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PUBLIC SERVICE
COMMISSION

Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102
606-324-3920

April 4, 2023

Linda Bridwell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Case No. 2023-00052

Dear Ms. Bridwell:

Natural Energy Utility Corporation files the response to the Commission's order dated February 14, 2023. If you need additional information, please contact me.

Sincerely,

H. Jay Freeman
President

AFFIDAVIT

COMMONWEALTH OF KENTUCKY

COUNTY OF BOYD

Affiant, H. Jay Freeman, after being first sworn, deposes and says that he is the President of Natural Energy Utility Corporation, 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 4th day of April, 2023.



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

Witness: Jay Freeman

1. Provide the distance from Mr. Whitley's proposed service location in Rush, Kentucky to the closest existing gas main.

ANSWER: Approximately 720 feet.

2. Provide the exact price that was initially quoted to Mr. Whitley to extend the gas main. Include copies of any written estimates provided to Mr. Whitley. If a written estimate was not provided, state why it was not.

ANSWER: Preston Freeman, Manager, went to the property in November of 2020 and reviewed the footage, path of the extension and locations of the three houses. The initial estimate to Mr. Whitley was given in a telephone conversation based on a preliminary review of the location, without current pricing information. The estimate was \$1,000 plus a \$180 security deposit for each of the three customers and all three had to sign up. This estimate was not a formal price quote because there was no application from any of the complainants and the information needed for a formal quote was not available due to the lack of an application or other details of the project.

3. State whether Mr. Whitley was provided subsequent estimates to extend the gas main.

ANSWER: Yes, one subsequent estimate was provided, in writing, to extend the gas main on January 17, 2023 after applications were received from all three customers (in October and November 2022).

4. If subsequent estimates were provided, state the price that was quoted and explain why it differed from the previous estimate.

ANSWER: The quote dated January 17, 2023, was for \$3,051.23 per customer. The written quote differed from the verbal quote due to (1) increases in materials (gas pipe has more than doubled in cost) over the 27 months since and (2) it was determined that a contractor was required to bore through the three properties back yards. Since the initial discussions, prices for contractor labor have increased from \$6.50 per foot to \$25 per foot.

5. Provide the current cost to Natural Energy to install an extension in excess of 100 feet from its nearest gas main to Mr. Whitley's property in Rush, Kentucky. Include a detailed itemized estimate.

ANSWER: The current cost is estimated at \$5,787.10 as noted on the detailed itemized estimate. This estimate is based on NEUC doing all work, without contractors. This work cannot take place until June 2023 as we will be walking all main lines in the system over the next month and a half.

6. Provide documents of line extension charges for any/all line extensions greater than 100 feet charged to other customers for the past three years.

ANSWER: There have been several hundred line extensions over the past three years. We have reviewed our records for the most recent 35 service line extensions greater than 100 feet and the average cost approximated \$989. The smallest amount was \$630 and the largest was \$3,202 (approximately 500 feet, mostly on county right of way, with no road bores).



NATURAL ENERGY UTILITY CORPORATION

**2560 HOODS CREEK PIKE
ASHLAND, KENTUCKY 41102
606-324-3920 PHONE
606-325-2991 FAX**

DATE: January 17, 2023

BILL TO:
Deerhaven Ct
Rush, KY

REMIT TO:
NATURAL ENERGY UTILITY CORP.
2560 HOODS CREEK PIKE
ASHLAND, KY 41102

DESCRIPTION	VOLUME	RATE	AMOUNT
Main Line Install:			
2" IPS	500 Ft	\$ 1.25	\$ 625.00
Tracer Wire	500 Ft	\$ 0.12	\$ 60.00
2" Poly Valve	1	\$ 250.00	\$ 250.00
Valve Box	1	\$ 85.00	\$ 85.00
Test Station	1	\$ 100.00	\$ 100.00
2" BF End Cap	1	\$ 25.00	\$ 25.00
			<u>\$ 1,145.00</u>
Sales Tax			\$ 68.70
			<u>\$ 1,213.70</u>
Labor/Contractor Triple B Construction			\$ 5,000.00
3 customers on Deerhaven Ct.			<u>\$ 2,071.23</u>
Install service lines; all under 150 ft. & 2" Poly Saddle Taps per customer			\$ 800.00
Deposit per customer			\$ 180.00
TOTAL COST PER PERSON			<u>\$ 3,051.23</u>
Approximately \$4.14 per ft.			
PLEASE REMIT TO ABOVE ADDRESS:		TOTAL DUE	\$ 3,051.23



NATURAL ENERGY UTILITY CORPORATION

2560 HOODS CREEK PIKE
ASHLAND, KENTUCKY 41102
606-324-3920 PHONE
606-325-2991 FAX

DATE: March 31, 2023

BILL TO:
Mr. Phillip Whitley

REMIT TO:
NATURAL ENERGY UTILITY CORP.
2560 HOODS CREEK PIKE
ASHLAND, KY 41102

DESCRIPTION	VOLUME	RATE	AMOUNT
NEUC Doing all Work on County ROW			
Parts & Materials			\$ 1,563.30
Sales Tax			\$ 93.80
Install @ \$4.50 per ft. (600 ft.)			\$ 2,700.00
Road/Driveway Bores @ \$250 each (5)			\$ 1,250.00
Deposit			<u>\$ 180.00</u>
PLEASE REMIT TO ABOVE ADDRESS:		TOTAL DUE	\$ 5,787.10