

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

<i>ELECTRONIC APPLICATION OF EAST</i>	)	Case No.
KENTUCKY MIDSTREAM, LLC FOR APPROVAL	)	2023-00112
OF PROPOSED TARIFF UNDER 807 KAR 5:026,	)	
SECTION 9	)	

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**Response to Commission Staff's Third Request for Information**

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East Kentucky Midstream herewith submits its Response to the Commission Staff's Third Request for Information. A signed, notarized verification for this Response appears on the following page.

Respectfully submitted,

/s/ Jason R. Bentley

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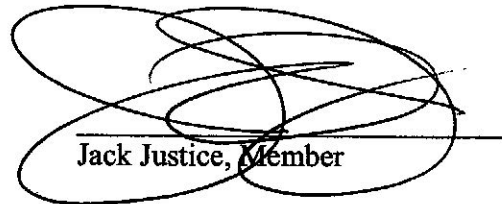
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**Certification**

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This is to certify that I have supervised the preparation of the Response to the Commission Staff's Third Request for Information to East Kentucky Midstream on behalf of the corporate respondent and that the responses from myself and the other witness(es) are true and accurate to the best of my knowledge, information and belief after reasonable inquiry.

DATE: 4-17-24

  
\_\_\_\_\_  
Jack Justice, Member

### **Request**

1. Refer to East Kentucky Midstream's response to Commission Staff's First Request (Staff's First Request), Item 8a. Also, refer to East Kentucky Midstream's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 1, attachments.
    - a. Provide an estimate based on the historical information available of how many of the 315 reported farm tap customers are expected to request seasonal/temporary disconnection within a year.
    - b. Provide an estimate based on the historical information available of how many disconnections/reconnections in a given year may be performed.
- 

### **Response**

- a. Since the Effective Date (03/01/2021), of the sale between Jefferson Gas and EKM, EKM has not conducted any Seasonal/Temporary Disconnections on its pipeline system.
- b. Since EKM has not experienced any Seasonal/Temporary Disconnections, as stated above, the company is unable to provide an estimate of the number disconnections/reconnections that can occur in a given year.

### **Request**

2. Refer to East Kentucky Midstream's response to Staff's First Request, Item 9b, attachment.
    - a. Describe in detail the activities undertaken by East Kentucky Midstream in the pipeline repairs account that were completed in June 2022.
    - b. Describe in detail the activities undertaken by East Kentucky Midstream in the pipeline repairs account that were completed in November 2022.
- 

### **Response**

During Calendar Year 2022, EKM conducted a robust pipe replacement program on Line A-2, near Salyersville, KY. Since EKM utilizes a cash accounting procedure, two large payments were made in Jun-22 & Nov-22 to pipeline supply companies and large construction equipment rental companies.

### **Request**

3. Refer to East Kentucky Midstream’s response to Staff’s Second Request, Item 1, attachments. Provide a detailed explanation for why pipeline repair expense should be included in the Seasonal/Temporary Disconnect Fee.
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### **Response**

As discussed above, the Seasonal/Temporary Disconnect Fee has not yet been an issue for EKM. In recent decades, however, it occasionally has been an issue for producers/farm tap service providers in the region. The purpose of the proposed EKM Farm Tap Tariff, including a minimum monthly charge, is to fairly and reasonably allocate the costs of providing farm tap service among all farm tap customers throughout the year. One element of the minimum monthly charge is pipeline repair costs necessary for the upkeep and operation of the system overall. Customers seeking to avoid the minimum monthly charge by seasonally disconnecting would cause EKM to incur additional cost and increase the burden on non-seasonally disconnecting farm tap customers. The Seasonal/Temporary Disconnect Fee, including annual pipeline repair costs, is intended both to keep EKM whole and deter customers from “gaming” the system. As demonstrated in the proposed tariff cost analysis (and without the ability to perfectly distinguish the benefits of the gathering system to producers versus the benefits to farm tap customers of access to natural gas in rural Kentucky), EKM believes the proposed Farm Tap Tariff actually under-allocates overall system costs to farm tap service customers and is therefore reasonable. (*See EKM Response to 2<sup>nd</sup> PSC 01, Footnote 2: allocation of 0.153 of Pipeline Repairs expense to 315 farm tap customers would actually be \$21.28 per month; see also Application Exhibit D, discussion of Cost Justification for Proposed Rates.*)

**Request**

4. Provide a copy of the application form that farm tap customers will be required to complete prior to receiving service.
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**Response**

EKM's application for gas service is attached hereto.

**East Kentucky Midstream  
P.O. Box 523  
Jackson, Ky 41339**

**APPLICATION FOR GAS SERVICE**

The information below is necessary for us to set up gas service to your home or place of business.  
When complete, please return both pages to the address listed above.

Name: \_\_\_\_\_

Spouse name (if any): \_\_\_\_\_

Address where service is desired: \_\_\_\_\_

City: \_\_\_\_\_ State: KENTUCKY Zip Code: \_\_\_\_\_

Phone number: daytime: \_\_\_\_\_ evening: \_\_\_\_\_

Mailing address if different than above: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

County/City School District \_\_\_\_\_

If you are renting, please list homeowner/landlord: \_\_\_\_\_

Closest neighbor with gas service: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Place of Employment: \_\_\_\_\_

Have you ever had gas service with this company before? \_\_\_\_\_

If so, when and where? \_\_\_\_\_

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

Office Use Only:		
_____ Check	_____ Waived	
_____ Cash (Amt.)	_____ Bill Customer Deposit	_____ Bill Customer Serv. Cg.

## INFORMATION FOR NEW GAS CUSTOMERS

East Kentucky Midstream is a natural gas gathering system providing gas service required under KRS 278.485 to customers within one-half air-mile of its pipeline system and pursuant to a tariff on file with the Kentucky Public Service Commission.

- 1) There is a \$100.00 deposit required of all customers. There is also a \$25.00 initial service charge to cover the costs of the initial meter reading or installation and setting up your account in the company's billing records.
- 2) You will receive a minimum bill every month your account is active of \$11.00 (\$22.00 for commercial customers), whether or not you use any gas. There is an additional charge of \$13.00 for each Mcf of natural gas you use.
- 3) If you are disconnected for non-payment, there will be a \$25.00 service charge assessed when your service is reinstated, in addition to any outstanding balances or costs to which EKM may be entitled. Existing customers may request to seasonally disconnect and reconnected upon notice to EKM and the payment of a Seasonal/Temporary \$100.00 Disconnect fee.
- 4) Your gas bill will be mailed around the first of the month, and is due and payable by the 20<sup>th</sup> of that month. A 10% late payment penalty will be assessed if you pay after the 20<sup>th</sup> of the month.
- 5) Customers who have taken residential service from EKM for at least on year and are not delinquent on the account may elect to pay on a 12-month budget plan with an annual true-up, which can be applied for during May through September. The budget plan will make your gas bills the same amount throughout the year, with the annual true-up resulting in a bill credit going forward or payment required in the twelfth month.
- 6) If you move, you must notify us so we can reimburse you any deposit you made. You remain responsible for the gas bills until you notify us.
- 7) We do not service or inspect gas appliances, nor do we verify the integrity of your home's gas system. A qualified technician (e.g. a heating contractor) should be contacted regarding the lighting of your gas appliances and inspection of your home gas system by a qualified technician.
- 8) Please call us if you notice a strong gas odor inside or outside your home. Normally, the odor of treated natural gas is the smell of rotten eggs. Note, however, much of EKM's locally produced gas is untreated and does not contain this odorant.
- 9) We strongly recommend the use of carbon monoxide detectors, particularly if you have any unvented appliances. Unvented gas heaters or appliances should never be used indoors.

Please sign and date, acknowledging that you have read the above information.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_