

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF)	CASE NO.
JOHNSON COUNTY GAS COMPANY, INC.)	2019-00312

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO JOHNSON COUNTY GAS COMPANY, INC.

Johnson County Gas Company, Inc. (Johnson County), pursuant to 807 KAR 5:001, is to file with the Commission the following information on or before April 10, 2020. The Commission directs Johnson County to the Commission's March 16, 2020 Order in Case No. 2020-00085¹ regarding the filing of physical documents with the Commission. The Commission expects that original documents will be filed with the Commission within 30 days of the lifting of the current state of emergency.²

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 the 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.

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020).

² Any electronic email filed in this matter should be sent to PSCED@ky.gov, and each message should include the case number in the subject line of the message and a read receipt to ensure the Commission received the message and documents.

Johnson County shall make timely amendment to any prior response if they obtain 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 Johnson County fails or refuses to furnish all or part of the requested information, Johnson County shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention shall 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Johnson County 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 Johnson County's response to Staff's First Request for Information (Staff's First Request), Exhibit 3. The first EQT Energy, LLC (EQT) invoice, dated June 18, 2018, shows an April 2018 production month, and the second EQT invoice, dated July 18, 2018, shows a production month of May 2018. Confirm that, although the handwritten notes on these invoices state that they were "received and paid" 12/18 and 1/19 respectively, the gas was delivered to Johnson County before the July 1, 2018, beginning of the recovery period in this proceeding.

2. Refer to Johnson County's response to Staff's First Request, Item 9, the response references invoicing errors by Johnson County's supplier Bradco Oil Company

(Bradco). Provide check copies or bank statements confirming the amounts ultimately paid to Bradco, as well as to Stephens, and Hall Gas Company (Hall, Stephens, and Hall); EQT; and Diversified Gas & Oil (Diversified) for the reporting period July 1, 2018, through June 30, 2019.

3. Refer to Johnson County's response to Staff's Second Request for Information (Staff's Second Request), Exhibit 1, which shows the corrected Gas Cost Recovery (GCR) report.

a. The most recent invoice from the successor to EQT, Diversified, was provided in Exhibit 3 of the response to Staff's First Request, with an invoice date of May 16, 2019. Confirm that the Btu conversion factor indicated by the 193 MMBtu and 152 Mcf is 1.27, instead of the 1.3424 used in Schedule 2, the Expected Gas Cost calculation.

b. Confirm that the "Diversified Oil & Gas (EQT)" 2,470 Mcf purchase volumes shown on Schedule II include the EQT deliveries of gas that occurred in April and May 2018, and paid for in December 2018 and January 2019.

c. Johnson County's 2018 Annual Report on file with the Commission indicates that its lost and unaccounted for gas, or line loss, is approximately 4.2 percent. Provide an explanation for the line loss set out in Schedule II of 11.58 percent.

d. Refer to Schedule IV of the corrected GCR report, which shows the calculation of the Actual Adjustment (AA). Explain why the third line, Total Sales, is not adjusted for 5 percent line loss. Confirm that monthly sales should be adjusted in any month in which sales are less than 95 percent of purchase volumes.

e. Confirm that the AA calculation for December 2018 and January 2019 includes volumes and cost from EQT for billings related to April and May 2018 gas deliveries.

f. State whether the sales volumes shown for December 2018 and January 2019 of 2,044 and 2,854 Mcf, respectively, are correct.

g. Refer to the AA calculation, the EGC of \$6.4140 per Mcf in effect for the months of July 2018 through June 2019.

(1) Confirm that this is the total GCR rate approved by the Commission in Case No. 2012-00542.³

(2) Confirm also that the EGC approved by the Commission in that case, which should be used as the EGC in effect in the AA calculation, in this case, was \$5.9309 per Mcf.

4. State the actual Mcf sales and purchases for the 12 months ended December 31, 2019.

5. Provide the amounts of natural gas sold in Mcf for each month of July, August, September, October, November,³ and December 2019.

6. Provide the invoices from Bradco, EQT, and Hall, Stephens, and Hall for any natural gas purchased for the months of July, August, September, October, November, and December 2019.

7. Provide the total cost of the volumes purchased for the months of July, August, September, October, November, and December 2019.

³ Case No. 2012-00542, *Purchased Gas Adjustment Filing Of Johnson County Gas Company* (KY PSC Jan. 30, 2013).

8. Provide the most current supplier contracts with all Johnson County's gas suppliers.

9. Provide a discussion of all attempts by Johnson County to negotiate with Bradco and Hall, Stephens, and Hall to achieve a gas cost lower than the \$6.00 per Mcf, which has been in effect since 2012. If there have been no such attempts, provide an explanation of why Johnson County believes \$6.00 is still a reasonable rate, especially in light of the \$3.55 rate shown in Schedule I, the EGC calculation, for Diversified.

10. State when Johnson County made its last purchase from Bradco, regardless of whether it occurred during the period under review in this proceeding.

11. State whether, to the best of Johnson County's knowledge or belief, Bradco is currently operating.

12. If Bradco is not operating, state, to the best of Johnson County's knowledge or belief, when Bradco ceased operations.



Kent A. Chandler
Executive Director
Public Service Commission
P.O. Box 615
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DATED MAR 27 2020

cc: Parties of Record

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