

JOHNSON COUNTY GAS COMPANY INC
PO BOX 447
BETSY LAYNE, KY 41605
PHONE: (606) 789-5481
FAX: (606) 478-5266

RECEIVED

OCT 16 2019

PUBLIC SERVICE
COMMISSION

October 11, 2019

Kentucky Public Service Commission
PO Box 615
211 Sower Blvd.
Frankfort, KY 40602

To Whom it May Concern,

Pursuant to Public Service Commission Order in Case No. 2019-00312, Johnson County Gas Company encloses for filing with the Commission an original and ten (10) copies of the responses to Commission Staff's Second Request for Information to Johnson County Gas Company Inc.

Please feel free to contact our office at (606) 789-5481 if there are any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Bud Rife", with a long horizontal flourish extending to the right.

Bud Rife, President
JOHNSON COUNTY GAS COMPANY INC

Enclosures

I am the witness responsible for responding to the questions related to the information provided in response to Commission Staffs Second Request for Information to Johnson County Gas Company Inc. and Case No. 2019-00312. I believe that the response is true and accurate to the best of my knowledge.

A handwritten signature in cursive script that reads "Suda Allen". The signature is written in black ink and is positioned above a horizontal line.

Signature

Case No. 2019-00312

Commission Staff's Second Request for Information to Johnson County Gas Company, Inc.

1. Please see the corrected GCR report for Johnson County Gas marked Exhibit 1.
2. Please see the invoices requested for Bradco and HSH marked Exhibit 2.
3. Bud Rife is a minority owner of Hall, Stephens & Hall, and serves as its manager. Bud Rife Construction Company provides well servicing for the three wells owned by HS&H in Knott County. These wells are serviced approximately one time per month. The servicing consists of opening the valves to blow water out of the lines, servicing the drip stations, and reading the meters. The paperwork for the transportation of the gas by Columbia Gas Transmission Corp. to the Johnson County Gas system of pipelines is handled by Mr. Rife and is recorded as dekatherms. Mr. Rife oversees the billing for gas from HS&H to Johnson County Gas and is responsible for paying the bills of HS&H and dividing any profit among the owners.
4. a. Please refer to Johnson County's response to Staff's First Request, Exhibit 3. Add the 1530 dth for Invoice 181340, and 1581 dth for Invoice 185640, and 193 for Invoice 1044, and the result is 3304 dth.
b. Dekatherm was used because in the past EQT has only billed in dekatherm, but now that Diversified bills in MCF, MCF can be used to determine the cost for the supplier.
5. Bradco supplied 236 MCF in May 2019 and HSH supplied 49 MCF in May 2019. The sales for May 2019 was 191 MCF. Bradco supplied 233 MCF in June 2019 and HSH supplied 95 MCF in June 2019. The sales for June 2019 was 138 MCF.
6. Invoice 181340 was received and paid in December 2018. Invoice 185640 was received and paid in January 2019.

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$5.8529
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$0.1253)
Balance Adjustment (BA)	\$/Mcf	\$0.0000
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$5.7276

Rates to be effective for service rendered from October 1, 2019

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$71,124.04
/Sales for the 12 months ended June 30, 2019	\$/Mcf	12,152.00
Expected Gas Cost	\$/Mcf	\$5.8529
<u>B. REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch III)	\$/Mcf	\$0.0000
+Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
+Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
+Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
=Refund Adjustment (RA)	\$ Mcf	\$0.0000
<u>C. ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Sch IV)	\$/Mcf	(\$0.1253)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0000
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0000
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0000
=Actual Adjustment (AA)	\$ Mcf	(\$0.1253)
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
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		<u>June 30, 2019</u>			
(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Hall, Stephens & Hall			7,113	\$6.0000	\$42,678.00
Diversified Gas & Oil (EQT)	3,304	1.3424	2,470	\$3.5529	\$8,775.71
Bradco			4,161	\$6.0000	\$24,966.00
Totals			13,744		\$76,419.71
Line loss for 12 months ended and sales of		<u>June 30, 2019</u> is based on purchases of <u>12,152</u> Mcf.		13,744 Mcf	11.58%
Total Expected Cost of Purchases (6)				<u>Unit</u>	<u>Amount</u>
/ Mcf Purchases (4)				\$	\$76,419.71
= Average Expected Cost Per Mcf Purchased				Mcf	13,744.00
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)				\$/Mcf	\$5.5602
= Total Expected Gas Cost (to Schedule IA)				Mcf	12,791.58
				\$	\$71,124.04

SCHEDULE IV
ACTUAL ADJUSTMENT

For the 12 month period ended June 30, 2019

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		Jul-18	Aug-18	Sep-18
Total Supply Volumes Purchased	Mcf	365	480	327
Total Cost of Volumes Purchased	\$	2,190.00	2,880.00	1,962.00
/ Total Sales*	Mcf	114	120	76
<small>(may not be less than 95% of supply volumes) (G8*0.95)</small>				
= Unit Cost of Gas	\$/Mcf	\$ 19.2105	\$ 24.0000	\$ 25.8158
- EGC in effect for month	\$/Mcf	\$ 6.4140	\$ 6.4140	\$ 6.4140
= Difference	\$/Mcf	\$ 12.7965	\$ 17.5860	\$ 19.4018
<small>[(Over-)/Under-Recovery]</small>				
x Actual sales during month	Mcf	114	120	76
= Monthly cost difference	\$	1,459	2,110	1,475

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	\$ (1,523)
+ Sales for 12 months ended <u> </u> 6/30/2019	Mcf	12,152
= Actual Adjustment for the Reporting Period	\$/Mcf	\$ (0.1253)

Exhibit 1

Month 4 Oct-18	Month 5 Nov-18	Month 6 Dec-18	Month 7 Jan-19	Month 8 Feb-19	Month 9 Mar-19
941	1,461	2,097	2,984	1,800	1,975
5,646.00	8,766.00	9,567.00	14,962.41	10,800.00	11,762.30
670	1,713	2,044	2,854	1,720	1,809
\$ 8.4269	\$ 5.1173	\$ 4.6805	\$ 5.2426	\$ 6.2791	\$ 6.5021
\$ 6.4140	\$ 6.4140	\$ 6.4140	\$ 6.4140	\$ 6.4140	\$ 6.4140
\$ 2.0129	\$ (1.2967)	\$ (1.7335)	\$ (1.1714)	\$ (0.1349)	\$ 0.0881
670	1,713	2,044	2,854	1,720	1,809
1,349	(2,221)	(3,543)	(3,343)	(232)	159

Exhibit 1

Month 10 Apr-19	Month 11 May-19	Month 12 Jun-19
701	285	328
4,206.00	1,710.00	1,968.00
703	191	138
<hr/>	<hr/>	<hr/>
\$ 5.9829	\$ 8.9529	\$ 14.2609
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\$ 6.4140	\$ 6.4140	\$ 6.4140
<hr/>	<hr/>	<hr/>
\$ (0.4311)	\$ 2.5389	\$ 7.8469
<hr/>	<hr/>	<hr/>
703	191	138
<hr/>	<hr/>	<hr/>
(303)	485	1,083

Exhibit 2

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

Invoice Date August 20th 2018

Bill To: Johnson County Gas Company
P.O. Box 447
Betsy Layne, KY 41605

<u>DATES</u>	<u>MCF</u>	<u>Rate/MCF</u>	<u>TOTAL</u>
7/2/2018	251	\$6.00	\$1,506.00
8/1/2018			
TOTAL			\$1,506.00

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

Invoice Date September 23rd 2018

Bill To: Johnson County Gas Company
 P.O. Box 447
 Betsy Layne, KY 41605

<u>DATES</u>	<u>MCF</u>	<u>Rate/MCF</u>	<u>TOTAL</u>
8/1/2018	360	\$6.00	\$2,160.00
8/31/2018			
TOTAL			\$2,160.00

Exhibit 2

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

Invoice Date October 22nd 2018

Bill To: Johnson County Gas Company
 P.O. Box 447
 Betsy Layne, KY 41605

<u>DATES</u>	<u>MCF</u>	<u>Rate/MCF</u>	<u>TOTAL</u>
8/31/2018	251	\$6.00	\$1,506.00
10/1/2018			
TOTAL			\$1,506.00

Exhibit 2

HALL, STEPHENS, AND HALL GAS COMPANY
PO BOX 155
HAROLD, KY 41635

Invoice Date:

Bill To: Johnson County Gas Company
P.O. Box 447
Betsy Layne, KY 41605

<u>SERVICE DATE</u>	<u>MCF PURCHASED</u>	<u>RATE PER MCF</u>	<u>AMOUNT BILLED</u>
July 2018	114	\$6.00	\$684.00

TOTAL BILL \$684.00

HALL, STEPHENS, AND HALL GAS COMPANY
PO BOX 155
HAROLD, KY 41635

Invoice Date:

Bill To: Johnson County Gas Company
P.O. Box 447
Betsy Layne, KY 41605

<u>SERVICE DATE</u>	<u>MCF PURCHASED</u>	<u>RATE PER MCF</u>	<u>AMOUNT BILLED</u>
August 2018	120	\$6.00	\$720.00

TOTAL BILL \$720.00

Exhibit 2

HALL, STEPHENS, AND HALL GAS COMPANY
PO BOX 155
HAROLD, KY 41635

Invoice Date:

Bill To: Johnson County Gas Company
P.O. Box 447
Betsy Layne, KY 41605

<u>SERVICE DATE</u>	<u>MCF PURCHASED</u>	<u>RATE PER MCF</u>	<u>AMOUNT BILLED</u>
September 2018	76	\$6.00	\$456.00

TOTAL BILL \$456.00