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MAR 15 2019

Valley Gas, Inc.

401 First Street, Irvington, Kentucky 40146

PUBLIC SERVICE
COMMISSION
270-547-2455

March 13, 2019

Aaron Greenwell
Executive Director
Public Service Commission
PO Box 615
Frankfort, Kentucky 40602-0615

Dear Mr. Greenwell:

Enclosed please find our application for revised rates in accordance with purchased gas cost adjustment requirements report.

If additional information is needed, please advise.

Your assistance is appreciated.

Sincerely

Kerry Kasey

Kerry Kasey
Valley Gas, Inc.

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PUBLIC SERVICE
COMMISSION

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component	Unit	Amount
		Proposed
Expected Gas Cost (EGC)	\$/Mcf	\$4.1556
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$1.5565)
Balance Adjustment (BA)	\$/Mcf	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$2.5991

Rates to be effective for service rendered from
Reporting Period used in the calculations

April 1, 2019
December 31, 2018

A. EXPECTED GAS COST CALCULATION	Unit	Amount
Total Expected Gas Cost (Sch II)	\$/Mcf	\$185,516.35
/Sales for the 12 months ended	\$/Mcf	44,642.72
Expected Gas Cost	\$/Mcf	\$4.1556
B. REFUND ADJUSTMENT CALCULATION	Unit	Amount
Supplier Refund Adjustment for Reporting Period (Sch III)	\$/Mcf	\$0.0000
+Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
=Refund Adjustment (RA)	\$ Mcf	\$0.0000
C. ACTUAL ADJUSTMENT CALCULATION	Unit	Amount
Actual Adjustment for the Reporting Period (Sch IV)	\$/Mcf	\$0.4717
+Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.1788)
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.4436)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$1.4058)
=Actual Adjustment (AA)	\$ Mcf	(\$1.5565)
D. BALANCE ADJUSTMENT CALCULATION	Unit	Amount
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0000
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0000
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0000
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0000
=Balance Adjustment (BA)	\$ Mcf	\$0.0000

SCHEDULE II
EXPECTED GAS COST

Actual Mcf Purchases for 12 months ended December 31, 2018

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Mcf Rate	(6) (4) x (5) Cost
Constellation Energy	50,583	1.03	49,109.71	\$4.2315	\$207,807.73
Mago Volumes	(825)	1.03	(800.97)	\$4.2315	(\$3,389.31)
Storage Volume	(4,601)	1.03	(4,466.99)	\$4.2315	(\$18,902.07)
					\$0.00
					\$0.00
					\$0.00
					\$0.00

Totals	43,841.75	\$185,516.35
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Line loss for 12 months ended 12/31/2018 is based on purchases of 43,841.75
and sales of 45,982 Dth.
or 44,642.72 Mcf. -1.83%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$185,516.35
/ Mcf Purchases (4)		43,841.75
= Average Expected Cost Per Mcf Purchased		\$4.2315
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		43,841.75
= Total Expected Gas Cost (to Schedule IA)		\$185,516.35

Fuel 2.86%

Actual or Average 3 Yr USAGE	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
	1,831	4,400	5,300	7,175	6,282	4,807	1,901	995	659
Nomination	2,585	1,554	1,956	3,361	2,442	1,973	3,007	4,874	4,529
Volume to Purchase	1,235	(295)	81	1,611	892	173	1,619	3,274	2,966
Settlement/Market Price	\$ 3.2540	\$ 3.2540	\$ 3.2540	\$ 4.8740	\$ 4.8740	\$ 4.8740	\$ 3.2820	\$ 3.2820	\$ 3.2820
TGT Transport	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007
Fuel									
CNEG-Invoice/Dth	\$ 4.1547	\$ 4.1547	\$ 4.1547	\$ 5.7747	\$ 5.7747	\$ 5.7747	\$ 4.1827	\$ 4.1827	\$ 4.1827
Btu - Zone 3	\$ 1.0671	\$ 1.0671	\$ 1.0450	\$ 1.0450	\$ 1.0450	\$ 1.0450	\$ 1.0450	\$ 1.0450	\$ 1.0450
Mcf Conversion	\$ 4.4337	\$ 4.4337	\$ 4.3415	\$ 6.0343	\$ 6.0343	\$ 6.0343	\$ 4.3707	\$ 4.3707	\$ 4.3707
Ccf Conversion	\$ 0.0443	\$ 0.0443	\$ 0.0434	\$ 0.0603	\$ 0.0603	\$ 0.0603	\$ 0.0437	\$ 0.0437	\$ 0.0437
	\$ 5,131.05	\$ (1,225.64)	\$ 336.53	\$ 9,303.04	\$ 5,151.03	\$ 999.02	\$ 6,771.79	\$ 13,694.16	\$ 12,405.89
Volume Hedged	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
	1,350	1,849	1,875	1,750	1,550	1,800	1,388	1,600	1,563
WACOG for Hedges	\$ 2.9000	\$ 2.9300	\$ 2.9300	\$ 2.9386	\$ 2.9319	\$ 2.9400	\$ 2.9252	\$ 2.9338	\$ 2.9324
TGT Transport	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007
Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CNEG-Invoice/Dth	\$ 3.8007	\$ 3.8307	\$ 3.8307	\$ 3.8393	\$ 3.8326	\$ 3.8407	\$ 3.8259	\$ 3.8345	\$ 3.8331
Btu - Zone 3	\$ 1.0671	\$ 1.0671	\$ 1.0450	\$ 1.0450	\$ 1.0450	\$ 1.0450	\$ 1.0450	\$ 1.0450	\$ 1.0450
Mcf Conversion	\$ 4.0559	\$ 4.0879	\$ 4.0029	\$ 4.0119	\$ 4.0049	\$ 4.0133	\$ 3.9979	\$ 4.0069	\$ 4.0054
Ccf Conversion	\$ 0.0406	\$ 0.0409	\$ 0.0400	\$ 0.0401	\$ 0.0400	\$ 0.0401	\$ 0.0400	\$ 0.0401	\$ 0.0401
	\$ 5,130.95	\$ 7,082.96	\$ 7,182.56	\$ 6,718.73	\$ 5,940.59	\$ 6,913.26	\$ 5,310.35	\$ 6,135.20	\$ 5,991.14
Storage (Injection)/Withdrawals	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
	754	(2,846)	(3,344)	(3,814)	(3,840)	(2,834)	1,106	3,879	3,870
WACOG for Storage	\$ 3.0691	\$ 2.8685	\$ 2.9434	\$ 3.8663	\$ 3.6413	\$ 3.1096	\$ 3.1173	\$ 3.1677	\$ 3.1613
TGT Transport	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007	\$ 0.9007
Fuel									
CNEG-Invoice/Dth	\$ 3.9698	\$ 3.7692	\$ 3.8441	\$ 4.7670	\$ 4.5420	\$ 4.0103	\$ 4.0180	\$ 4.0684	\$ 4.0620
Btu - Zone 3	\$ 1.0671	\$ 1.0671	\$ 1.0450	\$ 1.0450	\$ 1.0450	\$ 1.0450	\$ 1.0450	\$ 1.0450	\$ 1.0450
Mcf Conversion	\$ 4.2364	\$ 4.0223	\$ 4.0169	\$ 4.9812	\$ 4.7462	\$ 4.1906	\$ 4.1986	\$ 4.2513	\$ 4.2446
Ccf Conversion	\$ 0.0424	\$ 0.0402	\$ 0.0402	\$ 0.0498	\$ 0.0475	\$ 0.0419	\$ 0.0420	\$ 0.0425	\$ 0.0424
	\$ 2,993.25	\$ (10,727.13)	\$ (12,854.73)	\$ (18,181.20)	\$ (17,441.36)	\$ (11,365.13)	\$ 4,443.91	\$ 15,781.31	\$ 15,720.13
\$\$\$ per Dth	\$ 3.9698	\$ 3.7692	\$ 3.8441	\$ 4.7670	\$ 4.5420	\$ 4.0103	\$ 4.0180	\$ 4.0684	\$ 4.0620
Overall \$\$\$ per Mcf	\$ 4.2364	\$ 4.0223	\$ 4.0169	\$ 4.9812	\$ 4.7462	\$ 4.1906	\$ 4.1986	\$ 4.2513	\$ 4.2446