



LUMEN GROUP

Suite 101  
4226 Yarmouth Drive  
Allison Park, PA 15101

Telephone 412.487.9708  
E-mail JLCrist@aol.com

G-2015-2468175

September 30, 2025

Matthew L. Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**RE: HERMAN GAS & OIL LLC AFFILIATE AGREEMENT**

Dear Secretary Homsher:

Enclosed you will find the executed revised Affiliate Agreement between Herman Gas & Oil LLC and SME Well Services LLC.

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.

## Affiliate Supply Agreement

### Between Herman Oil & Gas, LLC and SME Well Services, LLC.

This Affiliate Supply Agreement (Agreement) is entered into this 30<sup>th</sup> day of September 2025, to become effective upon approval of the Pennsylvania Public Utility Commission (PUC), between Herman Oil and Gas Company, LLC, (Herman) a Pennsylvania Public Utility, with offices at 137 Harris Rd., Butler, PA 16002 and SME Well Services, LLC. (SME) with offices at 137 Harris Rd., Butler, PA 16002, (collectively the Parties).

WHEREAS, Herman Oil and Gas Company, LLC. (Herman) is a PUC tariffed natural gas distribution company operating in Butler County and serving approximately 425 residential/commercial customers. Herman is owned and operated by Mr. Andrew E. Smith, President. In addition to Mr. Smith Herman has five full-time or contract employees; and

WHEREAS, SME Well Services, LLC. (SME) is a natural gas production company that produces and sells gas in Butler County to Herman, among others. SME is owned and operated by Mr. Andrew E. Smith, President; and

WHEREAS, Herman purchases approximately 95% of the natural gas required to meet customer demand from SME; and approximately 5% from an unaffiliated main supplier (Main Supplier), presently Peoples Natural Gas (Peoples). The majority of gas is purchased under rate MGS-Commercial. Peoples' service is provided under its tariff approved by the PA PUC. Peoples is the local utility connected to the Herman system; and


WHEREAS, Herman and SME are affiliated through common ownership and operation. Andrew E. Smith is both the sole shareholder and President of both Herman and SME; and

WHEREAS, Herman desires to purchase from SME and SME desires to sell to Herman natural gas under the terms set forth in this Agreement.

The Parties agree as follows:


1. **Sale.** SME shall sell natural gas to Herman.
2. **Purchase.** Herman Shall purchase natural gas from SME.
3. **Price.** Herman shall pay SME a rate no greater than 97% of the monthly tariff rate, currently Rate MGS, including all base rate charges, applicable riders, and gas costs invoiced for natural gas that Herman purchases from Peoples.
4. **Quantity.** Herman's monthly purchased quantity of natural gas from SME is the difference between Herman's monthly customer usage, per MCF (1,000 cubic feet) as determined by Herman, and the monthly invoiced quantities from Herman's Main Supplier and any other supplier(s).

5. **Other Suppliers.** Herman may contract with a different Main Supplier (Substituted Supplier) without amending this Agreement if the Substituted Supplier is not a Herman or SME affiliate and the Substituted Supplier is a PUC registered supplier or PUC tariffed utility.
6. **Term.** The initial term of the Agreement is one year, beginning on the date of PUC approval. The Agreement will renew on a year-to-year basis, and Herman may, in its sole discretion, amend the Agreement subject to amendment provisions in the Agreement.
7. **Amendment.** The Agreement may be amended in writing. No amendment shall be effective until approved by the PUC.



---

Andrew E. Smith, President  
Herman Oil and Gas Company, LLC.



---

Andrew E. Smith, President  
SME Well Services, Inc.