

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF VALLEY)	
GAS, INC.'S FAILURE TO COMPLY WITH)	Case No.
KRS 278.495, 807 KAR 5:027, AND 49.C.F.R)	2022-00001
PART 192)	

VALLEY GAS, INC.'S RESPONSE TO COMMISSION STAFF'S
POST-HEARING REQUEST FOR INFORMATION

Valley Gas, Inc. ("Valley Gas"), pursuant to 807 KAR 5:001, hereby submits the following information and documents in response to Commission Staff's Post-Hearing Request for Information.

1. *At the May 3, 2022 hearing in this matter, Valley Gas argued that in consideration of the measures it has taken to remedy the alleged violations set forth in the opening Order, the Commission should not assess Valley Gas a civil penalty under KRS 278.992(1) or, in the alternative, should assess a reduced civil penalty. Provide an itemization of all expenditures made by Valley Gas to remedy and cure the alleged violations.*

RESPONSE:

- USDI – **\$140.00** – KY PSC Follow-up with David Nash and Kevin Kasey on October 25, 2021 by J. Brangers. (**Exhibit 1 – 140USD**)
- USDI – **\$350.00** – KY PSC Audit; OQ Records Submittal; Exit Interview; Review Records & Regulator Needs by J. Brangers. (**Exhibit 2 – 350USD**)
- USDI – **\$167.04** – Sales tax on supplies (**Exhibit 2 – 350USD**)
- USDI – **\$4,745.00** – Operator Qualification S. Haycraft; Electrofusion Training; Plastic Destructive Testing 11/1-11/6/21 by M. Holdener (**Exhibit 3 – 6372USD**)

- USDI – **\$490.00** – OME Revisions/Discussions/Updates 11/18-11/19/21 by J. Brangers (**Exhibit 3 – 6372USDI**)

- USDI – **\$537.20** – Mileage by M. Holdener (**Exhibit 3 – 6372USDI**)
- USDI – **\$600.00** – Travel/Per Diem Expenses by M. Holdener (**Exhibit 3 – 6372USDI**)

- USDI – **\$8,520.00** – Test Regulator Stations; Install Testing Provisions Where Required; Reconfigure 2115 Bewleyville Road Station; Read CP Test Stations; Perform Leak Survey/Business District & Zone 3; Rebuild 3” Mooney Regulator & Pilot at Town Border Station; Replace Liquid Site Glass Gauge; Install Regulator & Relieg Valve; Inst (**Exhibit 4 – 12169USDI**)

- USDI – **\$768.30** – Mileage (**Exhibit 4 – 12169USDI**)
- USDI – **\$220.00** – Travel/Per Diem Expenses (**Exhibit 4 – 12169USDI**)
- USDI – **\$5.03** – PLUG 1/4” BLK HP (**Exhibit 4 – 12169USDI**)
- USDI – **\$0.91** – PLUG 1/2” BLK HP (**Exhibit 4 – 12169USDI**)
- USDI – **\$2.26** – NIPPLE 3/4 X 5-1/2 BLK (**Exhibit 4 – 12169USDI**)
- USDI – **\$2.34** – NIPPLE 3/4 X 8 BLK (**Exhibit 4 – 12169USDI**)
- USDI – **\$7.31** – NIPPLE 3/4 X 3 BLK HP (**Exhibit 4 – 12169USDI**)
- USDI – **\$4.93** – NIPPLE 1/4 X CL ALL THREAD BLK (**Exhibit 4 – 12169USDI**)
- USDI – **\$17.53** – NIPPLE 1/4 X 1-1/2 BLK HP (**Exhibit 4 – 12169USDI**)
- USDI – **\$3.02** – BUSHING REDUCER 1” X 3/4” BLK (**Exhibit 4 – 12169USDI**)
- USDI – **\$3.02** – BUSHING REDUCER 1” X 3/4” BLK (**Exhibit 4 – 12169USDI**)
- USDI – **\$7.09** – NIPPLE 1/4 X 3 BLK HP (**Exhibit 4 – 12169USDI**)
- USDI – **\$14.44** – THREAD-O-LET 1/4” HP X 1/2 -36.3 (**Exhibit 4 – 12169USDI**)
- USDI – **\$10.28** – TEE 1/4” BLK (**Exhibit 4 – 12169USDI**)

- USDI – **\$13.53** – GUAGE 0-60 PSI PRESSURE GUAGE (Exhibit 4 – 12169USDI)
- USDI – **\$105.56** – SS BALL VALVE 1/4" 2000# FP (Exhibit 4 – 12169USDI)
- USDI – **\$30.11** – SS BALL VALVE 3/4" 2000# FP (Exhibit 4 – 12169USDI)
- USDI – **\$31.14** – JOMAR 1" BRASS LOCKING STOPS (Exhibit 4 – 12169USDI)
- USDI – **\$32.72** – MOONEY TYPE 224 RESTRICTOR O (Exhibit 4 – 12169USDI)
- USDI – **\$40.34** – MOONEY TYPE 30 FILTER – 10 MICRO (Exhibit 4 – 12169USDI)
- USDI – **\$95.29** – SS TEE 3/8" SWAGE X 1/4" FPT SS-6 (Exhibit 4 – 12169USDI)
- USDI – **\$109.53** – MOONEY SERISE 20/20S PILOT REB (Exhibit 4 – 12169USDI)
- USDI – **\$233.69** – 627R-602 REG 3/4" NPT 1/8" ORF (Exhibit 4 – 12169USDI)
- USDI – **\$293.99** – MONEY 3" PORT FLOWGRID REBUILD (Exhibit 4 – 12169USDI)
- USDI – **\$306.90** – 289HH 1"RELIEF VALVE 45-75# SPR (Exhibit 4 – 12169USDI)
- USDI – **\$1,140.01** – RELIEF VALVE SET AT 150PSIAQUAT (Exhibit 4 – 12169USDI)
- Consolidated Pipe & Supply Co., Inc. – **\$2,965.26** – INSTALL EQUIP, (Exhibit 5 – Consolidated Pipe)

- Consolidated Pipe & Supply Co., Inc. – **\$698.00** – 2 REED PES2 IPS SQUEEZE TOOL 04302 (**Exhibit 6 – Consolidated Pipe_(122)**)
- Consolidated Pipe & Supply Co., Inc. – **\$24.91** – FREIGHT (**Exhibit 6 – Consolidated Pipe_(122)**)
- Consolidated Pipe & Supply Co., Inc. – **\$43.37** – STATE SALES TAX – KENTUCKY (**Exhibit 6 – Consolidated Pipe_(122)**)
- GROEBNER – **\$444.17** – 3/4” IPS SURPEEL MINI PEELER (**Exhibit 7 – Groebner (1)**)
- USDI – **\$8,392.00** – AUDIT REPRESENTATION; MILEAGE; PLANS & MANUALS DEVELOPMENT (**Exhibit 8 – 8392USDI**)
- USDI – **\$490.00** – DRAFT RESPONSES (**Exhibit 9 –490USDI**)
- ARC RANDOLPH - **\$3,195.00** – QUALIFICATIONS; TRAINING; MODULES (**Exhibit 10 – 3195ARC**)
- Consolidated Pipe & Supply Co., Inc. & GROEBNER – **\$4,964.68** – MAINTENANCE; SUPPLIES (**Exhibit 11 – Consolidated Pipe & Groebner**).

This results in a **total expenditure** of: **\$40,265.90**

2. *Produce copies of journal entries that show how Valley Gas has recorded the transactions for accounting purposes. Specifically if the item has been expensed or capitalized on the books of Valley Gas. If an expense has not yet been incurred, state how Valley Gas intends to treat the expenditure for accounting purposes.*

RESPONSE: While there are no responsive journal entries, *per se*, Valley Gas expenses every tool and piece of equipment which, alone, does not exceed \$2,500.00. Equipment and tools in excess of that threshold are capitalized; services and non-equipment purchases (e.g. certifications and equipment installation) are likewise expensed, regardless of price. As it pertains to tools and equipment purchased pursuant to the underlying citations in this matter, all have fallen below the threshold and have therefore been expensed, rather than capitalized.

/s/ Parker M. Wornall _____
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CERTIFICATE OF SERVICE

It is hereby certified that a true copy of the foregoing was filed via upload to the PSC Portal on this day of May 24, 2022, thereby sending notice to all counsel of record.

/s/ Parker M. Wornall
Counsel for Respondent