

AFFIDAVIT


COMMONWEALTH OF KENTUCKY

COUNTY OF BOYD

Affiant, H. Jay Freeman, after being first sworn, deposes and says that he is authorized to submit this Response and that the information contained in the Response is true and accurate to the best of his knowledge, information and belief, after a reasonable inquiry, and as to those matters that are based on information provided to him, he believes to be true and correct.

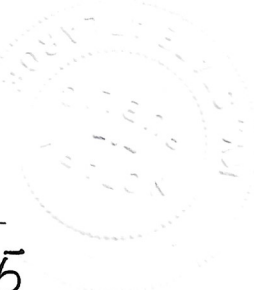

H. Jay Freeman

This instrument was produced, signed, acknowledged and declared by H. Jay Freeman to be his act and deed the 20th day of February, 2025.


Notary Public
Registration Number: KYNP24985

My Commission expires: 4/6/2025

Pamela S. Watts
Notary Public
State at Large - Kentucky
My Commission Expires April 6, 2025
ID # KYNP24985



WITNESSES FOR ALL RESPONSES: Jay Freeman

1. Refer to Natural Energy's letter dated November 19, 2024, including the 10 pages of attachments, proposing a Gas Cost Recovery (GCR) rate to be effective on January 1, 2025 (GCR Rate Report).
 - a. Provide versions of each of the six unnumbered pages following the letter dated November 19, 2024, beginning with the document titled "Schedule1"² and ending with the document that states "Supply Volumes Purchased – Supplier #1 (See Attached Invoice),"³ in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected, regardless of whether you contend that all information is visible in the PDF document.⁴

NEUC has provided Excel File 1a-1of 2 and Excel File 1a-2 of 2.

- b. Provide unnumbered page 11 of 11 of the GCR Rate Report in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected, regardless of whether you contend that all information is visible in the PDF document.

NEUC has provided Excel File 1b.

- c. Provide complete copies of the invoices dated September 10, 2024, October 9, 2024, and November 7, 2024, provided in part on unnumbered pages 8 through 10 of 11 of the GCR Rate Report, without any redactions or information otherwise obscured except as permitted by 807 KAR 5:001, Section 3(10) and including missing pages of those invoices that were not previously provided, and if any information is redacted pursuant to 807 KAR 5:001, Section 3(10), identify exactly where such information is redacted and exactly what information was redacted and why.

NEUC has provided complete copies of the invoices requested in PDF 1c. No other information has been redacted.

- d. Identify the supplier of the gas for each invoice dated September 10, 2024, October 9, 2024, and November 7, 2024, that was provided in part on unnumber pages 8 through 10 of 11 of the GCR Rate Report, and explain any relationship between the supplier of the gas and that Natural Energy Utility Corporation.

There is no relationship. Supplier is confidential due to terms and pricing.

2. Refer to the letter dated September 10, 2024, including the 11 pages of attachments, filed in Case No. 2024-00295⁵ proposing a GCR rate to be effective on October 1, 2024 (GCR Rate Report in 2024-00295).
 - a. Provide versions of each of unnumbered pages 2 through 5 out of 12 of the GCR Rate Report in 2024-00295, beginning with the document titled “Schedule I” and ending with the document that states “Schedule IV” in the top corner, in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected, regardless of whether you contend that all information is visible in the PDF document.

NEUC has provided Excel File 2a.

- b. Also, refer to Natural Energy’s response to Commission Staff’s Request for Information issued in the Commission’s final Order in Case No. 2024-00295 (Staff’s Case No. 2024-00295 Request), item 6b and 6c in which Natural Energy failed or refused to provide documents as requested. Provide a version of unnumbered page 6 out of 12 of the GCR Rate Report in 2024-00295 in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected, regardless of whether you contend that all information is visible in the PDF document.

NEUC has provided Excel File 2b and 2c.

- c. Identify and provide the information that has been rendered illegible on unnumbered page 5 out of 12 of the GCR Rate Report in 2024-00295, the document that states “NEUC-Monthly Manual Billing” in the top corner, and if any information is redacted pursuant to 807 KAR 5:001, Section 3(10), identify exactly where such information is redacted and exactly what information was redacted and why.

NEUC has provided Excel File 2b and 2c.

- d. Also, refer to Natural Energy’s response to Staff’s Case No. 2024-00295 Request, Item 7b and 7c, in which Natural Energy failed or refused to provide documents as requested. Provide a version of unnumbered page 11 out of 12 of the GCR Rate Report in 2024-00295 in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected, regardless of whether you contend that all information is visible in the PDF document.

NEUC has provided Excel File 1b.

- e. Provide full copies of the invoices dated May 10, 2024, June 12, 2024, July 9, 2024, August 8, 2024, and May 2, 2024 that were provided in part in the GCR Rate Report in 2024-00295, without any redactions or information otherwise obscured except as permitted by 807 KAR 5:001, Section 3(10) and include missing pages of those invoices that were not previously provided, and if any information is redacted pursuant to 807 KAR 5:001, Section 3(10), identify exactly where such information is redacted and exactly what information was redacted and why.

NEUC has provided complete copies of the invoices requested in PDF 2e. No other information has been redacted.

- f. Identify the supplier for each invoice dated May 10, 2024, June 12, 2024, July 9, 2024, August 8, 2024, and May 2, 2024, that were provided in part in the GCR Rate Report in 2024-00295, and explain any relationship between the supplier of the gas and that Natural Energy Utility Corporation.

There is no relationship. Supplier is confidential due to terms and pricing.

3. Refer to Natural Energy's response to Commission Staff's Request for Information issued in the Commission's final Order in Case No. 2024-00295⁶ (Staff's Case No. 2024-00295 Request), Item 1a, attached page 2. Provide the attached in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected regardless of whether you contend all information is visible in the PDF document.

NEUC has provided Excel File 3.

4. Refer to Natural Energy's response to Staff's Case No. 2024-00295 Request, Item 3, attachment on page 17. Also, refer to Natural Energy's GCR Rate Report in 2024-00369, unnumbered page 7, top portion beginning with Supply Volumes Purchased".
 - a. For the lines titled "LESS: GCR Schedule IV, line 1 – Total Supply Volumes Purchased", explain how the amount for each month identified in the responses were determined. Provide any additional documentation to support the response.

Total sales for month $\times (1 + \% \text{ for gas loss}) < 5\%$.

- b. For the lines titled, "Gas Purchases – (Special Contract Customers)", explain how the amount for each month identified in the responses were determined. Provide any additional documentation to support the response.

Total Gas Purchases (from invoices) – GCR Schedule IV = "Gas Purchases-Special Contract".

5. Refer to Natural Energy's response to Staff's Case No. 2024-00295 Request, Item 4, attachment on page 24. Also, refer to Natural Energy's GCR Rate Report in 2024-00369, unnumbered page 7, bottom portion beginning with "Cost of Volumes Purchased".

a. For the lines titled, "LESS: GCR Schedule IV, Line 2 – Total Cost of Volumes Purchased", explain how the amount for each month identified in the responses were determined. Provide any additional documentation to support the response.

Total cost of gas purchased allocated to tariff customers. There is no documentation, this is a manual calculation.

b. For the lines titled, "Gas Purchases – (Special Contract Customers)", explain how the amount for each month identified in the responses were determined. Provide any additional documentation to support the response.

Total volumes purchased – GCR volumes for tariff. See 5a.

6. Refer to Natural Energy's response to Staff's Case No. 2024-00295 Request, Item 5, attachment on page 27.

- a. Explain if the sum MCF Volume for the period of January 2022 through December 2022 and the sum Total Invoice for the period of January 2022 through December 2022 correspond to the Annual Report of Natural Energy to the Public Service Commission for the Year Ending December 31, 2022 (2022 Annual Report).

Yes, the information corresponds to NEUC's Annual Report for the noted period.

- b. Explain if the sum MCF Volume for the period of January 2023 through December 2023 and the sum Total Invoice for the period of January 2023 through December 2023 correspond to the Annual Report of Natural Energy to the Public service Commission for the Year Ending December 31, 2023 (2023 Annual Report).

Yes, the information corresponds to NEUC's Annual Report for the noted period.

- c. Explain how the Total Invoice dollar amounts for each month were determined and include a breakdown of the actual tariffed rates charged to result in the Total Invoiced amounts.

The total invoice dollar amounts for each month are calculated by multiplying the tariff rate by the gas volumes with adjustments for no usage but a minimum bill. See the tariff rates in PDF 6c.

- d. Provide an update to the Attachment with the MCF Volumes and Total Invoice amounts for the months of October, November, and December 2024.

NEUC has provided Excel File 6d.

7. Refer to Natural Energy's response to Commission Staff's First Request for Information filed in this matter on January 15, 2025 (Response to Staff's First Request), Item 2. Also, refer to Natural Energy's TFS 2024-00212⁷ addendum to the special contract (amended special contract) originally approved in Case No. 2018-00164.⁸

- a. State whether natural gas for the customer taking service pursuant to the special contract was included in the invoices dated September 10, 2024, October 9, 2024, and November 7, 2024, that were provided in part on unnumbered pages 8 through 10 of the GCR Rate Report in 2024-00369.

Yes, natural gas for the customer taking service pursuant to the special contract was included in the noted invoices as a part of Total Gas Purchases. The gas purchases for the special contract customer were not included in the GCR nor were the sales associated with the special contract customer.

- b. If not, provide any invoices for the purchase of gas for that special contract customer during those months, and if no invoices for such gas purchases exist, explain how that is possible.

No, no other invoices exist.

- c. Explain in detail how the cost of gas purchased for the special contract customer is accounted for when calculating the GCR rate, including the gas cost rate assigned to the special contract customer; and explain in detail how the sales volumes and the revenue from gas sales to the special contract customer are accounted for when calculating the GCR rate.

It should be noted that the issue of excluding special contract customers from the GCR calculation was reviewed in Case Nos. 2021-00046 and 2021-00122. In those cases, the Commission found that the volumes of a special contract had been erroneously included in the GCR and removed them from the calculation. There has been no change in NEUC billings since those cases which would change the exclusion of special contracts from the GCR.

8. Refer to the Response to Staff's First Request, Item 2, regarding the tariff requirement for all industrial customers to execute a special contract. For each current special contract customers, provide:
 - a. The case number or Tariff filing in which the special contract customer was approved by the Commission.

The case numbers and tariff filing numbers are attached. The revised Federal Prison contract in 2017 was not filed. It has now been filed into the tariff filing portal.

- b. A copy of the current contract, including any reference to or exhibit containing the current Commission approved rates;

Attached.

- c. The monthly usage for the special contract customer for the years 2018 through year-to-date 2025;

NEUC has provided Excel File 8c.

- d. The monthly cost of natural gas for the special contract customer for the year 2018 through year-to-date 2025

NEUC has provided Excel File 8d for the monthly cost of natural gas for the special contract customer for the year 2021 through year-to-date 2025. Providing the monthly cost is a manual labor intensive task. If the other monthly cost for 2018 – 2020 are required, we will need additional time to retrieve from storage for review.

- e. How Natural Energy purchases natural gas for the special contract customer; and

All special contract purchases are consolidated into the total monthly supplier purchases. There is no specific purchase methodology for individual customers and gas is not purchased for any particular customer.

- f. Whether that purchased gas volume and cost is incorporated into the GCR and, if not, then how that purchased gas volume and cost is removed from the GCR mechanism calculation.

Total gas purchases are shown on the GCR schedule, but special contracts volumes and sales are removed from the calculation of the tariff rate, so that only purchases and sales for tariff volumes are passed through the GCR.

9. Explain whether Natural Energy placed its proposed GCR rate in Case No. 2024-00369 into effect on and after January 2, 2025, and whether the proposed GCR rate in Case No. 2024-00369 has been charged to Natural Energy's rate payers. If so, provide the date of the first bill reading implementing the proposed rates.

Yes, NEUC placed its proposed GCR rate in Case No. 2024-00369 into effect on January 2, 2025 and has charged NEUC's rate payers. The date of the first bill was 1/2/25 through 1/29/25.