



**Medrith L. Norman**  
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April 18, 2023

Kentucky Public Service Commission  
Attn: Linda Bridwell, Executive Director  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

**RECEIVED**

APR 19 2023

PUBLIC SERVICE  
COMMISSION

Re: Hay Exploration, Inc.  
Farm Tap Application

Dear Ms. Bridwell:

I am writing on behalf of my client Hay Exploration, Inc. ("Hay Exploration") to submit Hay Exploration's application for a farm tap tariff pursuant to KRS 278.485. Hay Exploration has wells and gathering lines in Elliot, Morgan, Lawrence and Johnson counties and is subject to the obligation to provide access to natural gas in accordance with KRS 278.485.

Please find enclosed an original of the following documents for filing with the Commission plus one additional copy that we request would be returned to our office in the enclosed envelope.

1. An application for Rates, Rules and Regulations for Furnishing Natural Gas Service Pursuant to KRS 278.485; and
2. Hay Exploration's basic rate support calculation.

Please do not hesitate to contact me with any questions or requests for additional information.

Sincerely,

*/s/ Medrith Lee Norman*

Medrith Lee Norman

Enclosures

EN10504.Public-10504 4876-6400-4436v1

PSC KY. NO. \_\_\_\_\_

CANCELLING PSC KY. NO. \_\_\_\_\_

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Hay Exploration, Inc

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OF

1544 Winchester Ave., Suite 1108

Ashland, Kentucky 41101

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RATES – CHARGES – RULES - REGULATIONS

FOR FURNISHING

Natural Gas from Farm Taps Pursuant to KRS 278.485

AT

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Elliot, Morgan, Lawrence and Johnson Counties

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FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

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ISSUED BY *Monty* \_\_\_\_\_  
(Signature of Officer)

TITLE *President* \_\_\_\_\_

AREA \_\_\_\_\_

PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Hay Exploration, Inc.

\_\_\_\_\_  
(NAME OF UTILITY)

**I. RATES AND CHARGES**

- a. Applicability
- b. Monthly Charges and Commodity Rate
- c. Other Charges
- d. Deposits

**II. TERMS OF SERVICE**

- a. Public Service Commission of Kentucky's Rules and Regulations
- b. Company's Terms and Conditions
- c. Refusal of Service
- d. Application for Gas Service
- e. Monthly Bills
- f. Budget Billing Plan
- g. Partial Payment Plan
- h. Winter Hardship Reconnection
- i. Measurement of Gas Service
- j. Discontinuance of Service at Customer's Request
- k. Discontinuance of Service by Company
- l. Reconnection Fee
- m. Transfer Service Fee
- n. Meter Test Fee
- o. Diversion of Natural Gas
- p. Easements
- q. Access for Company's Employees and Agents
- r. Reallocation or Resale of Natural Gas
- s. Customer's Installation
- t. Protection of Surface and Sub-Surface Facilities
- u. Liability
- v. Indemnity to Company
- w. Health and Safety Services Rendered by Company

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Hay Exploration, Inc.

\_\_\_\_\_  
(NAME OF UTILITY)

Late Payment Charge  
10% of the current monthly charges.

Service Trip Charge  
\$50.00 for any trip made to collect delinquent bills/terminate service.

Farm Tap Fee  
\$150.00 to initiate a farm tap.

Special Meter Reading Charge  
\$39.50 for reread

Meter Test Fee  
Actual cost not to exceed \$225.00 for a customer requested immediate test if meter is within limits of 807 KAR 5:022(3)(2)(a)(1).

Deposit  
2/12<sup>th</sup> of estimated annual bill.

d. DEPOSITS

Residential or Commercial Farm Tap Customer: A deposit equal to two-twelfths of the estimated annual bill is required of all new customers. The deposition will be returned upon disconnection less any monies owed.

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Hay Exploration, Inc.

\_\_\_\_\_  
(NAME OF UTILITY)

Interest: Interest will accrue on all deposits at the rate prescribed by the Public Service Commission beginning on the date of the deposit. 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.

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Hay Exploration, Inc.

CANCELLING PSC KY NO. \_\_\_\_\_

(NAME OF UTILITY)

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

II. TERMS OF SERVICE

a. PUBLIC SERVICE COMMISSION OF KENTUCKY'S RULES AND REGULATIONS

All gas service rendered by Hay Exploration, Inc. ("the Company" or "Hay Exploration") will be in accordance with KRS 278.485 and all applicable rules and regulations established by the Public Service Commission of Kentucky. The terms of KRS 278.485 and KAR 5:026 and any other applicable regulations are incorporated in this filing by reference.

b. COMPANY'S TERMS AND CONDITIONS

In addition to the rules and regulations prescribed by the Public Service Commission of Kentucky, all gas service rendered shall be in accordance with the terms and conditions set forth in this tariff.

All gas sold and delivered under this Tariff shall be delivered at the varying pressures of the applicable pipeline of Hay Exploration.

Hay Exploration shall not be liable to an applicant for any discontinuance, reduction, change or any other effect on service to the applicant resulting from: the plugging, abandonment (temporary or final), or change in the use of any well or wells; temporary or permanent discontinuance or reduction of transportation of gas through any applicable pipeline; the use (or termination of use) of compressors or other equipment; breakage or maintenance of pipelines; changes in Hay Exploration's operations; or other causes related to Hay Exploration's operations or business activities, any or all of which may be undertaken in Hay Exploration's sole discretion

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Hay Exploration, Inc.

\_\_\_\_\_  
(NAME OF UTILITY)

Hay Exploration is under no obligation to supply any specific quantity or quality of gas to an applicant. The applicant understands and acknowledges that the gas Hay Exploration supplies is untreated; is not odorized; may not be consistent in volume, Btu content or other qualities; and may have Btu content higher or lower than gas transported in interstate pipelines or supplied by gas distribution companies.

c. REFUSAL OF SERVICE

Company reserves the right to refuse or to defer full service to an applicant where the existing mains are inadequate to serve the applicant's requirements without adversely affecting the service to customers already connected and being served.

d. APPLICATION FOR GAS SERVICE

The Company will require applicants to sign an Application for Gas Service before service is supplied. The use of natural gas service constitutes an agreement under which the Customer receives natural gas service, agrees to pay the Company therefore in accordance with the applicable Tariff, and agrees to comply with the rules and regulations established by the Public Service Commission of Kentucky and the terms and conditions of Company.

The benefits and obligations of the agreement for service may not be assigned without written consent of the Company. The Company may refuse service to any Customer who fails to comply with the rules, regulations, terms and conditions listed within this tariff. The Company will not furnish service to any applicant who owes the Company any past due amount for service at any location, until all such indebtedness is paid in full.

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**e. MONTHLY BILLS**

Bills for service will be rendered monthly. The term "month" for billing purposes means the period between any two consecutive regular readings by the Company of the meters at the Customer's premises, such readings to be taken as nearly as may be practicable every thirty days. The timing of the meter cycle is selected by the Company.

If an initial or final bill is for a period less than the monthly billing period described above, the billing will include the monthly minimum charge plus actual gas usage from the prior meter reading.

If the Company is unable to read a meter after reasonable effort, the Customer will be billed on an estimated usage based on the best available information. When Company for any reason submits a bill to a Customer for gas service which contains an estimated reading or a no-charge, Company will include on such bill a notice informing Customer that the bill contains an estimate or no-charge and the reason why the meter was not actually read.

All bills for natural gas service, including any excise tax, sales tax, franchise fee or other similar fee or tax now or hereafter agreed to or imposed upon the Company by governmental authority, are due and payable at the address specified on the bill not later than the due date shown on the bill. If the bill is not paid within 15 days of the due date shown on the bill, then the Company will assess a 10% late fee on the delinquent bill. Late charges will be assessed once per billing cycle. The bill will be considered as received by the Customer when mailed to or left at the location where service is used.

The Company will exercise all reasonable means to assure accurate computation of all bills for natural gas service. If billing errors occur, Company shall refund to

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Hay Exploration, Inc.

\_\_\_\_\_  
(NAME OF UTILITY)

Customer the amount of any overcharge and shall have the right to collect from  
Customer the amount of any undercharge due to the billing error.

f. BUDGET BILLING PLAN

Residential customers may elect to pay monthly bills for service on a Budget Billing Plan. Customers indebted to Company shall not qualify until arrearage is paid in full. Customer shall make an application and sign a payment agreement for Budget Billing, acknowledging average usage and the calculated monthly payment. The monthly amount to be paid under Budget Billing is calculated from the past twelve months' gas usage at the current gas rate, divided by 11 and rounded to the nearest dollar. When the past twelve months' gas usage is unavailable, the calculation will be made using an estimate of twelve months of gas usage for a similarly situated customer. Said monthly payment shall be made for eleven successive months beginning with July billing month. The twelfth month's payment is a settlement amount equal to the difference between the total of the prior eleven months' payment and the actual billings for twelve month period. If the settlement amount is a credit balance, the Company will issue a check to the Customer in the amount of the credit balance, or the Customer may elect to have the credit applied to future billings. If the settlement amount is a debt balance owed by the Customer, the total balance will be due and payable on the due date shown on the bill for the settlement month, except that in the event the debit balance exceeds \$100, the Customer may elect to pay the debit over a two month period with at least one half of the total debit balance payable in the settlement month. The Customer may continue on the Budget Billing Plan for the succeeding years, in which case the settlement month for each year will occur in the twelve month cycles starting with the beginning month. If a Customer electing Budget Billing Plan fails to pay the budget billing obligation in any month, normal collection procedures shall be applicable for the outstanding budget billing amount. Upon termination of service of a Customer on the Budget Billing Plan, the entire balance amount of the account for actual

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usage shall be due and payable either by the Customer to Company if a debt balance exists or shall be refunded by Company to Customer if a credit balance exists.

**g. PARTIAL PAYMENT PLAN**

Qualifying customers may enter into a partial payment plan in accordance with 807 KAR 5:006(14)(2).

**h. WINTER HARDSHIP RECONNECTION**

Qualifying customers may have service reconnected pursuant to 807 KAR 5:006 (15) and (16) if conditions of the regulation are met.

**i. MEASUREMENT OF GAS SERVICE**

The Company will install, own, and maintain suitable metering equipment necessary for measuring the natural gas supplied. All deliveries of gas through Company facilities shall be metered. The Company may test any of its meters at any time. The Point of Delivery to the Customer is the outlet of the Company's meter.

The measure of gas by meter shall be conclusive upon the applicant and the Company, unless the meter ceases to register, proves to be defective, or is found by test not to be accurate within the limitations of industry or regulatory standards. In such case, the consumption for the period in question shall be estimated. The Company will, upon written application of applicant, have the meter removed, sealed and tested, and a certificate of the test will be given to the applicant. If the meter so tested shall be found to be accurate within the limits specified in the rules of the Commission, the applicant shall, upon presentation of a bill pay the Company for such test.

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Hay Exploration, Inc.

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(NAME OF UTILITY)

Where the service facilities or other equipment have been tampered with, resulting in improper measurement of the natural gas supplied, the applicant shall be required to pay for such quantity of natural gas as the Company may estimate from available information to have been used but not registered by the Company's meter. In addition thereto, the applicant shall be required to bear all costs incurred by the Company for investigations and inspections and for such protective equipment as may be necessary in the Company's judgment.

The applicant will promptly notify the Company of any known or suspected gas leaks.

j. DISCONTINUANCE OF SERVICE AT CUSTOMER'S REQUEST

A Customer wishing to discontinue or transfer service should give at least three days' written notice to Company to that effect in order to allow time for final meter reading and disconnection of service. Where such notice is not received by the Company, the Customer will be liable for service until final reading of the meter. Notice to discontinue service will not relieve a Customer from any minimum or guaranteed payment under any contract with the Company.

k. DISCONTINUANCE OF SERVICE BY COMPANY

Company may discontinue service upon not less than ten days' written notice to Customer of Company's intention to discontinue service:

- 1) If Customer fails to pay or make arrangements for payment of bills for service rendered;

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Hay Exploration, Inc.

\_\_\_\_\_  
(NAME OF UTILITY)

- 2) If Customer's use of service is detrimental to the service being furnished by Company to other Customers in the immediate vicinity or supplied from the same distribution system.

Company may discontinue service at any time without notice:

- 1) If a condition or installation of any part of the Customers' gas piping or any appliance is found to be dangerous to life, health, or the safety of any person, Company does not assume responsibility for, and will not be held liable for, ascertaining such condition.
- 2) If service is found to have been restored by someone other than Company and the original cause for the discontinuance has not been cured.
- 3) If the Company's meters, equipment or any regulation equipment has been bypassed, adjusted, altered, or tampered with by the Customer or by any other person or entity.

I. RECONNECTION FEE

Service which has been terminated due to failure to pay or make arrangements for payment of bills for service rendered will be restored if the Customer pays all past due payments, applicable fees, and reconnection charges. Company shall restore such service within 24 hours after elimination by customer of the cause for discontinuance, unless extenuating circumstances prevent restoration of service.

m. TRANSFER SERVICE FEE

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*Matt Hg*  
SIGNATURE OF OFFICER  
*President*

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Hay Exploration, Inc.

(NAME OF UTILITY)

The Company shall charge a transfer service fee to transfer service at the same premises from one occupant to another even when the gas service is not otherwise changed or interrupted. Such Fee will be charged to the new occupant/Customer.

n. METER TEST FEE

Upon written request of a Customer, the Company will test the accuracy of the service meter installed at Customer's premises. Any meter so tested will be considered accurate for the purposes of the customer requested test if the accuracy of the meter complies with 807 KAR 5:022(3)(2)(a)1.

There will be a meter test fee not to exceed \$225.00 if the meter is found to be operating within the limits of 807 KAR 5:022(3)(2)(a)1.

If any meter so tested is found to be more than 2% slow, the Company will adjust the natural gas used, as measured by such meter, by such percentage that the meter was found to be in error. The Company will re-bill adjusted amount for a period of one-half the elapsed time since the last previous test, but not for more than six months. The Company will refund to Customer the difference between the amount paid by the Customer and the adjusted bills.

If any meter is found not to register any gas usage for any period, the Company may collect for the natural gas estimated to be used but not registered on the meter. Estimated use shall be calculated by averaging the amounts used under similar weather or operating conditions during the period immediately preceding or subsequent to the period of non-registration, or over a corresponding period in a previous year. The period of time for which collection for nonregistered gas service may be made shall be limited only by the date on which the meter is determined to have become defective.

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**o. DIVERSION OF NATURAL GAS**

The existence of natural gas consuming devices installed ahead of the meter or any tampering or interfering with pipes, regulators, or equipment connected to Company's distribution system or the damage to, alteration, or obstruction of any meter (including the breaking of meter seals and increasing regulator pressure) which will permit or make possible the use of natural gas without its proper registration on Company's meter shall constitute prima facie evidence of diversion of natural gas by the Customer in whose name service is being rendered, or by the person benefiting from the use of such diverted natural gas. If a Company meter registers more natural gas in the same interval of time than does the meter installed at Customer's premises after such meters have been tested and found to be registering within the limits of accuracy prescribed by the Public Service Commission of Kentucky such fact shall constitute prima facie evidence of diversion of natural gas. In such instances, Company will compute the amount of diverted natural gas and shall have the right to enter Customer's premises and make an actual count of all natural gas consuming devices to aid in such computation. Where Company is unable to make such count, the computation will be based on any other available information, or estimated. Such computation will be made for the period beginning with the date on which Customer began using natural gas at the location where the diversion occurred, unless evidence proves the diversion commenced at a later date, and ending with the date on which said diversion ceases. Bills for natural gas diverted, based upon the aforesaid computation, under the applicable rate effective during the period of diversion, plus the cost of investigating and confirming such diversion and disconnecting service, shall be due and payable upon presentation of a written statement to Customer.

If service has been discontinued for diversion of natural gas, Company will not render service to customer, or to any other person for Customer's use, at the same or any other location until:

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*Mike A. [Signature]*  
SIGNATURE OF OFFICER

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- 1) Customer has paid all bill as set forth preceding, and
- 2) Customer has paid all applicable fees, including, if applicable, reasonable attorney fees awarded by a court of competent jurisdiction and
- 3) Customer has paid to Company or others the installation cost of such equipment as is necessary to prevent further diversion of natural gas.

The foregoing terms pertaining to diversion of natural gas are not in any way intended to affect or modify any action or prosecution under the statutes or common law of the Commonwealth of Kentucky.

**p. EASEMENTS**

Receipt of natural gas service by Customer shall be construed as an agreement with the property owner granting to Company an easement for gas mains, services, meters, and other equipment of Company necessary to render service to Customer.

**q. ACCESS FOR COMPANY'S EMPLOYEES AND AGENTS**

Customer will provide access to its premises at all reasonable times for authorized employees and agents of the Company for any purpose incidental to the supplying of natural gas service. An employee of the Company whose duties require him to enter the customer's premises shall wear a distinguishing uniform or other insignia, identifying him as an employee of the Company, and upon request, show identification that shall identify him as an employee of the Company.

**r. REALLOCATION OR RESALE OF NATURAL GAS**

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Hay Exploration, Inc.

\_\_\_\_\_  
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Natural gas service supplied by the Company is for the exclusive use of the Customer. The customer is expressly forbidden to reallocate or resell gas for any purpose.

s. CUSTOMER'S INSTALLATION

The Customer must construct or cause to be instructed, and shall maintain and keep in good repair, the service lines, and must provide and install or cause to be installed, and keep in good repair, the necessary automatic gas regulators, and shall pay the entire cost thereof. The construction of each service line, the installation, type, and number of automatic gas regulators, and the connection thereof with the gas producing well or pipeline shall be under the supervision of the Public Service Commission of Kentucky and in accordance with applicable rules and regulations of the Public Service Commission of Kentucky. Company shall have no responsibility or liability for piping, or other equipment, on the outlet side of the meter.

All gas piping and other natural gas appliances and equipment on the Customer's side of the point of deliver will be furnished, installed, and maintained at all times by the Customer in conformity with good practice, and the requirements of any public body having jurisdiction or appropriate gas piping codes. Company accepts no liability for injury or damage causes by defects in Customer's piping or equipment.

The customer, before purchasing equipment or beginning construction of a proposed installation shall confer with the Company to determine if the type of service capacity and pressure desired by Customer is available, and to secure a definite location of the Company's meter and point of delivery. The company must be notified before any additions or alterations are made to existing installations which could materially affect the existing gas consumption.

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No equipment or apparatus will be connected to Company's gathering or distribution system, the operation of which may cause such an abnormal pressure variation in said system as to impair or endanger the natural gas service supplied to other customers on said system or to adversely affect operation of Company's metering or pressure regulation equipment. In the event that equipment having a high instantaneous demand such as a gas engine is to be connected, Customer must provide adequate pulsation or surge tank, shut off valves, and other protective devices as may be required by Company. Customer must confer with Company before any equipment or apparatus requiring extremely close regulation of pressure or quality of gas is connected to Company's distribution systems.

When the Company is required by order of proper authorities to move or alter its existing system thereby necessitating a change in the location of the service line and the point of delivery, the Company will designate a new point of delivery to with the Customer, as its expense, will bring the customer-owners piping and equipment to re-establish service.

Service will be delivered to the Customer for each premises at one point of delivery to be designated by the Company. For mutual protection of the Customer and the Company, only authorized employees of the Company are permitted to make connections between the Company's facilities and the Customer's gas service piping.

The Company reserves the right to require the Customer to reimburse the Company for any cost due to a change in meters, change in meter location, or change to any other apparatus made at the request of the Customer. Meters and other Company equipment will be removed or relocated only by Company employees.

DATE OF ISSUE \_\_\_\_\_

MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_

MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_

SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA \_\_\_\_\_

PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Hay Exploration, Inc.

\_\_\_\_\_  
(NAME OF UTILITY)

**t. PROTECTION OF SURFACE AND SUB-SURFACE FACILITIES**

Customers shall not construct any addition or structure over mains, service lines, or meters, and shall not enclose exposed portion of gas service facilities with any unventilated enclosure.

Customer shall consult Company regarding necessity of changing location of gas service before building any improvement, addition, or structure over the gas service pipe. Customer shall notify Company or the appropriate call center before excavating (with hand or power equipment) in the proximity of Company's underground gas service on Customer's premises.

Customer shall immediately notify Company of any leak or defect observed in Company's facilities.

**u. LIABILITY**

All mains, services, apparatus, instruments, meters, regulations, and materials supplied by Company at its expense or under its standard policies will be and remain the property of the Company. Company's property shall not be worked upon, altered or interfered with by Customer or any unauthorized person.

The Customer shall be responsible for any damage to or loss of Company's property located on Customer's premises, caused by or arising out of the acts, omissions, or negligence of Customer or other acting in concert with him, or misuse or unauthorized use of Company's property by Customer or others acting in concert with them. The cost of making good such loss and/or repairing such damage shall be paid by the Customer. Customer shall also be held responsible for injury to Company's employees if caused by Customer's act, omissions or negligence or by any other person or entity acting in concert with Customer.

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The customer shall be responsible for any injury to persons or damage to property causes by the acts, omissions, or negligence of the Customer or any of its agents, employees, or licenses, in installing, maintaining, operating, or using any of the Customer's piping, equipment, machinery, or apparatus and for injury and damage caused by defects in same.

Company shall not be liability for injury to persons, damage to property, monetary loss, or loss of business caused by accidents, acts of God, fires, floods, strikes, wars, authority or orders of government, or any other causes and contingencies beyond its control.

v. INDEMNITY TO COMPANY

In addition to, and not in limitation of, any provision of this tariff, the customer agrees to protect, defend, indemnify and hold harmless Hay Exploration and its affiliated companies, and its and their members, officers, directors, employees, agents, and partners ("Indemnified Persons") from and against all losses, claims, liens, demands and causes of action of every kind and character threatened or asserted by any person or governmental agency, including without limitation judgments, penalties, interest, court costs, investigation expenses and costs, attorneys' fees and costs on account of taxes, liens, debts, personal injury, death or damage to property, and all other claims or demands of every character occurring or in any way incident to, in connection with, or arising out of: (a) any equipment, pipeline or other facilities which were or were required to be installed, inspected, maintained or operated by or for the customer, and (b) the customer's receipt or use of gas supplied by the Company hereunder.

Customer shall hold the Company harmless and indemnify it against all claims and liability including reasonable attorney fees awarded by a court of competent jurisdiction, for injury to persons or damage to property when such damage or injury results from the facilities, piping, and equipment located on Customer's

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Hay Exploration, Inc.

\_\_\_\_\_  
(NAME OF UTILITY)

side of the point of delivery, unless caused by negligence or wrongful acts of Company's agents or employees.

w. HEALTH AND SAFETY SERVICES RENDERED BY COMPANY

The Company will not perform installation or maintenance services on customer facilities from the point of delivery at the meter. Some health and safety related services are provided by Company free of charge to its customers. Such services are limited to the following:

- 1) Response to gas leak complaints regardless of cause;
- 2) Response to fires regardless of cause;
- 3) Restore service when outage is caused by Company;
- 4) Bill investigation, meter and meter reading investigations, and routine maintenance of Company facilities.

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*M. H.*  
SIGNATURE OF OFFICER  
*President*

TITLE \_\_\_\_\_

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**Well Operator Cost**

Base Pay	\$ 20.43	per hour
Social Security/Medicare (Co. Portion)	\$ 1.27	
State Unemployment	\$ 0.24	
Worker's Compensation	\$ 1.12	
Health Insurance	\$ 2.39	
	<u>\$ 25.44</u>	

Meter Reading (110 customers, 24 hours per month) 2.62 hours

Maintenance, mowing, painting, blowing drips, placing methanol, delivering termination notices 8.00 hours

Callouts @ Overtime Rate (approximately 20% of customers, average 3 hours per callout) 0.60 hours

Total Hours 10.62

Total Hours with overtime 11.22

Average mcf usage per customer per year 152.00

Well Operator Cost \$ 1.88

**Administrative Cost**

Base Pay	\$ 18.50	per hour
Social Security/Medicare (Co. Portion)	\$ 1.27	
State Unemployment	\$ 0.22	
Worker's Compensation	\$ 1.12	
Health Insurance	\$ 2.39	
	<u>\$ 23.49</u>	

Invoicing, late notices, termination notices, payment collection, etc 2.40 hours

Total Hours 2.40

Average mcf usage per customer per year 152.00

Administrative Cost \$ 0.37

**Supply Cost**

Methanol (4 gallons @ \$6)	\$ 24.00
Miscellaneous Clamps and Valves	\$ 125.00
Paint, and other supplies	\$ 25.00
	<u>\$ 174.00</u>

Average mcf usage per customer per year 152.00

Supply Cost \$ 1.14

**Mileage for Well Operator**

Estimated 405 miles per 1 day or meter reading and 22 after hour callouts at 75 miles per call out.

IRS rate of \$0.56/mile

Meter Reading	4,860.00
Call Outs	<u>3,300.00</u>
	8,160.00

Average mcf usage per customer per year 152.00

Mileage Cost \$ 0.27

**Postage and Office Supplies**

Postage-Billings	\$ 765.60
Postage- Late Notices	\$ 76.56
Supplies (envelopes, etc.)	\$ 300.00
	<u>\$ 1,142.16</u>

Average mcf usage per customer per year 152.00

Postage and Office Supplies \$ 0.07

Total Expense Cost per MCF cost \$ 3.74

NYMEX Strip (Nov 21-Mar 22) \$ 4.25

Appalachian Differential \$ 0.36

Estimated price to be received \$ 4.61

Expense cost \$ 3.74

TOTAL \$ 8.35