

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF VALLEY GAS, INC.)	2016-00200

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
VALLEY GAS, INC.

Valley Gas, Inc. ("Valley Gas"), pursuant to 807 KAR 5:001, is to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due within seven days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Valley Gas shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Valley Gas fails or refuses to furnish all or part of the requested information, it shall

provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, Valley Gas shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the cover letter attached to the application. Explain in detail Valley Gas's natural gas storage arrangements with Constellation Energy ("Constellation").

2. Provide all contracts related to gas supply, storage, and transportation between Valley Gas and Constellation.

3. Provide monthly invoices from Constellation since Valley Gas began procuring its gas from Constellation in 2015. Indicate on each invoice the amount of gas actually sold to Valley Gas's customers each month.

4. Explain how Valley Gas manages its gas in storage to ensure it does not contract for more storage gas than it needs annually for its system supply.

5. Refer to the application, Schedule IV, Actual Adjustment. Explain the discrepancy between total supply volumes purchased and actual sales during the months of January through March 2016.

6. Refer to the application, Rate Sheet for July through September 2016.

a. Explain the differences between Nomination volumes and costs, Volume Hedged and associated cost, and Storage Injections or Withdrawals volumes and cost.

b. State why the overall per Mcf rates for Storage Injections/Withdrawals at the bottom of the page are the same as those for Volume Hedged, and why those rates are more appropriate to use for the Expected Gas Cost calculation than rates in the "Mcf Conversion" row under the "Nomination" heading.



Aaron D. Greenwell
Acting Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

DATED **JUN 17 2016**

cc: Parties of Record

*Kerry R Kasey
Secretary
Valley Gas, Inc.
401 S First Street
P. O. 366
Irvington, KY 40146

*Valley Gas, Inc.
401 S First Street
P. O. Box 366
Irvington, KY 40146