

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF B&S OIL &)	
GAS COMPANY FOR INITIAL RULES,)	CASE NO.
REGULATIONS AND RATES FOR FURNISHING)	2021-00484
GAS SERVICE PURSUANT TO KRS 278.485)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO B&S OIL GAS COMPANY

B&S Oil Gas Company (B&S), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on March 24, 2022. The Commission directs B&S to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

B&S shall make timely amendment to any prior response if B&S obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which B&S fails or refuses to furnish all or part of the requested information, B&S shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, B&S shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to B&S's response to Commission Staff's First Request for Information (Staff's First Request), Item 1(a).
 - a. Provide an itemized estimate of the hours spent for each item listed.
 - b. Explain whether B&S currently places methanol in its wells.

2. Refer to B&S's response to Staff's First Request, Item 4(b), Exhibit 2, Gas Price Calculation. Provide the Appalachian differential² to be applied to the 12-month NYMEX strip.

3. Refer to B&S's response to Staff's First Request, Item 5(a), Exhibits 3 and 7. Indicate the source of the \$0.36 per mile used to calculate the transportation expense.

4. Refer to B&S's response to Staff's First Request, Item 5(a), Exhibit 4. Provide documentation from B&S's bank indicating that it charges a \$35 returned check fee.

5. Refer to B&S's response to Staff's First Request, Item 5(a), Exhibit 5. Provide support for the \$10 in transportation expense.

6. Refer to B&S's response to Staff's First Request, Item 5(a), Exhibit 6. Explain whether there are any underlying costs that would justify a 10 percent late payment penalty.

7. Refer to B&S's response to Staff's First Request, Item 7. Explain why KRS 413.120 should not apply in instances of billing resulting in overcollections.

8. Refer to B&S's response to Staff's First Request, Item 8. Explain whether B&S odorizes its system separately from the natural odor.

9. Refer to B&S's response to Staff's First Request, Items 9 and 13.

² The Appalachian differential is also known as a "basis". A basis is the difference between the commodity price at one market hub, for example the NYMEX price at the Henry Hub in Louisiana, and the commodity price at another market hub. In this case, the Appalachian differential could be the difference in commodity price at the Henry Hub and the Columbia Gas Transmission (TCO) Appalachian hub.

a. Explain how B&S determined that 20 customers are eligible for farm tap service, and whether it considered only the 1/2 air mile requirement and whether the customer(s) currently have gas service.

b. Confirm that all of the 20 potential customers B&S has identified as eligible for farm tap service from its lines are currently served by Navitas. If not all are currently served by Navitas, state how many are currently served by Navitas, and identify the current provider or heating source for the remaining potential customers.

c. If any of the 20 potential customers are currently served by a local distribution company (gas utility), state whether B&S is aware that the Commission has consistently ruled that a customer served by a gas utility is considered to be in that utility's service area and cannot be served by another utility.

10. Refer to B&S's response to Staff's First Request, Item 14. Explain the circumstances under which B&S's gas is sold to Diversified Oil & Gas and the reason that no gas is currently sold to a market or customer.

11. Refer to B&S's response to Staff's First Request, Items 16 and 20.

a. Explain B&S's response concerning adequacy of supply to serve farm tap customers, since customers of farm tap systems have no assurance of quantity or quality of gas supply.

b. State whether B&S is still providing gas to Navitas, and if so, how much monthly.

c. Explain what new construction will be required to serve potential farm tap customers. Confirm that no construction will be related to adequacy of supply.

d. Provide a general description of B&S's existing system, including its age.

12. For each non-recurring charge included in the proposed tariff, state whether B&S is able to provide an estimate of the number of times it expects to assess the charge. If so, provide the expected number of charges for each along with an estimate of total revenue to be derived from non-recurring charges.



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DATED MAR 08 2022

cc: Parties of Record

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