COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF OHIO VALLEY GAS CORPORATION AND VALLEY GAS INC. FOR APPROVAL OF OHIO VALLEY GAS CORPORATION'S ACQUISITION OF VALLEY GAS, INC.'S UTILITY ASSETS IN BRECKINRIDGE COUNTY, KENTUCKY AND APPROVAL TO RECOVER AN ASSOCIATED ACQUISITION ADJUSTMENT	))))))))	CASE NO. 2026-00120

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO OHIO VALLEY GAS CORPORATION

Ohio Valley Gas Corporation (Ohio Valley Gas), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on July 24, 2026. The Commission directs Ohio Valley Gas to the Commission's July 22, 2021 Order in Case No. 2020-00085[1] regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

[1] Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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.

Ohio Valley Gas shall make timely amendment to any prior response if Ohio Valley Gas obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Ohio Valley Gas fails or refuses to furnish all or part of the requested information, Ohio Valley Gas shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned 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, Ohio 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. Ohio Valley Gas's response to Commission Staff's First Request for Information (Staff's First Request), Item 3, OVG_R_PSCDR1_3_Attachment 1, page 2 and Item 23 which states "[t]he above facilities were appraised on the basis of facilities in existence as of the date of this return of appraisement based on GIS and Google Earth

files provided by Ohio Valley Gas and/ or Valley Gas, Inc. and a site visit which occurred on October 31, 2024." Refer also to OVG_R_PSCDR1_3_Attachment 1, page 9 which states "[t]he utilities' financial records did not provide enough detail to allow their use for an asset listing. Given the age of the system and lack of adequate financial records to support asset value of the utility assets[.]" and "[e]ngineering judgments and assumptions were also used to identify the value of the facilities in as much detail as possible."

a. Explain how much Banning Engineering relied on its own field measurements, rather than information from Ohio Valley Gas or Valley Gas, Inc. (Valley Gas), when making its decision.

b. Explain whether any discrepancies were found between provided data and actual field conditions and describe the discrepancies, if noted.

2. Refer to Ohio Valley Gas's response to Staff's First Request, Item 8.

a. Provide specific examples of what is meant by "compliance supervision" when referring to Utility Safety Design, Inc.'s (USDI) contractual duties.

b. Explain why Ohio Valley Gas does not intend to continue the supervision requirement with USDI.

3. Refer to Ohio Valley Gas's response to Staff's First Request, Item 8, where Ohio Valley Gas states that it does not intend to continue the Rural Computer Consultants, Inc. (RCC) software agreements following consummation of the acquisition. Explain how long it will take Ohio Valley Gas to completely implement its own established billing, customer information, and operational software system in Valley Gas's current service territory following consummation of the proposed transaction.

4. Refer to Ohio Valley Gas's response to Staff's First Request, Item 9, where Ohio Valley Gas states that the net book value for Valley Gas' utility assets is $72,323.14. Refer also to Valley Gas' response to Staff's First Request, Item 5, Attachment 1 at page 4, which justifies a grand total net book value of $71,229.14 for Valley Gas's utility assets as of December 31, 2025.

a. Explain and reconcile the difference between the two proposed net book values of Valley Gas's utility assets under consideration in the proposed transaction.

b. Provide an explanation as to which net book value should be used for consideration in the instant and future proceedings.

5. Refer to Ohio Valley Gas's response to Staff's First Request, Item 13. Explain how close the nearest Ohio Valley Gas office is to Valley Gas's current customers located in Irvington.

6. Refer to Ohio Valley Gas's response to Staff's First Request, Item 14. Explain when Ohio Valley Gas expects the consolidated financial statements to become available.

7. Refer to Ohio Valley Gas's response to Staff's First Request, Item 15.

a. Explain why Ohio Valley Gas has an approximate 83 percent split for common equity financing in its capital structure and an approximate five percent split for long-term debt financing in its capital structure when its cost of debt is significantly lower than its cost of equity.

b. Explain whether Ohio Valley Gas has undertaken steps to move its capital structure towards a 50-50 split between long-term debt and common equity financing. If so, explain the steps that have been taken.

8. Refer to Ohio Valley Gas's response to Staff's First Request, Item 19. Confirm that, subject to updated transaction costs and updated regulatory process cost components, the annual Gas Plant Acquisition Adjustment (GPAA) amortization is approximately $87,095.24. If not confirmed, explain the response.

9. Refer to Ohio Valley Gas's response to Staff's First Request, Item 27, Irvington Gas Investigation Report, OVG_R_PSCDR1_27_Attachment 2, pages 5-6. The response noted only three emergency valves on the entire Valley Gas system and also noted inadequate emergency valving as an area of concern.

a. Identify the minimum number of emergency isolation valves required for a system of this size and configuration of Ohio Valley Gas to be compliant with applicable federal and Kentucky safety standards.

b. Provide the estimated cost to bring Ohio Valley Gas's system to an adequate level of emergency valve coverage to be compliant with applicable federal and Kentucky safety standards.

10. Refer to the Application, page 3 which states "[a]s of the date of filing, and to the best of Joint Applicants' knowledge, the Facility does not have any operational or functional problems that would impact OVG's ability to operate the Facility." Refer also to Ohio Valley Gas's response to Staff's First Request, Item 27, Irvington Gas Investigation Report, OVG_R_PSCDR1_27_Attachment 2, pages 1-4. The February 2024 due diligence report found, among other things: split pipe coating at the TBS outlet, "windowed" coating at Bewleyville and Sim Dowell stations, a piece of bare steel discovered on Union Street that was unknown to Valley Gas's owner, map inaccuracies, unknown pipe sizes, and a small active leak on a stop at the 200 Ashby Street location.

Explain whether any of these deficiencies were corrected before signing the Asset Purchase Agreement. If so, provide by whom and at whose cost.

11. Refer to Ohio Valley Gas's response to Staff's First Request, Item 18 which confirmed that the $12.90 monthly estimate does not include transaction costs, regulatory costs, or any return component. Provide a revised, complete GPAA monthly impact calculation for a typical residential customer that includes all three components (the acquisition premium amortization, the transaction cost amortization, and the regulatory cost amortization) plus the proposed return at Valley Gas's weighted average cost of capital, over the requested 10-year recovery period.

12. Refer to Ohio Valley Gas's response to Staff's First Request, Item 13, which states Valley Gas customers may "pay online, by mail, by check mailed to the Tell City office, or in person at the nearest Ohio Valley Gas office."

a. Explain where the nearest Ohio Valley Gas office is located, considering that Tell City, Indiana is approximately 42 miles from Irvington.

b. Confirm if Ohio Valley Gas is considering payment options that could be local to Irvington. If no local payment option is established, explain how Ohio Valley Gas plans to serve the portion of its customer base that relies on in-person or local payment, particularly elderly or low-income customers without internet access.

13. Regardless of area of service, as a supplier of natural gas, provide a detailed list of all known Ohio Valley Gas's system safety violations for the years 2021 through 2026 present day, when they were identified, and whether Ohio Valley Gas has already taken steps to remediate the violations. As part of the response, the expected cost of remediation broken down by each individual component.

Linda Bridwell RP

Linda C. Bridwell, PE
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601-8294

DATED JUL 14 2026

cc: Parties of Record

Service List for 2026-00120

* Honorable W. Duncan Crosby III
Attorney at Law
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 W Jefferson Street
Louisville, KY 40202-2828

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

* Kay E. Pashos
Taft Stettinius & Hollister LLP
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402-215

* Rajan Kapoor
Taft Stettinius & Hollister LLP
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402-215

* Valerie T. Herring
Attorney
Taft Stettinius & Hollister LLP
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402-215

* Denotes served by Email