

COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION  
CASE NO. 2023-00224

*Electronically Filed*

In the Matter of:

ELECTRONIC TARIFF FILING OF  
LINDSEY ENTERPRISES, LLC FOR  
INITIAL RULES, REGULATIONS, AND  
RATES FOR FURNISHING GAS  
SERVICE PURSUANT TO KRS 278.485

**LINDSEY ENTERPRISES, LLC'S RESPONSES TO COMMISSION STAFF'S  
FIRST SET OF REQUESTS FOR INFORMATION**

Lindsey Enterprises, LLC states as follows for its Responses to Commission Staff's First Set of Requests for Information:

**REQUESTS FOR INFORMATION**

1. Refer to the Proposed Tariff, Rates, and Charges, unnumbered page 2.
  - a. Provide cost justification for the proposed Monthly Minimum Bill of \$18.00.
  - b. Provide the source of the wholesale gas prices that are the sources of the \$4.48 per Mcf gas cost.

**RESPONSE:**

- a. In establishing a monthly minimum bill of \$18, Lindsey Enterprises accounts for its need to read the meter each month despite seasonal gas use. In other words, this minimum bill accounts for Lindsey Enterprises' own costs in sending someone to each property to check the meter each month. Likewise, this also accounts for the necessity of Lindsey Enterprises' well tender to maintain the meter regardless of usage.
- b. This price is based on prices reported in Platt's Columbia Gas Appalachian Index. As demonstrated in the Proposed Tariff, the \$4.48 per Mcf is an arithmetic average of monthly first-day spot gas prices from this index price between July 2021 and June 2023.

2. Refer to the Proposed Tariff, unnumbered pages 3 and 4. Provide cost support for the following and explain whether the labor associated with each charge and fee is already included in Lindsey Enterprises' calculation of its monthly minimum bill and commodity rate:

- a. Late Payment Fee of 10 percent;
- b. Tap Fee of \$200;
- c. Reconnection Charge of \$25 following disconnection of service;
- d. Reconnection Charge of \$100 if a customer requests disconnection and re-establishes service within 12 months;
- e. Returned Check Charge of \$25; and
- f. Delinquent Bill Collection Charge of \$15.

**RESPONSE:**

- a. Historically, Lindsey Enterprises has never actually had to charge the 10% late fee on monthly amounts past due, but this fee is an industry standard.
- b. The \$200 Tap Fee accounts for Lindsey Enterprises' cost to purchase necessary tap equipment and labor costs, which exceed the \$200 Tap Fee.
- c. See Lindsey Enterprises' labor chart provided in the Proposed Tariff. The \$25 Reconnection Charge accounts for the time and labor associated with an employee driving to the location to re-install the meter and provide a reading to Lindsey Enterprises' office.
- d. This \$100 Reconnection Fee was included in error.
- e. The \$25 Returned Check Charge is identical to what Lindsey Enterprise is charged by the bank.
- f. Like the Late Payment Fee (part (a) above), this \$15 delinquent collection fee is associated with the rare situation in which a gas recipient pays his or her delinquent bill at the time Lindsey Enterprises is on the property to disconnect. In such a situation, this accounts not only for the employee's time and labor coming to the property, but also the employee's time and labor driving to deliver the payment to Lindsey Enterprises that same day.

3. Refer to the Proposed Tariff, Rules and Regulations sheet, unnumbered page 3, regarding the connection fees in items 3 and 4. Explain why Lindsey Enterprises proposed two separate reconnection fees.

**RESPONSE:** See Lindsey Enterprises' Responses to Request No. 2(c) and (d), above. The \$100 reconnection fee was included in error.

4. Refer to the Proposed Tariff, unnumbered page 4, Item 7. Explain the circumstances under which Lindsey Enterprises personnel would have to make a trip to collect a delinquent bill.

**RESPONSE:** See Lindsey Enterprises' Response to Request No. 2(f). This does not relate to an employee coming to a property *to collect a delinquent bill*, but instead reflects the special return trip to the office associated with a statutory-tap gas recipient *making a payment on a delinquent bill* when Lindsey Enterprises arrives to disconnect. The well tender would ordinarily not have to return to the office and Lindsey Enterprises would have to pay the well tender for his time associated with this trip. Additionally, Lindsey Enterprises' well tender will also deliver a bill to a property if the provided billing address is incorrect.

5. Refer to the Proposed Tariff, unnumbered page 6. Provide cost support for the estimated annual per customer usage of 84.7 Mcf. Also, provide any additional documentation that would support the response.

**RESPONSE:** Lindsey Enterprises reached this estimated amount based on 2022 averages. See attached.

6. Provide an income statement for farm tap customers for 2020, 2021, 2022, and 2023, to date.

**RESPONSE:** See attached documentation related to income received from statutory tap gas recipients.

7. Provide 12 months of NYMEX gas futures prices that could be used for determining the average wholesale gas cost.

**RESPONSE:** This information can be found at [www.cmegroup.com/markets/energy/natural-gas.html](http://www.cmegroup.com/markets/energy/natural-gas.html). Additionally, see attached.

8. Provide the number of customers for 2020, 2021, 2022, and 2023.

**RESPONSE:** From 2020 to present, Lindsey Enterprises has served the following number of farm-tap gas recipients:

2020: 75

2021: 74

2022: 49

2023: 44

9. State the volume of gas Lindsey Enterprises estimates it will sell annually to farm tap customers.

**RESPONSE:** See Response to Request No. 5.

10. Provide the Appalachian differential, which is the difference between the NYMEX price at the Henry Hub and the Columbia Gas Transmission (TCO) Appalachian hub.

**RESPONSE:** Lindsey Enterprises is provided this information from its marketer, Jill Linkenauger, who acquires this information from Platt's—a subscription service in which Lindsey Enterprises is not a paid subscriber. Moreover, this differential is frequently changing and is not constant. For example, in June through August 2023, the differential is:

June 2023: - \$0.65

July 2023: -\$1.01

August 2023: -\$1.14

Additional historic differentials are attached.

11. Provide a breakdown of the 54 customers indicated in the tariff by customer classes (i.e., residential or commercial).

**RESPONSE:** Lindsey Enterprises has 57 statutory tap recipients, all of which are residential.

12. Provide the Btu factor of the gas Lindsey Enterprises delivers to its customers.

**RESPONSE:** See the attached spreadsheet reflecting Btu for each well associated with farm tap gas recipients.

13. State whether Lindsey Enterprises currently provides gas service for compensation. If so, provide a schedule of rates, rules, regulations, or conditions of service currently in effect.

**RESPONSE:** Lindsey Enterprises has paid gas available to statutory tap recipients. See the attached domestic gas service agreement for statutory tap recipients.

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

**RESPONSE:** See the attached for information concerning the number of free gas recipients and their average annual usage. Lindsey Enterprises provides statutory-tap gas as part of agreed-upon oil-and-gas leases and rights of way agreements. The individuals who are heirs and assigns to the those agreements are those who receive free gas.

15. State whether Lindsey Enterprises currently requires an application for gas service or reads customer meters.

**RESPONSE:** Yes, Lindsey Enterprises requires an application (domestic gas service agreement), also reads meters for its statutory-tap gas recipients based on meters placed on Lindsey Enterprises' line, and such a meter is required to receive statutory-tap gas. Lindsey Enterprises makes gas available only property owners, so it also requires copies of a tax bill or a copy of a deed from an applicant before installing a statutory tap. See also Answer to Request No. 17 for more detail concerning Ford's Branch gas recipients.

16. Confirm that Lindsey Enterprises 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 Lindsey

Enterprises producing gas well or gas gathering pipeline. If this cannot be confirmed, provide the number of customers that are not served pursuant to KRS 278.485.

**RESPONSE:** Confirmed, Lindsey Enterprises serves only property owners 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 Lindsey Enterprises producing gas well or gas gathering pipeline.

17. Explain whether existing farm taps have been extended or divided to provide service to more than one customer per farm tap. If so, include supporting documentation.

**RESPONSE:** Lindsey Enterprises has not extended or divided any existing statutory taps. For the Ford's Branch area, Lindsey Enterprises maintains that some basic history of service in the area may aide the PSC's understanding.

For decades—and dating back to the 1960s—the Ford's Branch farm tap consisted of a tap, a regulator device between the tap and the displacement meter, and the displacement meter, all of which were and are located within a surface building in the area of the tap. All of the line running from that meter to Ford's Branch was installed by residents/owners of that area (or contractors on their behalf) at their own expense, and those residents/owners installed individual meters at their properties. Those same property owners appointed an individual named Edgar Moore (now deceased) as a collective representative with respect to their farm-tap gas.

Until approximately 1992, Lindsey billed Mr. Moore for statutory tap gas on the basis of readings made at the meter in the surface building. If some issue arose or maintenance was required on the lines or other apparatus used by the farm-tap gas recipients, Lindsey Enterprises would turn

off the gas at the statutory tap until the Ford's Branch recipients would complete their work. Lindsey Enterprises did not perform any repairs or maintenance on the lines at that time.

Sometime in the early 1990s, vandals damaged the gauges on the displacement meter in the surface building. As a result, Lindsey began utilizing the meters that the Ford's Branch residents/owners had previously installed to determine how much was owed to Mr. Moore for the statutory tap gas. Later in the 1990s, the Ford's Branch recipients asked Lindsey Enterprises to assist them with repairs to their own lines, which Lindsey Enterprises agreed to do purely on a contract basis. During that time, Lindsey Enterprises is unaware of any new request for statutory-tap gas or installing any new meter on any new structure in the area. (*See Curtis Ratliff Aff., attached*).

All statutory-tap meters not at Ford's Branch are placed directly on Lindsey Enterprises' line and all statutory-tap gas recipients are billed pursuant to the meter placed on Lindsey Enterprises' line.

18. Explain whether Lindsey Enterprises has plans to disconnect any customers that are not served pursuant to KRS 278.485.

**RESPONSE:** Lindsey Enterprises only has statutory-tap gas recipients and does not serve any individuals outside of farm-taps under KRS 278.485.

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

**RESPONSE:** See attached maps.



20. Provide a general description of Lindsey Enterprises' gas system, including the date(s) of construction and ultimate market for gathered gas.

**RESPONSE:** Objection. This Request is vague and confusing. Lindsey Enterprises produces from a well head and its gathering lines move gas to DGO, Columbia Gas Transmission, and the City of Pikeville. See also Answer to Request No. 17.

21. State whether Lindsey Enterprises has any operator qualifications or operations and maintenance plans or performs leakage or patrolling surveys. If so, provide the details.

**RESPONSE:** Lindsey Enterprises does not have any PHMSA regulated pipelines. Lindsey Enterprises conducts monthly monitoring of well production chart integrations to detect the possibility of a gathering line leak in addition to conducting periodic gathering pipeline surveys.

22. Explain whether Lindsey Enterprises' customers have been notified of the proposed rates. If so, provide the notice. If not, explain how customers will be notified.

**RESPONSE:** Statutory-tap gas recipients have not yet been notified of the proposed rates since they have not yet been approved by the Commission.

23. State whether Lindsey Enterprises currently has any customer meters and explain whether Lindsey Enterprises will confirm that a customer wishes to maintain farm tap service before installing a meter.

**RESPONSE:** As stated above, individual farm-tap gas recipients installed *their own* meters at Ford's Branch. For all other statutory tap recipients, a meter is installed *on* Lindsey Enterprises' line. See Answer to Request No. 17.

24. State whether the gas in Lindsey Enterprises' system is odorized. If so, state the method of odorization.

**RESPONSE:** Lindsey Enterprises does not add odorization. All of Lindsey Enterprises' gathering lines are "well head" gas. There are naturally occurring odors in this gas from the heavy hydrocarbons.

25. Explain whether Lindsey Enterprises employs anyone in its service territory to respond to emergencies. If not, explain how Lindsey Enterprises responds to emergencies.

**RESPONSE:** Lindsey Enterprises' well tender is instructed to monitor his cell phone in the event of an emergency. Moreover, Lindsey Enterprises maintains a safety pamphlet given to statutory tap customers, which is attached.

26. State whether there is any common ownership between Lindsey Enterprises and Lindsey & Elliot Gas Co. If so, disclose any physical, business, or other details describing joint or common ownership and provide documentation.

**RESPONSE:** Yes. Lindsey Enterprises is a Kentucky limited-liability company jointly owned by Will Lindsey and Karen Lindsey. Lindsey & Elliott is a general partnership comprised of various individuals, including Will Lindsey and Karen Lindsey, that has conducted business as such for the last 80 years. While each entity is organized under different corporate formations and own different wells, they share an office space, bookkeeper, and well tender.

27. State whether the natural gas pipeline systems of Lindsey Enterprises is physically connected to the natural gas pipelines of Lindsey & Elliot Gas Co. If so, provide the location of all points of connection and a map of the systems showing the connections.

**RESPONSE:** Lindsey Enterprises has one well that produced into a Lindsey & Elliot line. See the attached map.

28. Provide a copy of the application form that farm tap customers will be required to fill out prior to receiving service.

**RESPONSE:** See attached domestic gas supply agreement.

29. Explain whether Lindsey Enterprises operates any “regulated onshore gathering lines” as defined in 49 C.F.R. § 192.8(c). If so, identify the following:

- a. The location of each regulated onshore gathering line;
- b. The Type of each regulated onshore gathering line under 49 C.F.R. § 192.8(c); and
- c. The features and Class location of each regulated onshore gathering line that qualify the line as regulated.

**RESPONSE:** N/A – Lindsey Enterprises has been expressly told by the PSC that it does not operate any “regulated onshore gathering line” as defined by federal law. See attached correspondence.

Respectfully submitted,

/s/ Thomas E. Travis

Mickey T. Webster

[mwebster@wyattfirm.com](mailto:mwebster@wyattfirm.com)

Thomas E. Travis

[ttravis@wyattfirm.com](mailto:ttravis@wyattfirm.com)

WYATT, TARRANT & COMBS, LLP

250 West Main Street, Suite 1600

Lexington, KY 40507-1746

859.233.2012

*Counsel for Lindsey Enterprises, LLC*