

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
CASE NO. 2023-00225

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 & ELLIOTT GAS CO'S RESPONSES TO COMMISSION STAFF'S
FIRST SET OF REQUESTS FOR INFORMATION**

Lindsey & Elliott Gas Co. 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 cost justification for the \$9.00 per metric cubic foot (Mcf) gas cost.

RESPONSE:

- a. In establishing a monthly minimum bill of \$18, Lindsey & Elliott accounts for its need to read the meter each month despite seasonal gas use. In other words, this minimum bill accounts for Lindsey & Elliott's own costs in sending someone to each property to check the meter each month. Likewise, this also accounts for the necessity of Lindsey & Elliott's 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 & Elliott's 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 \$100 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 & Elliott has never actually had to charge the 10% late fee, however, this fee is an industry standard.
- b. The \$200 Tap Fee accounts for Lindsey & Elliott's cost to purchase of necessary tap equipment and labor costs, which exceed the \$200 fee.
- c. See Lindsey & Elliott's labor chart provided in the Proposed Tariff. The \$100 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 & Elliott's office.
- d. This \$100 Reconnection Fee accounts for both Lindsey & Elliott's costs to associated with multiple trips to a property to disconnect/reconnect within the same 12-month period.
- e. The \$25 Returned Check Charge is identical to what Lindsey & Elliott 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 customer pays his or her delinquent bill at the time Lindsey & Elliott 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 & Elliott that same day.

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

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

4. 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 farm-tap gas recipients.

5. 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. Additionally, see attached.

6. Provide the number of customers for 2020, 2021, 2022, and 2023, to date.

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

2020: 53

2021: 53

2022: 37

2023: 32

7. State the volume of gas Lindsey & Elliott estimates it will sell annually to farm tap customers. Also, provide any additional documentation that would support the response.

RESPONSE: Lindsey & Elliott objects to this Request to the extent it seeks precise predictions on future events. Generally speaking, however, Lindsey & Elliott anticipates average annual volume to be relatively consistent with its 2022 averages, of which supporting documents are attached.

8. 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 & Elliott is provided this information from its marketer, Jill Linkenauger, who acquires this information from Platt's—a subscription service in which Lindsey & Elliott is not a paid subscriber. Moreover, the Appalachian index varies from month to month and is not constant. For example, in June through July 2023, the differential is:

June 2023: - \$0.65

July 2023: - \$1.01

August 2023: - \$1.14

Additional historic Appalachian differentials are attached.

9. State what customer classes (i.e., residential or commercial) are represented by the current customers served by Lindsey & Elliott Gas under KRS 278.485.

RESPONSE: Lindsey & Elliott services only residential statutory-tap gas recipients, with the exception of two commercial statutory-tap gas recipients.

10. Provide the Btu factor of the gas Lindsey & Elliott Gas delivers to its customers.

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

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

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

12. State whether Lindsey & Elliott Gas 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 and the lease or right-of-way agreements.

RESPONSE: See attached for information concerning the number of free gas recipients and their average annual usage. Lindsey & Elliott 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 those agreements are those who receive free gas.

13. State whether Lindsey & Elliott Gas currently requires an application for gas service or reads customer meters.

RESPONSE: Yes, Lindsey & Elliott requires an application (domestic gas service agreement) for statutory-tap gas service based on meters placed directly on Lindsey & Elliott's line, and such a meter is required to receive statutory-tap gas. Lindsey & Elliott makes gas available only to 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.

14. Confirm that Lindsey & Elliott Gas Co 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 & Elliott Gas's 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 & Elliott 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 & Elliott's producing gas well or gas gathering pipeline.

15. 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: All statutory tap meters are placed directly on Lindsey & Elliott's line and all statutory-tap gas recipients are billed pursuant to the meter placed on Lindsey & Elliott's line.

16. Explain whether Lindsey & Elliott Gas has plans to disconnect any customers that are not served pursuant to KRS 278.485.

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

17. Provide a system map or maps that show Lindsey & Elliott Gas's natural gas system, including the location, size, category, and material of lines, and the location of producing wells.

RESPONSE: See attached maps.

18. Provide a general description of Lindsey & Elliott Gas's gas system, including the date(s) of construction and ultimate market for gathered gas.

RESPONSE: Objection. This Request is vague and confusing. Lindsey & Elliott produces from a well head and its gathering lines to move gas to DGO and Columbia Gas Transmission.

19. State whether Lindsey & Elliott Gas has any operator qualifications or operations and maintenance plans, or performs leakage or patrolling surveys. If so, provide the details.

RESPONSE: Lindsey & Elliott does not have any PMSHA regulated pipelines. Lindsey & Elliott 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.

20. Explain whether Lindsey & Elliott Gas's 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.

21. State whether Lindsey & Elliott Gas currently has any customer meters, and explain whether Lindsey & Elliott Gas will confirm that a customer wishes to maintain farm tap service before installing a meter.

RESPONSE: As stated above, all farm-tap recipients receive a meter installed *on* Lindsey & Elliott's line.

22. State whether the gas in the Lindsey & Elliott Gas's system is odorized. If so, state the method of odorization.

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

23. Explain whether Lindsey & Elliott Gas employs anyone in its service territory to respond to emergencies. If not, explain how Lindsey & Elliott responds to emergencies.

RESPONSE: Lindsey & Elliott's well tender is instructed to monitor his cell phone in the event of an emergency. Moreover, Lindsey & Elliott maintains a safety pamphlet given to statutory-tap gas recipients, which is attached.

24. State whether there is any common ownership between Lindsey & Elliott Gas and Lindsey Enterprises, LLC. 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 owns different wells, they share an office space, bookkeeper, and well tender.

25. State whether the natural gas pipeline system of Lindsey & Elliott Gas is physically connected to the natural gas pipelines of Lindsey Enterprises, LLC. If so, provide the location of all points of connection and a map showing the connections.

RESPONSE: There is one Lindsey Enterprises well that produces into a Lindsey & Elliott line. See attached map.

26. 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.

27. Explain whether Lindsey & Elliott Gas 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 & Elliott does not operate any “regulated onshore gathering lines” as defined by federal law and it has been expressly told same by the PSC.

Respectfully submitted,

/s/ Thomas E. Travis _____

Mickey T. Webster

mwebster@wyattfirm.com

Thomas E. Travis

ttravis@wyattfirm.com

WYATT, TARRANT & COMBS, LLP

250 West Main Street, Suite 1600

Lexington, KY 40507-1746

859.233.2012

Counsel for Lindsey & Elliott Gas Co.