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PUBLIC SERVICE  
COMMISSION

**JOHN N. HUGHES**

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September 15, 2023

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

Re: Case No. 2023-00052

Dear Ms. Bridwell:

Natural Energy Utility Corporation submits its responses to the Commission's Third Data Request. I certify that the electronic documents are true and correct copies of the original documents. A copy of the response has been mailed to Philip Whitley, 14402 Dearhaven Court, Rush, KY 41168

If you have any questions about this filing, please contact me.

Submitted By:



John N. Hughes

Attorney for NEUC

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 15<sup>th</sup> day of September, 2023.

  
\_\_\_\_\_

Notary Public

Registration Number: KY NP 24985

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. Refer to NEUC's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 4. Provide a detailed estimate to install the requested extension from NEUC's nearest gas main to Mr. Whitley's property in Rush, Kentucky, specific to Mr. Whitley's extension. Estimate should include, but is not limited to:

- a. Location of work being to be performed;

ANSWER: Work being performed in Rush, KY. NEUC's nearest main line is on the SE side of the intersection of KY RT 854 and Deer Haven Ct.

- b. Description of work to be performed, including length of extension;

ANSWER: NEUC qualified employees will tap into a 3" main gas line and install approximately 700 feet of 1" gas line. This line will be a dedicated service line to the address of 14402 Deer Haven Ct. NEUC will need to make 5 road bores, 1 across State Hwy 854 and the other 4 across driveways along Deer Haven Ct. Footage is approximate due to terrain and not knowing exact location the customer would want the meter.

- c. Itemized list of materials required for work;

ANSWER: List of material required for work:

- 3"x1" Saddle Tap
- 1" Poly Valve
- Curb Box (easy access to underground valve)
- 1" Permaserts (14)
- 2" Casing
- Excess Flow Valve
- 1" Riser
- 1" Mueller Valve
- 1" Regulator
- 1"x6" Black Iron (4)
- 1" Elbows (3)
- 1" IPS Gas Line
- Tracer Wire
- 20 lt. Hubs and Swivels
- Transponder
- AC-250 Residential House Meter
- Sand

- d. Itemized list of cost for necessary materials; and

ANSWER: See attached estimate.

- e. Cost of labor for work to be performed.

ANSWER: See attached estimate.



**NATURAL ENERGY UTILITY CORPORATION**

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

DATE: 9/11/2023

**BILL TO:**  
[Redacted] Deer Haven Ct.

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

DESCRIPTION	QUANTITY	RATE	AMOUNT
3" x 1" Saddle Tap	1	\$ 117.44	\$ 117.44
1" Poly Valve	1	\$ 41.24	\$ 41.24
Curb Box	1	\$ 22.02	\$ 22.02
1" Permaserts	14	\$ 35.15	\$ 492.10
2" Casing	80	\$ 1.80	\$ 144.00
EFV	1	\$ 21.77	\$ 21.77
1" Riser	1	\$ 43.22	\$ 43.22
1" Mueller Valve	1	\$ 31.44	\$ 31.44
1" Regulator	1	\$ 190.60	\$ 190.60
1" x 6" Black Iron	4	\$ 4.44	\$ 22.20
1" metal 90s	3	\$ 5.50	\$ 15.60
1" IPS Gas Line	700	\$ 1.32	\$ 924.00
Tracer Wire	700	\$ 0.10	\$ 70.00
Transponder	1	\$ 79.00	\$ 79.00
AC 250 Residential Meter	1	\$ 166.98	\$ 166.98
Sand	1	\$ 35.00	\$ 35.00
			\$ 2,394.59
<u>Cost of Labor:</u>			
NEUC Employee #1	40	\$65.00 p/hr	\$ 2,600.00
NEUC Employee #2	40	\$65.00 p/hr	\$ 2,600.00
NEUC Employee #3	20	\$65.00 p/hr	\$ 1,300.00
			\$ 6,500.00
<u>Road Bores:</u>			
KY ST RT 854	1	\$ 125.00	\$ 125.00
4 Driveways along Deer Haven Ct.	4	\$ 125.00	\$ 500.00
			\$ 625.00
Cost of parts, labor, road bores			\$ 9,519.59
Tax			\$ 143.60
Total Cost			\$ 9,659.19
First 100 feet free			\$ 853.11
Total cost			\$ 9,659.19
First 100 feet free discount			\$ 853.11
QUOTE IS VALID FOR 30 DAYS		DEPOSIT	\$ 180.00
		TOTAL DUE	\$ 8,786.08

Witness: Jay Freeman

2. Refer to NEUC's response to Commission Staff's First Request for Information, Item 6, and NEUC's response to Staff's Second Request, Item 5. Provide detailed information regarding each of the 35 service line extensions that occurred within the last 12 months, including but not limited to the following:
  - a. Location of the extension;
  - b. The length of the extension;
  - c. The cost estimate provided for the extension; and
  - d. The final cost of the extension.

ANSWER: See attached.

SUMMARY WORKSHEET

ACCT	ADDRESS	TOTAL # FEET	AMT-COST EST.	FINAL COST
1	[REDACTED] TRIPLE W LN RUSH, KY 41168	350 +/-	\$0.00	\$0.00
2	[REDACTED] GRACE HTS ARGILLITE, KY 41144	800	\$1,537.61	\$525.00
3	[REDACTED] BRIGHAM RD ASHLAND, KY 41102	135	\$650.00	\$650.00
4	[REDACTED] BOOTH QUILLEN ASHLAND, KY 41102	105	\$940.00	\$940.00
5	[REDACTED] HALL RDG ASHLAND, KY 41102	300	\$525.00	\$525.00
6	[REDACTED] FAIR LAWN DR CATLETTSBURG, KY 41129	750	\$3,022.17	\$3,022.17
7	[REDACTED] ROSEMONT DR ASHLAND, KY 41102	195	\$825.00	\$825.00
8	[REDACTED] JERI CT ASHLAND, KY 41102	125	\$750.00	\$750.00
9	[REDACTED] TUFTS DR CATLETTSBURG, KY 41129	150 +/-	\$775.00	\$775.00
10	[REDACTED] TUFTS DR CATLETTSBURG, KY 41129	150 +/-	\$775.00	\$775.00
11	[REDACTED] STATE ROUTE 207 ARGILLITE, KY 41121	115 +/-	\$605.00	\$605.00
12	[REDACTED] KISER LN ASHLAND, KY 41102	115	\$650.00	\$650.00
13	[REDACTED] NURSERY DR RUSH, KY 41168	130	\$525.00	\$525.00
14	[REDACTED] STRAIGHT CREEK RD ASHLAND, KY 41102	140	\$625.00	\$625.00

SUMMARY WORKSHEET

ACCT	ADDRESS	TOTAL #FEET	AMT-COST EST.	FINAL COST
15	GRAYDON HEIGHTS DR CATLETTSBURG, KY 41129	120	\$775.00	\$775.00
16	GRAYDON HEIGHTS DR CATLETTSBURG, KY 41129	175	\$775.00	\$775.00
17	GRAYDON HEIGHTS DR CATLETTSBURG, KY 41129	180	\$775.00	\$775.00
18	CANNONSBURG RD CATLETTSBURG, KY 41129	150	\$525.00	\$525.00
19	OAK HILL DR ASHLAND, KY 41102	120	\$650.00	\$650.00
20	LAUREL RIDGE RD ASHLAND, KY 41102	140	\$525.00	\$525.00
21	GRAYDON HEIGHTS DR CATLETTSBURG, KY 41129	115	\$775.00	\$775.00
22	OAK HILL DR ASHLAND, KY 41102	140	\$650.00	\$650.00
23	OAK HILL DR ASHLAND, KY 41102	125	\$550.00	\$550.00
24	OAK HILL DR ASHLAND, KY 41102	110	\$550.00	\$550.00
25	OAK HILL DR ASHLAND, KY 41102	125	\$550.00	\$550.00
26	OAK HILL DR ASHLAND, KY 41102	125	\$550.00	\$550.00
27	RED MAPLE RIDGE CT ASHLAND, KY 41102	130	\$525.00	\$525.00
28	MEADOW LN ASHLAND, KY 41102	400	\$750.00	\$750.00

SUMMARY WORKSHEET

	ACCT	ADDRESS	TOTAL # FEET	AMT-COST EST.	FINAL COST
29	[REDACTED]	MEADOW LN ASHLAND, KY 41102	120	\$750.00	\$750.00
30	[REDACTED]	RED MAPLE RIDGE CT ASHLAND, KY 41102	115	\$525.00	\$525.00
31	[REDACTED]	GRAYDON HEIGHTS DR CATLETTSBURG, KY 41129	125	\$775.00	\$775.00
32	[REDACTED]	RED MAPLE RIDGE CT ASHLAND, KY 41102	225	\$800.00	\$800.00
33	[REDACTED]	PINE HILL DR ASHLAND, KY 41102	330	\$1,595.00	\$1,595.00
34	[REDACTED]	HALL RDG ASHLAND, KY 41102	662	\$2,400.00	\$2,400.00
35	[REDACTED]	WHISPE RING OAKS CATLETTSBURG, KY 41129	300	\$900.00	\$900.00



Witness: Jay Freeman

3. State whether NEUC proposes to charge all three customers for the full cost of the main line extension required to serve their three properties. If not, provide an itemized list of the cost of each applicant's extension and explain how the cost of the shared line would be allocated to each.

ANSWER: Question 1 was answered for NEUC to lay a "Dedicated 1 inch Service Line" to Mr. Whitley. We are unsure, at this time, if there are two other customers interested. If they are still interested, they will need to contact our office and update their applications. At that time, a new cost estimate can be put together. The 1 inch line will be inadequate to serve additional customers, so any additional customers will incur expense for upgrading the 1 inch line.

Witness: Jay Freeman

4. Explain whether NEUC is providing up to 100 feet of an extension to its existing distribution mains without charge. If so, explain the installation fee of \$650 to lay new service of under 150 feet on NEUC's application provided in response to Item 2 of Staff's Second Request.

**ANSWER:** Yes, NEUC is providing up to 100 feet of an extension to its existing distribution mains without charge. The purpose of the \$650 installation fee to lay new service on NEUC's application was to inform customers of the potential cost and to help NEUC not to make detailed cost estimates on smaller jobs. \$650 is the average cost of extensions between 100 and 150 feet.

Witness: Jay Freeman

5. Refer to the Application for service provided and refer to NEUC's response to Staff's Second Request, Item 2.
- a. State whether the \$150 tap fee for new service is included in NEUC's tariff. If not, state how long NEUC has been charging this fee and by what authority.

ANSWER: No, the \$150 tap fee for new service is not included in NEUC's tariff. We started the \$150 tap fee in January 2023 and have charged 21 customers. We have removed the fee from our application and no longer charge a tap fee.

- b. State whether the deposit amount of \$180 is included in NEUC's tariff. If not, state how long NEUC has been charging this deposit amount and how it was calculated.

ANSWER: NEUC's tariff allows for a deposit equal to 2/12th's of the average annual bill. NEUC personnel calculates the average each year. See attached.

FOR Entire Service Area

P.S.C. KY. NO. 1

Revised SHEET NO. 16(d)

Natural Energy Utility Corporation

CANCELLING P.S.C. KY. NO. 1

Revised SHEET NO. 16(c)

**RULES AND REGULATIONS**

**CUSTOMER DEPOSITS**

1. All residential and commercial customers shall pay a deposit at the time of application for service.

A. The deposit for residential customers shall be calculated utilizing two-twelfths (2/12ths) of the average annual bill. The actual calculation of the deposit for each customer shall be in accordance with the requirements of 807 KAR 5:006 (7) (1) (b).

1(a) The deposit for commercial customers shall be calculated utilizing 2/12ths of the average annual bill. The actual calculation of the deposit for each customer shall be in accordance with the requirements of 807 KAR 5:006(7)(1)(a).

b. The deposit may be waived upon showing of a satisfactory credit and payment history with the Company.

c. The deposit shall be retained for twelve months.

At the end of the initial twelve month period, the deposit shall be refunded, unless an additional deposit may be required as provided by 807 KAR 5:006(7) (2).

d. Interest will accrue on all deposits at the rate prescribed by law beginning on the date of the deposit. As dictated by the general assembly modification to KRS 278.460 effective July 12, 2012, the commission shall calculate the interest rate on an annual basis by averaging the one (1) year constant maturity treasury rate from September, October, and November, and shall notify utilities in December of each year of the interest rate to be paid by utilities for the following calendar year. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposit or the last interest payment date, the payment or credit shall be on a prorated basis.

If the customer is delinquent in his bill on this date, the interest shall be applied to the delinquent amount

e. If a customer fails to maintain a satisfactory credit standing after the refund of the deposit, an additional deposit may be required as specified in (1) a,b,c and d above.

KENTUCKY PUBLIC SERVICE COMMISSION	
JEFF B. BROUEN EXECUTIVE DIRECTOR	
TARIFF BRANCH	
Brent Kistley	
EFFECTIVE	
MONTH	7/12/2012 YEAR
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	
MGR.	President
TITLE	

DATE OF ISSUE 05/14/12 DATE EFFECTIVE 07/12/12  
MONTH DAY YEAR MONTH YEAR

ISSUED BY H. JAY FREEMAN  
NAME OF OFFICER

*H. Jay Freeman*

TITLE

**DEPOSITS**

How to calculate average annual bill:

Get previous years billing registers, go to back page, and take the total sales including taxes and divide by number of customers for each month.

Total the average bill each month and take that number and multiply by 2/12ths.  
This should give you the deposit amount each year.

Do this every March.

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Gas Sales	\$317,185.79	\$272,176.94	\$162,688.95	\$91,311.42	\$36,525.44	\$30,486.82	\$26,342.22	\$30,345.16	\$31,740.10	\$88,411.68	\$152,544.47	\$219,187.71
# of Customers	1,329	1,335	1,332	1,329	1,326	1,322	1,322	1,323	1,319	1,334	1,349	1,362
Average Bill	\$238.67	\$203.88	\$122.14	\$68.71	\$27.55	\$23.06	\$19.93	\$22.94	\$24.06	\$66.28	\$113.08	\$160.93
<hr/>												
Total 12 mth	\$1,091.23											
Deposit Amt.	\$181.87											