#### COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF B&S OIL & GAS)COMPANY FOR INITIAL RULES,))REGULATIONS AND RATES FOR FURNISHING)2021-00484GAS SERVICE PURSUANT TO KRS 278.485)

#### RESPONSES OF B&S OIL AND GAS COMPANY TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

B&S Oil & Gas Company (B&S), pursuant to 807 KAR 5:001, respectfully submits the following responses to the Commission Staff's Third Request for Information.

1. Refer to B&S's response to Commission Staff's First Request for Information

(Staff's First Request), Item 5(a), Exhibits 3, 5, and 7. Also, refer to B&S's response to

Commission Staff's Second Request for Information (Staff's Second Request), Item 5.

a. Explain the distinction between the transportation expense for the Service Trip Charge,

which is listed as \$10, and the transportation expense for the Disconnect Fee and Reread

Meter Charge, which are both listed as \$2.50.

**RESPONSE:** A service trip often results in extra travel when the customer request the service man to come back a little later in the day because they work nights and need to sleep or have small children sleeping or have some other reason they want the service man to return the same day at a different time.

b. Explain why 20 round trip miles were used to calculate the transportation expense for the Service Trip Charge while only 7 miles were used to calculate transportation expense for the Disconnect Fee and Reread Meter Charge.

**RESPONSE:** Please see the response to question 1(a).

2. Refer to B&S's responses to Staff's First Request, Items 11 and 12, and Commission Staff's Second Request for Information (Staff's Second Request), Item 11(d).

a. State whether B&S's system currently includes gathering lines or only consists of wells.

**RESPONSE:** Please see the response to question 11(d) in Commission Staff's Second Request for Information.

b. State whether there are approximately 20 potential farm tap customer

connections located within one-half air mile of B&S's existing gas lines or planned gas lines.

**RESPONSE:** Please see the response to question 9(a) in Commission Staff's second request for Information.

c. State how many potential farm tap customer connections exist within one-

half air mile of all lines that B&S intends to construct to serve Diversified and any other entity.

**RESPONSE:** Please see the response to question 9(a) and 9(b) in Commission Staff's Second Request for Information.

d. State whether any of the approximate 20 currently known potential farm

tap connections, or any future possible farm tap connections identified above, were customers of

B&H Gas Company when it was previously owned by Mr. Bud Rife. If so, state how many.

**RESPONSE:** No previous customers of B&H Gas Company have contacted B&S for a farm tap connection.

e. Provide a system map or maps that show B&S's natural gas system, including the location of current and proposed lines, the location of producing wells, and the location of prospective farm tap customers. Include a legend that separately identifies current and

proposed lines, producing wells, and customers.

**RESPONSE:** Please see Exhibits 9-16 for response to question 11 in Commission Staff's Initial Request for Information.

f. Provide the latitude and longitude of the gas wells.

**RESPONSE:** Jim Loar, Permit #11523, Producing Well: N373325.0, W0823740.9 Interconnecting Point: N373325.3, W1823740.1 **Nathan Justice**, Permit #N11526, Shut In Well: N373108.2, W0372185.0 Interconnecting Point: N373106.0 W1241436.1 **Minnie Woods**, Permit #N15120, Producing Well: N373324.6, W0823803.2 Interconnecting Point: N373324.7, W0823803.5 **FF Williams**, Permit # 182-EF, Producing Well: N373333.2, W0823816.8 Interconnecting Point: N373332.6, W0823816.7 **Booker Jones #1**, Permit # N1524, Plugged after drilled Well: N373416.7, W08223933.9 Interconnecting Point: N373418.6, W08239346 **JK Stratton #167**, Permit #299-E, Producing Well: N373525.9, W0823950.3 Interconnecting Point: N373525.6, W0823949.9 **Booker Jones #2**, Permit #N11525, Producing Well: N373403.5, W1823945.6 Interconnecting Point: N373410.3, W0823941.5 **George Honaker**, Permit #N15118, Shut In Well: N373418.7, W0823942.3 Interconnecting Point: N373418.3, W0823940.9 **Layne Heirs #4**, Permit # N15119 Producing Well: N373430.7, W0823903.0 Interconnecting Point: N082390.6, W0823903.1

3. Refer to B&S's responses to Staff's First Request, Item 14, and Staff's Second

Request, Item 11.

a. Provide the names of all entities to whom B&S is currently selling gas, or

state whether B&S's gas is currently shut in.

**RESPONSE:** B&S is not currently selling gas to any entity and the wells are temporarily shut in.

b. If B&S is not currently selling gas to Diversified Oil & Gas (Diversified) or

any other entity, explain when it expects to begin selling gas to Diversified, and describe in detail

what needs to happen before such sales will take place.

**RESPONSE:** B&S planned to begin construction and installation of lines in

the spring of 2022 but has not been able to get Kentucky Public Service Commission approval and therefore, has not been able to begin installing lines. Please see previous response to question 20 in Commission Staff's First Request for Information.

4. Refer to B&S's responses to Staff's First Request, Item 20, and Staff's Second

Request, Item 11(c).

a. Describe the status of any pipeline construction that will be necessary to

serve Diversified or any other entity.

**RESPONSE:** As stated in responses to Staffs First Request, Item 20, and Staffs Second Request, Item 11(c), B&S plans to install a 2" PE Pipe from the wells to the Diversified selling point.

b. Provide any contracts between B&S and Diversified, or copies of any

communication between B&S and Diversified which discuss sales from B&S to Diversified.

**RESPONSE:** The lines must be installed and ready to deliver gas to Diversified before a contract can be made. B&S has communicated with Diversified in telephone conversations and Diversified is eager to purchase gas to maintain sufficient gas pressure in the winter months if/when B&S is able to provide it.

5. Refer to B&S's response to Staff's Second Request, Item 10. Describe the system

that B&S used to serve Navitas KY NG, LLC, including the location and ownership of gas lines

and connections. Provide the latitude and longitude of the interconnection points.

**RESPONSE:** Please see the response to question 2(f).

6. State whether B&S has received any requests or applications for farm tap service

in the past 20 years. If so, provide the date and status of the requests or applications.

**RESPONSE:** No requests have been received.

7. Refer to Case No 2020-00396,<sup>2</sup> Exhibit A\_BH for B&H Gas Pipeline Locations.

For each of the wells on these maps, submit answers to the following questions: Does the well belong to B&S? Does the well belong to the proposed B&S farm tap system? Is the well a producing well or a shut-in well? Does B&S have a permit from the Division of Oil and Gas to produce gas from this well? If so, provide a permit number and a copy of the permit.

a. On Sheet 1 of 9, there is a well named Well.

**RESPONSE:** All the wells belong to B&S and B&S farm tap system. B&S is unable to provide copies of permits as they were lost in an office fire in 2015. Please see the response to question 2(f) for well production information and permit numbers.

b. On Sheet 4 of 9, there are 3 wells named Tram Well #1, #2 and #3.

**RESPONSE:** Please see Response to 7(a).

c. On sheet 5 of 9, there is a well named Mare Creek Well.

**RESPONSE:** Please see Response to 7(a).

d. On Sheet 7 of 9, there is a well named Country Kitchen Well.

**RESPONSE:** Please see Response to 7(a).

e. On Sheet 7 of 9, there is a well named Well.

**RESPONSE:** Please see Response to 7(a).

f. On sheet 8 of 9, there is a well named Betsy Layne Well.

**RESPONSE:** Please see Response to 7(a).

g. On sheet 8 of 9, there is a well named Jim Loar Well.

**RESPONSE:** Please see Response to 7(a).

8. Refer to Case No. 2020-00396, Exhibit A\_BH for B&H Gas Pipeline Locations and Exhibit E, Base Contract for Sale and Purchase of Natural Gas.

a. Provide a copy of the current disputed contract between B&S and Navitas.
RESPONSE: Please see Exhibit 21.

b. Provide the locations of the delivery points, Tram (2), Betsy Layne (3), and Mare Creek (1) as found on page 13 of 13 of the Base Contract. Place the locations on Exhibit A\_BH by annotating the pdf sheets.

**RESPONSE:** Please see Exhibit A\_BH

### VERIFICATION

I have reviewed the foregoing responses to Staff's Third Requests for Information and

hereby state that the responses are complete and accurate to the best of my knowledge and

belief.

BUD RIFE, PRESIDENT B&S OIL AND GAS COMPANY

Subscribed and sworn to before me by Bud Rife, President, B&S Oil and Gas Company

on this 22<sup>nd</sup> day of June 2022, by means of videoconference technology.

My commission expires \_\_\_\_\_\_ 11 23 2025

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NOTARY PUBLIC, STATE AT LARGE

NOTARY ID NO.

Exhibit 21

## COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT ELECTRONIC
APPLICATION OF NAVITAS
KY NG, LLC, JOHNSON
COUNTY GAS COMPANY,
AND B&H GAS SYSTEM
FOR APPROVAL OF
<b>ACQUISITION, TRANSFER</b>
OF OWNERSHIP, AND
CONTROL OF NATURAL
GAS UTILITY SYSTEMS

CASE NO. 2020-00396

## AMENDED RESPONSE OF NAVITAS KY NG, LLC, JOHNSON COUNTY GAS COMPANY, AND B&H GAS SYSTEM'S TO COMMISSION'S POST-HEARING REQUEST FOR INFORMATION

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Navitas KY NG, LLC ("Navitas"), Johnson County Gas Company, Inc. ("JCG"), and B&H Gas Company, Inc. (B&H), by and through counsel, hereby submit the following Amended Response to the Kentucky Public Utility Service Commission's March 18, 2021 filing in case No. 2020-00396, Commission's Post-Hearing Request for Information. Navitas, JCG, and B&H provides as follows:

On April 5, 2021, the Applicants submitted their Post-Hearing Data Responses, which contained certain formulas from the Gas Purchase Agreements, previously submitted to this Case No. 2020-00396 docket on March 15, 2021. On these original Gas Purchase Agreements, the formulas were mistakenly allocated to the wrong systems. The Applicants now seek to Amend their Responses to the Post-Hearing Request for Information as to the Gas Purchase Agreement formulas.

 Refer to the Gas Purchase Agreement between Hall Stephens and Hall and Navitas KY. Clarify which NYMEX index is indicated in the gas contract formula provided of NYMEX plus \$2.00.

# **RESPONSE OF THOMAS HARTLINE:**

For gas purchased by Navitas from HSH, the correct index is month ahead NYMEX<sup>1</sup>.

2. Using the Gas Purchase Agreements between Hall Stephens and Hall and B&S Oil and Gas and Navitas KY, based on the most current gas cost information available, provide an example calculation for each company showing how the parties intend the gas from Hall Stephens and Hall and B&S to be priced to Navitas KY.

# **RESPONSE OF THOMAS HARTLINE:**

### Gas purchased from B&S Gas:

(PSC Calculation<sup>2</sup> + 2.00) \* Volume MMBtu

# Gas purchased from Hall, Stevens, Hall:

### For transport to the HSH City Gate:

(Month ahead NYMEX<sup>3</sup> + 2.00 + Transport Cost) \* Volume MMBtu

For transport at the well head:

(Month ahead  $NYMEX^4 + 2.00$ ) \* Volume MMBtu

<sup>&</sup>lt;sup>1</sup> <u>https://www.cmegroup.com/trading/energy/natural-gas/natural-gas\_quotes\_globex.html#</u>

<sup>&</sup>lt;sup>2</sup> Pursuant to the KY PSC May 4, 2017 Order in Case No. 2015-00367.

<sup>&</sup>lt;sup>3</sup> <u>https://www.cmegroup.com/trading/energy/natural-gas/natural-gas\_quotes\_globex.html#</u>

<sup>&</sup>lt;sup>4</sup> https://www.cmegroup.com/trading/energy/natural-gas/natural-gas\_guotes\_globex.html#

Respectfully submitted,

<u>/s/ Klint W. Alexander</u> Klint W. Alexander (# 88343) 1767 Nottage Ct Laramie, WY 82072 Tel: 615.594-4377 Email: <u>klint.alexander10@gmail.com</u> *Counsel for Navitas KY NG, LLC* 

/s/ Joe F. Childers Joe F. Childers (# 11850) Childers & Baxter, PLLC The Lexington Building 201 West Short Street, Suite 300 Lexington, Kentucky 40507 Telephone: (859)253-9824 Facsimile: (859)258-9288 Email: childerslaw81@gmail.com Counsel for B&H and JCG

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# **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 22 nd day of April, 2021, a true and correct copy of the foregoing instrument was deposited in the United States Mail with postage prepaid, and addressed to the following:

Linda C. Bridwell Executive Director Public Service Commission Commonwealth of Kentucky 211 Sower Blvd. Frankfort, KY 40601

J.E.B. Pinney, Esq. General Counsel Public Service Commission Commonwealth of Kentucky 211 Sower Blvd. Frankfort, KY 40601

Larry Cook Office of the Attorney General Rate Intervention 700 Capitol Ave. Suite 20 Frankfort, KY 40601

> <u>/s/ Klint W. Alexander</u> Klint W. Alexander

/s/ Joe F. Childers Joe F. Childers

# VERIFICATION OF NAVITAS KY NG, LLC

STATE OF CALIFORNIA

COUNTY OF ORANGE

I, Thomas Hartline, Secretary of Navitas KY NG, LLC, being duly sworn according to law, makes oath and affirm that I have read the foregoing documentation, know the contents thereof, and that the same is true and accurate to the best of my knowledge, information and belief.

SS.

THOMAS HARTLINE

On April 1 201 before me, ( K. L. SHIPLER LOTT personally appeared Treins Eben Hartline, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that the she they executed the same in-his/her/theirauthorized capacity (ies), and that by dis ther/their signature (s) on the instrument the person (s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public Seal

Notary Public Signature













