

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of: )  
 )  
THE ELECTRONIC TARIFF FILING OF ) Case No. 2021-00390  
NATURAL GAS SERVICES, LLC FOR )  
INITIAL RULES, REGULATIONS, AND )  
RATES FOR FURNISHING GAS SERVICE )  
PURSUANT TO KRS 278.485 )

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**PREPARED DIRECT TESTIMONY OF MONICA STURGILL**  
**ON BEHALF OF NATURAL GAS SERVICES, LLC.**

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FILED: March 15th, 2022

1 **I. INTRODUCTION**

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3 **Q: Please state your name and business address.**

4 A: My name is Monica Sturgill and my business address is 1544 Winchester Avenue, Suite  
5 1108 Ashland, KY 41102.

6 **Q: What is your current position and what are your responsibilities?**

7 A: I am currently a contract employee for Natural Gas Services, LLC (“Natural Gas  
8 Services”). At this point in time, I am responsible for the data collection, review, and submission  
9 of all requirements for filing a tariff with the KY PSC for Natural Gas Services.

10 **Q: What is your educational background?**

11 A: I have a Bachelor in Business Administration in Economics and a Master of Business  
12 Administration. I have over 15 years of experience working in the natural gas business.

13 **Q: What is your employment background?**

14 A: I worked for Hay Exploration, Inc. since 2008 until 2020. In 2020, I began working as a  
15 contract employee for various companies in the energy sector.

16 **Q: Have you previously testified before the Kentucky Public Service Commission?**

17 A: No.

18 **II. TESTIMONY**

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20 **Q: What is the purpose of your testimony in this proceeding?**

21 A: The purpose of my testimony is to support the Natural Gas Services application for new  
22 rates.

23 **Q: Who is Hay Exploration and what is the nature of the relationship between Hay  
24 Exploration and Natural Gas Services, LLC?**

1 A: Hay Exploration, Inc. and Natural Gas Services. have a common owner. Hay  
2 Exploration, Inc. operates wells and gathering systems that provide natural gas to Natural  
3 Gas Services.

4 **Q: Is there or will there be a formal agreement between Hay Exploration and Natural**  
5 **Gas Services, LLC?**

6 A: Yes. We are working with our legal team to draft and finalize an agreement between Hay  
7 Exploration and Natural Gas Services. We anticipate that agreement will be executed in  
8 the next two weeks.

9 **Q: What does the agreement cover?**

10 A: The agreement will outline the scope of the relationship of Hay Exploration, Inc. and  
11 Natural Gas Services. along with the terms and expectations of the parties' relationship.

12 **Q: What role, if any, will Hay Exploration play in Natural Gas Services, LLC's**  
13 **operations?**

14 A: Hay Exploration, Inc. will provide natural gas via the gathering lines and wells to Natural  
15 Gas Services. At times, Natural Gas Services may contract Hay Exploration for the use of  
16 the equipment and/or labor for any issues that may arise that would be outside of the  
17 scope of normal operation.

18 **Q: Approximately how many customers does Natural Gas Services, LLC, intend to**  
19 **serve?**

20 A: Natural Gas Services intends to serve approximately one hundred and ten (110)  
21 customers.

22 **Q: Approximately how many customers currently have "free gas" allotments for gas**  
23 **services?**

1 A: There are approximately 32 “free gas” customers and 78 non-free gas customers.

2 **Q: How will customers be billed for gas services?**

3 A: Non-free gas customers will pay a minimum customer charge of \$15 per month and gas  
4 usage shall be charged at \$6.96 per mcf.

5 **Q: How was the flat customer charge and the per mcf charge calculated?**

6 A: The flat customer charge was discussed with KPSC staff and adopted by Natural Gas  
7 Services during an informal conference on 2-18-22. The per mcf charge calculated was  
8 based upon the summation of NYMEX Strip (Nov 21-Mar 22) of \$3.63 and the  
9 Appalachian Differential of -\$0.56 multiplied by the BTU Adjustment of \$1.05 to give an  
10 estimated price to be received of \$3.22 per mcf. Adding the expense cost outlined in the  
11 tariff application of \$3.74, the per mcf price to be charge requested by Natural Gas  
12 Services will be \$6.96.

13 **Q: Please explain the assumptions made when setting both recurring and non-**  
14 **recurring charges.**

15 A: Due to the lack of historical data and the acquisition of other company’s free gas leases  
16 and farm tap customers, Natural Gas Services is making an assumption that the amount  
17 of farm taps equates to approximately one hundred and ten customers (110). In the past,  
18 the customers have not been monitored or billed. Natural Gas Services is applying for a  
19 tariff in order to be able to monitor and bill the usage of gas by its customers. Since  
20 monitoring and billing has not been done in the past, estimates have been calculated for  
21 the amount of occurrences on both recuring and non-recurring charges based on the  
22 number of customers, our experience with the customers, and my experience in the

1 natural gas industry. All dollar amount values have been calculated using fair market  
2 rates and average hours for labor and equipment.

3 **Q: Does this conclude your testimony?**

4 A: Yes.