

JOHNSON COUNTY GAS COMPANY
P. O. BOX 329
HAROLD, KY 41635

Phone Number (606) 789-5481
Fax Number (606) 478-5266

RECEIVED

FEB 24 2010

**PUBLIC SERVICE
COMMISSION**

FAX TRANSMITTAL FORM

To: *Jeff Derouen*
Name:

From: *Jamie*
Date Sent: *2/23/10*

Phone:

Number of Pages:

Fax: *502-564-3460*

THIS FACSIMILE MAY CONTAIN CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE PERSON(S) NAMED ABOVE. NOTIFY SENDER IMMEDIATELY IF YOU RECEIVE THIS INFORMATION IN ERROR. IF YOU ARE NOT THE INTENDED RECIPIENT YOU ARE HEREBY ADVISED THAT ANY DISCLOSURE, COPYING OR DISTRIBUTION OF THE CONTENT IS STRICTLY PROHIBITED AND PUNISHABLE BY LAW.

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY

Message: *Mr. Derouen,*
Will mail notarized & signed copy tomorrow. Additional Equitable invoices will be sent in mail.

Thank You,
Jamie

**JOHNSON COUNTY GAS COMPANY, INC.
P. O. BOX 339
HAROLD, KY 41635**

RECEIVED

FEB 24 2010

**PUBLIC SERVICE
COMMISSION**

February 22, 2010

Rc: Case #2010-00010

Mr. Jeff Derouen
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Derouen,

Enclosed please find Johnson County Gas Company's response to the Public Service Commission's response to Case # 2010-00010. The following information and attached documents will hopefully, clarify the Commission's questions concerning this case.

If you need further documentation on any of these questions, please do not hesitate to contact this office.

Sincerely Yours,

Bud Rife
President
Johnson County Gas Company, Inc.

Johnson County Gas Company, Inc.

Response to Initial Data Request in Reference to:

Case #2010-00010

Prepared For

Public Service Commission

1. A. Johnson County Gas Company's contract with Constellation was terminated by them effective January 4, 2009. They have not supplied this company with gas since that date. See attached cancellation notice.

B. The company purchases gas from Bradco at a rate of \$8.50 per Mcf. See attached contract.

C. Equitable Energy has no fixed rate, it fluctuates based on the market prices.

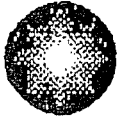
D. Since January of 2009 Johnson County Gas Company has been unable to negotiate a contract with a supplier for the routes that were covered by Constellation, as a result it has been pulling gas from what is referred to as the "pool". Since a price was required to figure the P.G.A. the Henry Hub pricing was used in an attempt to compute the rate as accurately as possible, thus setting a rate that would reflect the lower prices of the current market. No actual invoices were available to use in the *area* previously

contracted with Constellation in the preparation of this tariff proposal. Mr. Rife is currently working on a contract to satisfy this requirement.

E. Bradco and Equitable Energy are the only current suppliers of gas to Johnson County Gas Company. Columbia Gas(Nisource) refused to sign an agreement to be our supplier on the routes that currently access the pool.

2. A. & B. Please refer to the attached invoices for this information.

ATTACHMENT A
CONSTELLATION



Constellation Energy

NewEnergy Gas
9960 Corporate Campus Drive
Suite 2000
Louisville, KY 40223
Phone: 502-426-4500
Fax: 502-426-8800
www.newenergy.com

December 4, 2008

Bud Rife
Johnson County Gas Company
54 2nd Street
Harold, Kentucky 41635

Re: NAESB Contract No. AES07166 between Constellation NewEnergy – Gas Division, LLC and Johnson County Gas Company, dated May 7, 2007 (the "Contract").

Dear Mr. Rife:

We are offering you the opportunity to seek another marketer if you so wish; however, pursuant to Section 12 of the Contract and CNEG's credit policy, CNEG is notifying Johnson County Gas Company of the termination of the Contract effective January 4, 2009. CNEG will notify Columbia Gas Transmission of the termination.

Additionally, it has come to CNEG's attention that Johnson County Gas Company is past due in the amount of \$84,280.57 for natural gas invoices. Duplicate copies of the relevant invoices are enclosed for your convenience.

Full payment must be immediately remitted to avoid CNEG exercising remedies under the Contract and at law. CNEG does not waive, and in fact expressly reserves to itself, all other remedies to which it may be entitled, whether under the Contract, at law, or in equity. Please see below for payment.

Overnight Instructions:	Wire Instructions:
Constellation NewEnergy – Gas Division, LLC [Redacted]	Constellation NewEnergy – Gas Division, LLC [Redacted]

If you have any questions, please contact me at (502) 213-9102 or Nita Cox at (502) 214-6304.

Very truly yours,

Joseph Kirwan, Counsel
Constellation Energy – NewEnergy Gas

CC: Nita Cox
Tara Woodsmall
John Shearer
Daniel Marks

Jamie

From: gkwhite@nisource.com
Sent: Friday, February 20, 2009 3:15 PM
To: bandhgas@mikrotec.com
Subject: Location 804310 - Johnson County Gas Company

Bud,

From our discussion about location 804310-Johnson Co. Gas Co., Constellation Energy Commodities Group, Inc. is no longer taking the production at this meter from January 4, 2009 forward.

For Johnson County Gas Company to submit a request for service, you will need to call our credit department. Please call Jamie Swartz (614-460-6991) in our credit department. She will let you know what information she needs for Johnson County Gas Company be setup for credit in our system. Credit will have to be approved before you are able to do any requests for service, bid on auctions or nominations, etc. on our system.

After credit is setup, you can submit a request for service in Navigates - ngtsnavigates.com. For help with submitting a request for service, please call 304-357-3705.

Gary White
Columbia Gas
Phone: 304-357-3703
Fax: 304-357-3527

Jamie

From: gkwhite@nisource.com
Sent: Monday, February 16, 2009 1:53 PM
To: bandhgas@mikrotec.com
Subject: Location 804310 - Johnson County Gas Company

Bud,

Location 804310-Johnson Co. Gas Co. sends gas to Constellation Energy
Commodities Group, Inc.

Constellation is saying that effective January 4, 2008 they are no longer
taking the gas at this meter.

If you could tell me who to allocate this gas to on our system. This meter
is a monthly chart and burns around 100 dth/day.

Gary White
Columbia Gas
Ph: 304-357-3704
Fax: 304-357-3527

ATTACHMENT B

BRADCO CONTRACT

BRADCO OIL COMPANY
P.O. Box 221
Prestonsburg, KY 41653
Phone: 606-886-2303 Fax: 606-886-0928

December 10, 2008,

Bud Rife
Johnson County Gas
P.O. Box 339
Harold, KY 41635

Dear Bud,

This letter is to continue the price of gas delivered by, Bradco Oil Company and being purchased by Johnson County Gas, at the rate of 8.50 per mcf. This rate will be in effect from January 1, 2009 through December 31, 2009.

If you should have any questions please contact me.

Sincerely,



Charles E. Bradley

GAS PURCHASE AGREEMENT

This AGREEMENT ("Agreement") made and entered into this the 2nd day of October, 2006, by and between **Bradco Oil Company**, whose address is 271 East Court Street, P. O. Box 221, Prestonsburg, Kentucky, 41653, (hereinafter referred to as "Bradco Oil Company" or "Seller"), and **Johnson County Gas Company**, whose address is P.O. Box 339, Harold, Kentucky, 41635, (hereinafter referred to as "Johnson County Gas Company" or "Buyer").

WHEREAS, Bradco Oil Company has three (3) existing gas wells in the Hager Hill area.

WHEREAS, gas delivery points for the above production will be as near the intersection of Ky. Rt. 321 and Rolling Hills Rd.

WHEREAS, the meters to measure the gas will be supplied by Bradco Oil Company and readings will be supplied by Bradco Oil Company to Johnson County Gas Company monthly with invoices for gas sold.

WHEREAS, Buyer agrees to buy gas delivered from Seller at the rate of _____ /dth (\$ 7⁰⁰ /mcf). All payments for delivery of gas shall be made to Seller at P.O. Box 221, Prestonsburg, Kentucky, 41653, within 28 days of invoice. That upon such payment to Seller, Buyer is released from any and all liability in distribution of said payments and any correspondence or notice shall also be made to said Seller. Buyer shall be responsible for any production-related tax attributable to gas sold pursuant to this Agreement. Seller herein warrants to Buyer good and lawful title to all gas sold and delivered pursuant to this Agreement. Seller may cancel contract for non-payment within 30 days of billing.

WHEREAS, this agreement shall be for a period of one (1) year and as long thereafter as marketable natural gas is delivered to Buyer. This agreement shall be automatically renewed for each additional one year period unless a 30 day advance written notice of cancellation is given by either party. The effective date of this agreement shall be 10-2-06.

This agreement shall be binding upon Seller, its successors and assigns and upon Buyer, and its successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first hereinafter written.

SELLER:

Bradco Oil Company

BUYER:

Johnson County Gas Company

BY: Charles E. Bradley

Charles E. Bradley

ITS: owner

BY: [Signature]

ITS: President

STATE OF KENTUCKY

COUNTY OF FLOYD

I, Brenda Meade, a Notary Public in and of said County and State, do hereby certify that the foregoing Gas Purchase Agreement was this day produced to me in said County and State aforesaid and duly acknowledged before me by Charles E. Bradley, known to me to be the Owner of Bradco Oil Company, to be the free act and deed of himself as owner thereof.

Given under my hand this 2nd day of Oct., 2006.

My commission expires: Oct 19, 2009.

Brenda Meade
Notary Public

STATE OF KENTUCKY
COUNTY OF FLOYD

I, Brenda Meade, a Notary Public in and of said County and State, do hereby certify that the foregoing Gas Purchase Agreement was this day produced to me in said County and State aforesaid and duly acknowledged before me by Bud Rife, known to me to be the President of Johnson County Gas Company, to be the free act and deed of himself as President thereof.

Given under my hand this 2nd day of Oct., 2006.

My Commission expires: Oct. 19, 2009.

Brenda Meade
Notary Public

ATTACHMENT 2

A & B

EQUITABLE INVOICES

April '09

BRADCO OIL COMPANY

P. O. BOX 221

PRESTONSBURG, KY 41653

Phone (606) 886-2303 Fax (606) 886-0928

PAID

CK. NO. 1171
DATE 5/19/09

Invoice Date: May 18, 2009

Bill To: Johnson County Gas Company
P.O. Box 339
Harold, KY 41635

<u>DATES</u>	<u>MCF</u>	<u>Rate/MCF</u>	<u>TOTAL</u>
04/01/09- 05/01/09	370	\$8.50	\$ 3145.00

PAST DUE	27867.50
PMT RECEIVED 04/24/09	- 3748.50
CURRENT CHARGES	<u>+3145.00</u>

TOTAL DUE \$ 27264.00

May '09

BRADCO OIL COMPANY
P. O. BOX 221
PRESTONSBURG, KY 41653
Phone (606) 886-2303 Fax (606) 886-0928

Pd,
CR# 1199

Invoice Date: June 15, 2009
Bill To: Johnson County Gas Company
P.O. Box 339
Harold, KY 41635

<u>DATES</u>	<u>MCF</u>	<u>Rate/MCF</u>	<u>TOTAL</u>
05/01/09- 06/01/09	200	\$8.50	\$ 1700.00

PAST DUE	27264.00
PMT. RECEIVED 05/27/09	-3145.00
CURRENT CHARGES	<u>+1700.00</u>

TOTAL DUE \$ 25819.00

Ent

July '09

BRADCO OIL COMPANY
P. O. BOX 221
PRESTONSBURG, KY 41653
Phone (606) 886-2303 Fax (606) 886-0928

PAID

CK. NO. 1238
DATE 9/23/09

Invoice Date: August 19, 2009
To: Johnson County Gas Company
P.O. Box 339
Harold, KY 41635

<u>DATES</u>	<u>MCF</u>	<u>Rate/MCF</u>	<u>TOTAL</u>
07/01/09- 07/31/09	133	\$8.50	\$ 1130.50

PAST DUE	25266.50
PMT RECEIVED 08/07/09	- 1147.50
CURRENT CHARGES	+1130.50
TOTAL DUE	\$ 25249.50

Aug '09

BRADCO OIL COMPANY
P. O. BOX 221
PRESTONSBURG, KY 41653
Phone (606) 886-2303 Fax (606) 886-0928

Invoice Date: September 22, 2009
Bill To: Johnson County Gas Company
P.O. Box 339
Harold, KY 41635

P A I L
QK. NO. 1257
DATE 11/18/09

<u>DATES</u>	<u>MCF</u>	<u>Rate/MCF</u>	<u>TOTAL</u>
07/31/09- 09/01/09	169	\$8.50	\$ 1436.50

PAST DUE		25249.50	
PAST DUE INVOICE	08/19/2009	<u>pd</u> + 1130.50	JULY GAS
CURRENT CHARGES		+ 1436.50	

TOTAL DUE \$ 26686.00

Sept '09

BRADCO OIL COMPANY
P. O. BOX 221
PRESTONSBURG, KY 41653
Phone (606) 886-2303 Fax (606) 886-0928

Invoice Date: October 22, 2009
Bill To: Johnson County Gas Company
P.O. Box 339
Harold, KY 41635

PAID

CK. NO 1271
DATE 12/7/09

<u>DATES</u>	<u>MCF</u>	<u>Rate/MCF</u>	<u>TOTAL</u>
09/01/09- 10/01/09	197	\$8.50	\$ 1674.50

PAST DUE	27816.50	
PMT RECEIVED 9/25/09	- 1130.50	
PAST DUE INVOICE 09/22/09	+ 1436.50	AUG GAS
CURRENT CHARGES	+ 1674.50	

TOTAL DUE \$ 29797.00

EQT ENERGY, LLC
 225 NORTH SHORE DRIVE
 3RD FLOOR

 PITTSBURGH, PA 15212-5861

JOHNSON COUNTY GAS CO
 PO BOX 339

 HAROLD, KY 41635-0339

Invoice Number: ██████████
 Customer ID: JOHNSONCOUNT
 Customer Number: ██████████
 GMS Contract Number: ██████████
 Invoice Date: 15-Jun-2009
 Due Date: 25-Jun-2009
 Production Month: 4/2009
 Pipeline Analyst:

EQT ENERGY, LLC

<u>Pipeline</u>	<u>Meter</u>	<u>Description</u>	<u>Stat.</u>	<u>Quantity</u>	<u>Avg. Price</u>	<u>Amount Due</u>
(Prodmonth = 4 ProdYear = 2009)						
KENTUCKY WV	58	JOHNSON COUNTY GAS COMPANY Nom		46 Dth	\$6.53000	\$291.18
				Current Totals	46 Dth	\$291.18
Recap:						
Commodity Total						\$291.18
Net Amount Due						\$291.18
Amount Calculated In (USD)						

Please send ACH Payments To: Please Wire Transactions To:
 MELLON BANK NA
 PITTSBURGH, PA
 Account #: 1212494
 ABA# 043000261

Please Remit Check To:
 EQT ENERGY LLC
 3RD FLOOR
 225 NORTH SHORE DRIVE
 PITTSBURGH, PA 15212 5861

Please Send Correspondence To:
 EQT ENERGY LLC
 3RD FLOOR
 225 NORTH SHORE DRIVE
 PITTSBURGH, PA 15212-5861
 Phone: (412) 395-2616
 Fax: (412) 395-3666

Please Send Invoices To:
 EQT ENERGY, LLC
 225 NORTH SHORE DRIVE
 3RD FLOOR

 PITTSBURGH, PA 15212-5861
 Fax: (412) 395-3666
 Phone: (412) 395-2616

From:



Confirmation Date June 23, 2009 07:26

Transaction Confirmation - EXHIBIT A			
<p>This Confirmation Letter is being provided in accordance with the North American Energy Standards Board Base Contract for Sale and Purchase of Natural Gas or the Gas Industry Standards Board Base Contract for Short-Term Sale and Purchase of Natural Gas ("Contract"), which ever is applicable, between EQT Energy, LLC ("EEC") and Counterparty, and constitutes part of and is subject to all terms and provisions of the Contract. In the event the Parties have not executed a Contract, the terms and conditions of the North American Energy Standards Board Base Contract for Sale and Purchase of Natural Gas and EQT Energy's Special Provisions (attached if applicable) and this Confirmation Letter shall apply to this Transaction.</p> <p>Please sign and return one copy of the attached Confirmation to EEC within two (2) Business Days of receipt to the fax number set forth below. The terms of this Confirmation Letter are binding on EEC and Counterparty unless Counterparty objects to EEC in writing within said two (2) Business Days. If you are not in agreement with the above terms, please contact Contract Administration/Confirmations at 412.395.2635.</p>			
Seller		Buyer	
EQT ENERGY, LLC 3RD FLOOR 225 NORTH SHORE DRIVE PITTSBURGH, PA 15212-5861		JOHNSON COUNTY GAS CO PO BOX 339 HAROLD, KY 41635-0155	
Deal Maker	BRIAN SHAFRANEK	Attn	BUD RIFE
Phone	Phone: (412) 395-2627	Phone	Phone: (606) 478-5851
Email	Not available - Fax# (412) 395-2675	Email	Not available - Fax# (606) 478-5268
Transaction ID			
S-JOHNSONCOUNT-0009		PHYT213	
Delivery Term and Pricing Detail			
Service Level	From	To	Price
FIRM	03/01/2009 10:00 am	05/01/2009 10:00 am	\$6.3300
Delivery Point Detail and Volumes			
Pipeline	Meter	Total / AvgDaily	Description
KENTUCKY.WV	58	13,908 / 228 Dth	JOHNSON COUNTY GAS COMPANY
Special Conditions			
The volume listed above is a TOTAL usage for both months combined and the price per Dth is a Weighted Average.			
Seller		Buyer	
EQT ENERGY, LLC		JOHNSON COUNTY GAS CO	
By Authorized Signer		By Authorized Signer	
Title		Title	
Sr. Market Specialist			
Date	June 23, 2009	Date	