Meter

Short Name: Meter

Coordinates: 038° 02' 31.00" N, 083° 03' 29.85" W

Name: Meter

Short Name: Meter

Coordinates: 038° 03' 30.47" N, 083° 02' 47.87" W

Name: Meter

Short Name: Meter

Coordinates: 038° 01' 01.84" N, 083° 03' 51.31" W

Name: Meter

Short Name: Meter

Coordinates: 038° 01' 25.52" N, 083° 03' 04.73" W

Name: Meter

Short Name: Meter

Coordinates: 038° 01' 08.14" N, 083° 03' 45.45" W

Name: Meter

Short Name: Meter

Coordinates: 038° 01' 12.49" N, 083° 03' 33.72" W

Name: Meter

Short Name: Meter

Coordinates: 037° 58' 58.43" N, 083° 05' 47.90" W

Name: Meter

Short Name: Meter

Coordinates: 037° 57' 50.93" N, 083° 05' 56.35" W

Name: Meter....

Short Name: Mtr

Coordinates: 037° 57' 55.77" N, 083° 06' 04.96" W

Name: Meter

Short Name: Meter

Coordinates: 037° 58' 04.08" N, 083° 06' 13.88" W

Name: Meter

Short Name: Meter

Coordinates: 037° 57' 55.03" N, 083° 06' 22.95" W

Name: Meter

Short Name: Meter

Coordinates: 037° 55' 10.31" N, 083° 06' 19.97" W

Natural Gas Services, LLC
Response to Public Service Commission's Initial Request for Information
Case No. 2021-00390

Request No. 14:

Provide a general description of Natural Gas Services' gas system, including the date(s) of construction and ultimate market for gathered gas.

Response No. 14:

Natural Gas Services' gas system is limited to the farm taps and meters—the remainder of the gas system (including the wells, gathering lines and gas itself) is owned by Hay Exploration, Inc. As such, Natural Gas Services is only able to estimate the dates of construction for the Hay Exploration infrastructure.

Natural Gas Services owns the farm taps and meters only. NGS's farm taps are all located in rural Eastern Kentucky. The ages of the farm taps range from two to thirty years old. NGS has replaced 80% of the meters within the last 18 months and intends to replace all meters by the end of 2022.

Natural Gas Services estimates that Hay Exploration's gathering lines are between 1" and 8" in diameter and range from 4-35 years in age. The wells that supply NGS's farm taps are estimated to be between 5-45 years.

Responding Witness: Monica Sturgill

Natural Gas Services, LLC
Response to Public Service Commission's Initial Request for Information
Case No. 2021-00390

Request No. 15:

State whether Natural Gas Services has any operator qualifications or operations and maintenance plans or performs leakage or patrolling surveys. If so, provide the details.

Response No. 15:

As discussed in response to Request No. 13, NGS does not own any wells or pipelines. In terms of natural gas infrastructure, NGS exclusively owns the farm taps and meters only.

Responding Witness: Monica Sturgill

Natural Gas Services, LLC
Response to Public Service Commission's Initial Request for Information
Case No. 2021-00390

Request No. 16:

Explain whether Natural Gas Services has considered creating customer classes to differentiate between customers with significantly different usage levels.

Response No. 16:

No, because all customers are residential with homes that are roughly equal in size.

Responding Witness: Monica Sturgill

Natural Gas Services, LLC
Response to Public Service Commission's Initial Request for Information
Case No. 2021-00390

Request No. 17:

Explain whether Natural Gas Services' customers have been notified of the proposed rates. If so, provide the notice. If not, explain how customers will be notified.

Response No. 17:

Customers have not been provided notice. They will be provided notice upon approval of rates via certified mail and rates will go into effect the month following customer's receipt of notice.

Responding Witness: Monica Sturgill

Natural Gas Services, LLC
Response to Public Service Commission's Initial Request for Information
Case No. 2021-00390

Request No. 18:

Refer to the document entitled Application for Gas Services, unnumbered page 2, paragraph titled "Important Items to Note:", and first bullet point. Provide a revised version with the correct monthly minimum customer charge and usage rate.

Response No. 18:

A revised version of the document titled Application for Gas Services, unnumbered page 2, beginning with the paragraph titled "Important Items to Note" is included on the following page.

Responding Witness: Monica Sturgill

Please review Natural Gas Services, LLC. terms and conditions for furnishing natural gas service (attached).

Important Items to Note:

- Your gas bill will be mailed around the first of the month. It is due by the due date shown on the bill. Your monthly minimum customer charge will be thirty dollars (\$30.00). You will be charged eight dollars and thirty-five cents (\$8.35) per MCF. For other charges and deposit information please see our terms and conditions attached.
- For customer installation information please see our terms and conditions.
- Please note that Natural Gas Services does not service or inspect gas appliances, nor does it verify the integrity of your home's gas system. A qualified technician should be contacted regarding the lighting of your gas appliances and inspection of your home gas system.
- **THE USE OF CARBON MONOXIDE DETECTORS IS STRONGLY ENCOURAGED AND RECOMMENDED.**
- In the event you smell the rotten-egg odor of natural gas: IMMEDIATELY leave and find a safe place, and then call 911 and Natural Gas Services at 606-232-6359.

If you are in agreement with our terms please sign and return to us acknowledging that you have received, read, and will follow Natural Gas Services, LLC's terms and conditions.

Please keep the terms and conditions for your records and return the application pages to our office by fax to (606) 324-6340 or by USPS to:

Natural Gas Services
Attn: Monica Sturgill
1544 Winchester Avenue, Suite 1108
Ashland, KY 41102

Applicant's Signature

Date

Natural Gas Services, LLC
Response to Public Service Commission's Initial Request for Information
Case No. 2021-00390

Request No. 19:

State whether the gas in the Natural Gas Services' system is odorized. If so, state the method of odorization.

Response No. 19:

The gas traveling through Hay Exploration pipelines is naturally odorized and has not been stripped or treated in any manner. NGS will include in its farm tap tariff that it is the responsibility of the customer to ensure that gas in the service line contains a natural odorant, or is odorized, so that the gas is readily detectable by a person with a normal sense of smell, and further that it is the responsibility of the customer to furnish, install, and maintain any odorization equipment necessary to comply with the odorization requirement set forth in 807 KAR 5:026, Section 6(12). Additionally, NGS proposes to include as a condition of service that gas in the service line contain a natural odorant or be odorized so that the gas is readily detectable by a person with a normal sense of smell as required 807 KAR 5:026, Section 6(12).

Responding Witness: Monica Sturgill