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September 15, 2017

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Affiliated Interest Agreements between Riemer Natural Gas, LLC, Herman Oil and Gas, Inc., SME Well Services, LLC, and AES Specialized Services LLC; Docket Nos. A-2017-2602062, A-2017-2602161, A-2017-2602164, G-2017-2602165, G-2017-2602166, G-2017-2602167: **DATA RESPONSES**

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission are the updated verified responses to the data requests in the above matter previously filed on August 25, 2017.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Regards,

James L. Crist, P.E.

Attachments

cc: Jeff McCracken- via email- jmccracken@pa.gov
Whitney Snyder- via email- WESnyder@hmslegal.com

Docket No. G-2017-2602165
Reimer Natural Gas, LLC
Data Request

TUS-1. Provide details of each of the services, and associated prices, provided by the affiliated companies to Reimer Natural Gas, LLC (Reimer) under the proposed agreements with Herman Oil and Gas, Inc. (Herman) and AES Specialized Services, LLC (AES). Applicants must include in the agreements that services between Reimer and Herman will be provided at cost, while services from AES to Reimer will be provided at the lower of cost or market.

Response

Herman is regulated public utility and following the asset acquisition will have as employees a General Manager, Office Manager, Operations Supervisor and three Operations field employees. The employees will be responsible for rendering all tasks associated with usual utility service including administrative services such as recordkeeping, bookkeeping, customer service, resolving customer inquiries, billing, scheduling, safety, PUC compliance, DEP reporting, One-Call response, system monitoring, pressure checks, meter reading, leak repair, ROW clearance and maintenance, pipeline maintenance, meter changes and general operations support. The labor costs of salary, benefits, and overhead will be allocated between the two regulated utilities Herman and Reimer on a customer basis.

AES is an unregulated pipeline contractor that conducts business in Butler, Allegheny, and Armstrong, Potter, Tioga counties. Services rendered to Herman and Reimer will comprise less than 5% of AES revenues and will be charged at the same market prices as other customers. Pipeline construction and repair costs, and meter and service installations will be allocated on a direct cost basis to the specific utility receiving the work.

TUS-2 In the agreement with SME Well Services, LLC, under what rate schedule(s) will Reimer receive services from Peoples Natural Gas Company, LLC and/or National Fuel Gas Distribution Corporation?

Response

Reimer will receive services from Peoples Natural Gas under rate MSG-Commercial

Reimer does not anticipate taking service from National Fuel

TUS-3. Provide detailed plans to allocate any costs, including overhead costs, attributable to shared personnel, equipment and facilities. Include a breakdown of all costs associated with shared services and the allocation method(s) between the companies.

Response

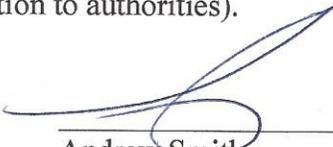
1. Labor costs (salary and benefits) of the General Manager and Office Manager will be allocated 1/3 to the unregulated companies (AES, SME) and 2/3 to the regulated utilities. Those utility costs will then be further allocated between the utilities on a per-customer basis.
2. Office supplies and other non-labor overhead will be included along with other overhead administrative items and allocated 1/3 to the unregulated companies (AES, SME) and 2/3 to the regulated utilities. Those utility costs will then be further allocated between the utilities on a per-customer basis.
3. Material associated with physical plant (pipes, meters, fittings, etc) will be directly allocated to the appropriate utility.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Affiliated Interest Agreements between	:	Docket No. A-2017-2602062
Riemer Natural Gas, LLC, Herman Oil	:	Docket No. A-2017-2602161
and Gas, Inc., SME Well Services, LLC,	:	Docket No. A-2017-2602164
and AES Specialized Services, LLC	:	Docket No. G-2017-2602165
	:	Docket No. G-2017-2602166
	:	Docket No. G-2017-2602167

**VERIFICATION OF
ANDREW SMITH**

I, Andrew Smith, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).



Andrew Smith

9/15/17

Date